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FDIC Chairman Sheila C. Bair Issues Statement on IndyMac Federal Bank, FSB, Conservatorship

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FDIC Chairman Sheila C. Bair, today issued the following statement about IndyMac Federal Bank, FSB, the conservatorship created by the FDIC to continue to provide banking services in communities served by the former IndyMac Bank, F.S.B.

FDIC Chairman Sheila C. Bair said, "Over the past weekend, I have seen news reports which have fairly and accurately reported on the conversion of IndyMac Bank into a conservatorship operated by the FDIC. I have also seen inaccurate and inflammatory reporting which could well cause needless, unnecessary worry and angst among bank depositors throughout the country.

The fact is that for insured depositors, IndyMac's conversion has been largely a non-event. The more than 200,000 customers of IndyMac with deposits of \$18 billion are fully protected. It's important to keep in mind that the small percentage of uninsured are still covered for their insured amounts and half of their uninsured money. As assets of IndyMac are sold, they may receive even more. They have had continued access to their funds through ATMs, debit cards, and writing checks over the weekend, and on Monday morning, it will be business as usual.

All bank depositors should understand that their insured deposits are safe. IndyMac is only one of 8,494 depository institutions operating throughout the country and represents only .2 percent of banking industry assets. The overwhelming majority of banks in this country are safe and sound. The chance that your own bank will be taken over by the FDIC is extremely remote. And if that does happen, you will continue to have virtually uninterrupted access to your insured deposits.

All bank depositors should also understand that they can have insurance coverage in excess of the basic limits of \$100,000 per institution, with an additional \$250,000 per institution for IRAs. For instance, subject to certain conditions, single and joint accounts are separately insured, and revocable trusts generally provide \$100,000 of coverage per beneficiary. If you have any questions about whether your deposits are insured, we encourage you to consult with your bank or contact our deposit insurance specialists at 1-877-ASK-FDIC. If you find that you are not fully insured, it may be possible to restructure your accounts to bring your deposits below the insured limits. But first get the facts before making any changes in your accounts or banking relationships.

The banking system in this country remains on a solid footing through the guarantees provided by FDIC insurance. Our industry-funded reserves are strong and our insurance guarantee is backed by the full faith and credit of the United States Government. No bank depositor has ever lost a penny of insured deposits. On this, our 75th anniversary, we will continue that proud tradition."

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's 8,494 banks and savings associations and it promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars – insured financial institutions fund its operations.

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