



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-142-90 (7-11-90)

FDIC WILL BE FLEXIBLE ON JULY 29 DEADLINE FOR INSTITUTIONS TO SEND
REQUIRED NOTICE TO DEPOSITORS ABOUT CHANGES IN DEPOSIT INSURANCE RULES

The Board of Directors of the Federal Deposit Insurance Corporation today agreed that it would be flexible on the July 29 deadline for banks and savings associations to send to depositors and account holders a prescribed notice of upcoming changes in deposit insurance rules as long as institutions make a "good faith" effort to comply with the notice requirements.

In announcing the Board's decision, FDIC Chairman L. William Seidman said the agency will not take action against institutions that miss the deadline as long as they make a genuine effort to comply with the notice requirements. "We do not anticipate that there will be any action taken with respect to depository institutions that make a 'good faith' effort to comply with the notice requirements," he said.

The Board agreed to be flexible on the deadline for complying with the notice requirements in response to numerous questions received from financial institutions, trade associations and others.

To help institutions having difficulty in complying with the notice requirement, the FDIC is making available a document in question-and-answer format that addresses the most frequently raised issues about the notice to depositors and account holders. The Q&A document is attached.

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