



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C.

Financial Institution Letter
FIL-29-2009
June 4, 2009

REGULATORY RELIEF

Guidance to Help Financial Institutions and Facilitate Recovery in Areas of Kentucky Affected by Severe Storms and Flooding

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 of Kentucky affected by recent severe storms, tornadoes, mudslides and flooding.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)
in Kentucky

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 Affected By Severe
Storms and Flooding in Kentucky

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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/2009/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 storms, tornadoes, flooding and mudslides that began on May 3, 2009, have caused significant property damage in Kentucky.
- A federal disaster was declared on May 29, 2009, and includes individual assistance for Breathitt, Floyd, Owsley, and Pike counties.
- The FDIC is encouraging banks to work constructively with borrowers who are experiencing difficulties beyond their control because of damage caused by these disasters.
- 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 also will consider granting regulatory relief from certain filing and publishing requirements.