

Texas Department of Banking

Press Release

Texas Banking Commissioner Urges Banks To Work With Flood Victims

Date: October 30, 1998

Texas Banking Commissioner Catherine A. Ghiglieri urges all banks operating in Texas to work with victims of the floods that have ravaged the southern part of the state. Bank examiners are being instructed to support the willingness of banks to work with their customers through this difficult period.

Commissioner Ghiglieri said, "All of us are saddened to see the devastation that has affected so many businesses, homes, and lives. Many banks have expressed a desire to contribute to the rebuilding of their communities through increased availability of credit and the temporary loosening of loan standards. As long as such programs are part of an informed, board-approved plan which considers the bank's overall exposure, the Banking Department recognizes that these efforts will assist the community over a short-term crisis."

The impact of the floods is especially devastating because many of the damaged homes and businesses did not lie in the 100-Year Flood Plain, and therefore they were not covered by flood insurance. These properties may still qualify for federal disaster relief in the form of low-interest loans. Banks should obtain a thorough understanding of all aspects of flood relief as they work with existing customers and create new exposure to flood victims.

Commissioner Ghiglieri stated, "The bankers should discuss their efforts to deal with flood victims with the examiners or Regional Directors. They can call our offices if they need any assistance from the Department of Banking."