

Texas Department of Banking

Press Release

Memorandum to: Texas Bank Chief Executive Officers

Date: September 11, 2001

In view of the terrorist acts, emergency conditions and other threats occurring today in the United States of America, and their impact on business and banking activities throughout the country, including Texas, I want to encourage all Texas bankers to respond with calmness, common sense, and considered actions.

Your depositors will be seeking assurance that their funds are safe. They will probably want to withdraw cash as a protection against the unknown that currently exists. To the extent that you can assist them and provide assurance and calmness, do so.

Chapter 37.002 of the Texas Finance Code provides the officers of a state or national bank located in the state to close the bank for an emergency. I consider your individual analysis of circumstance and conditions in your locale to be conclusive as to whether an emergency exists in your situation. I support appropriate actions taken to protect the safety of your employees and customers. Please notify this office, or the OCC, at your earliest convenience of any decision to suspend business activities and temporarily close the bank (up to three business days).

Second, endeavor to meet the cash withdrawal needs of your customers. However, you should treat cash withdrawal requests with responsibility. Financial markets will be in turmoil for a while. As Commissioner, I have the authority to issue an Order limiting withdrawal amounts from banks, "to preserve the financial structure of the bank and its usefulness to the community"; however, at this time, I am NOT issuing such an Order. I, along with my staff at our regional offices, will be monitoring events to determine if such an Order is advisable or necessary. I encourage you to keep us apprised of any significant cash withdrawals or other events impacting your bank and its branches.