FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-49-90 (3-22-90)

FDIC DEFINES "ECONOMICALLY DEPRESSED REGION"

The Board of Directors of the FDIC has issued for comment an interim rule defining "economically depressed region." The rule identifies eight states that meet the definition: Alaska, Arizona, Arkansas, Colorado, Louisiana, New Mexico, Oklahoma and Texas.

The FDIC is required to define "economically depressed region" under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) in conjunction with proposals for assistance from Savings Association Insurance Fund (SAIF) members under Section 13(k)(5) of the Federal Deposit Insurance Act. Requests for such assistance are permitted under FIRREA before grounds exist for appointment of a conservator or receiver provided the SAIF member meets certain criteria. Under one of these criteria, the SAIF member's offices must be located in an economically depressed region.

FIRREA states that an economically depressed region is "any geographical region which the Corporation [FDIC] determines by regulation to be a region within which real estate values have suffered serious decline due to severe economic conditions, such as a decline in energy or agricultural values or prices."

The FDIC's interim rule, which is effective upon publication in the Federal Register, is available from the FDIC's Office of Corporate Communications.

#####