



REGULATORY RELIEF

FIL-120-2002
November 13, 2002

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: Steps to Help Rebuild Areas Affected by Recent Tornadoes
Summary: *The Federal Deposit Insurance Corporation (FDIC) has announced a series of steps intended to facilitate the process of rebuilding in areas damaged by recent tornadoes.*

Recent tornadoes from the Gulf of Mexico to the Great Lakes have resulted in deaths, injuries and property damage. States affected include Alabama, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and West Virginia. The FDIC is encouraging banks to work constructively with borrowers affected by the tornadoes who are experiencing difficulties beyond their control. The FDIC has prepared the attached guidelines stating that extending repayment terms, restructuring existing loans or easing terms for new loans, if done in a manner consistent with sound banking practices, can both contribute to the health of the community and serve the long-term interests of the lending institution. The guidelines also address other types of regulatory relief.

For guidance on these and related matters, please contact your appropriate FDIC Regional or Area Office.

For your reference, FDIC Financial Institution Letters may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2002/index.html.

Michael J. Zamorski
Director

[Attachment](#)

Distribution: FDIC-Supervised Banks (Commercial and Savings)

NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).