



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

May 7, 2003

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**STATEMENT OF CHAIRMAN DONALD POWELL
FOLLOWING THE
FDIC BOARD OF DIRECTORS MEETING
MAY 7, 2003**

FOR IMMEDIATE RELEASE

In our view, this morning's board meeting again underscored the need for deposit insurance reform.

The staff projects the BIF could fall below the 1.25 threshold by the end of the year. This means that for the third time in a row, banks face uncertainty about budgeting for premiums. Replacing the hard target with a flexible range in a comprehensive reform package would allow the FDIC to eliminate this uncertainty for insured institutions.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. 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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