



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

Financial Institution Letter
FIL-95-2005
September 21, 2005

HURRICANE KATRINA

Notification Requirements for Closing Branches in Hurricane-Impacted Areas

Summary: Section 42 of the Federal Deposit Insurance Act requires institutions to provide certain advance notifications to their federal regulator and customers before permanently closing a branch. However, the FDIC understands that the severe damage caused by Hurricane Katrina may affect institutions' compliance with publishing and other requirements for branch closings.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Compliance Officer

Related Topics:

Branch closures

Attachment:

None

Contact:

Acting Deputy Regional Director Gale Simons-Poole at GSimons-Poole@fdic.gov or 678-916-2200 (Alabama and Florida); Assistant Regional Director Cheryl Couch at ccouch@fdic.gov or 972-761-2070 (Louisiana); or Assistant Regional Director Patricia Lenfert at plenfert@fdic.gov or 901-821-5203 (Mississippi)

FDIC Call Center: 1-877-ASK-FDIC (1-877-275-3342)

Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2005/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, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 202-416-6940).

Highlights:

- Before an FDIC-insured financial institution can close a branch, Section 42 of the Federal Insurance Act requires it to:
 - Provide its federal regulator a 90-day advance notice of a proposed branch closing;
 - Mail to customers of that branch a notice at least 90 days before the scheduled closing; and
 - Place a conspicuous notice at the affected branch at least 30 days before the scheduled closing.
- However, if a financial institution's branch ceases operation because of an event beyond the institution's control, the financial institution should inform its federal regulator and its customers, to the best of its ability, as soon as possible after making the decision to close an office.
- Examples of methods to notify customers include posting a notice of the branch closing on the bank's Web site, sending written notice of the branch closing to customers electronically or in monthly statements when able to do so, or contacting customers by phone.

