

Texas Department of Banking

Press Release

Banking Commissioner Encourages State-Chartered Banks to Work With Customers Affected By Floods in Houston Area

Date: June 12, 2001

Texas Banking Commissioner Randall S. James has outlined measures to assist state-chartered banks and their customers affected by the floods in the Houston area. The Texas Department of Banking realizes that the effects of disasters such as the flood suffered by Houston and surrounding areas will temporarily tax resources throughout the region. We fully expect state-chartered banks will be extremely busy doing their part to respond to community and customer needs during this crisis. We also understand the needs of individuals and businesses alike will change dramatically because of this disaster. As a result, we are encouraging state-chartered banks to be prudently responsive to community and customer needs. We fully anticipate that lenders may need to adjust terms or temporarily extend maturities where circumstances warrant and safety and soundness is not compromised. Inasmuch as banks in the Houston area will be extremely busy addressing community needs in the next few weeks, we will offer to defer any scheduled examination of affected banks.

The Banking Commissioner is supportive of measures that will help borrowers recover and provide an opportunity to ultimately repay their loans. "Additionally, the examination deferral will allow institutions to appropriately focus efforts on their customers and not be distracted by the demands of a regulatory examination," Commissioner James stated.

State-chartered banks that have any questions related to lending activity with customers affected by the flood or examination deferral questions should contact the Texas Department of Banking at 512-475-1300.

The Texas Department of Banking supervises approximately 350 state-chartered banking institutions in Texas with assets totaling approximately \$89 billion.