



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-18-2007**  
**February 26, 2007**

## **REGULATORY RELIEF**

### **Guidance to Help Financial Institutions and Facilitate Recovery in Areas Affected by Severe Storms in Central Florida**

**Summary:** The Federal Deposit Insurance Corporation (FDIC) has announced a series of steps intended to provide regulatory relief to financial institutions and facilitate recovery in areas affected by severe storms and tornadoes in four counties in central Florida.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings) in Florida

**Suggested Routing:**

Chief Executive Officer  
Compliance Officer  
Chief Lending Officer

**Related Topics:**

Lending  
Investments  
Publishing Requirements  
Consumer Laws

**Attachment:**

Supervisory Practices Regarding Depository Institutions and Borrowers in Areas Affected by Severe Storms and Tornadoes in Central Florida

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**Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2007/index.html](http://www.fdic.gov/news/news/financial/2007/index.html).

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

**Highlights:**

- Severe thunderstorms and tornadoes in central Florida have resulted in significant damage across Lake, Seminole, Sumter and Volusia counties.
- The FDIC is encouraging banks to work constructively with borrowers who are experiencing difficulties beyond their control because of damage caused by the storms.
- Extending repayment terms, restructuring existing loans or easing terms for new loans, if done in a manner consistent with sound banking practices, can contribute to the health of the community and serve the long-term interests of the lending institution.
- The FDIC will also consider regulatory relief from certain filing and publishing requirements.

## **SUPERVISORY PRACTICES REGARDING DEPOSITORY INSTITUTIONS AND BORROWERS IN AREAS AFFECTED BY SEVERE STORMS AND TORNADOES IN CENTRAL FLORIDA**

The Federal Deposit Insurance Corporation (FDIC) recognizes the serious impact of the recent severe storms and tornadoes in central Florida on the operations of financial institutions and will provide regulatory assistance to institutions subject to its supervision. These initiatives are being taken to provide regulatory relief and facilitate recovery. The FDIC encourages depository institutions in the affected disaster areas to meet the financial service needs of their communities.

**Lending.** Bankers should work constructively with borrowers in communities affected by the storms. The FDIC realizes that the effects on local businesses and individuals are often transitory, and that prudent efforts to adjust or alter terms on existing loans in areas affected by the storms should not be subject to examiner criticism. In supervising institutions impacted by the disasters, the FDIC will take into consideration the unusual circumstances the institutions face. The agency recognizes that efforts to work with borrowers in communities under stress can be consistent with safe and sound banking practices as well as in the public interest.

**Investments.** Bankers should monitor municipal securities and loans affected by the storms. The FDIC realizes that local government projects may be negatively impacted. Appropriate monitoring and prudent efforts to stabilize such investments are encouraged.

**Reporting Requirements.** FDIC-supervised institutions affected by the storms should notify their FDIC regional office if they expect a delay in filing their Reports of Income and Condition (Call Reports) or other reports. The FDIC will take into consideration any causes beyond the control of a reporting institution in determining how long of a filing delay will be acceptable.

**Publishing Requirements.** The FDIC understands that the damage caused by the recent storms may affect compliance with publishing and other requirements for branch closings, relocations and temporary facilities under various laws and regulations. Banks that have disaster-related difficulties in complying with any publishing or other requirements should contact their respective FDIC regional office.

**Consumer Laws.** Regarding consumer loans, Regulation Z provides consumers an option to waive or modify the three-day rescission period when a "bona fide personal financial emergency" exists. To exercise this option, the consumer must provide the lender with a statement describing the emergency in accordance with the regulation.