



Federal Deposit Insurance Corporation  
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter  
FIL-101-2005  
October 7, 2005

## REGULATORY RELIEF

### Information for Bankers in Hurricane-Affected Areas

**Summary:** The FDIC is providing flexibility in the administration of regulatory requirements for brokered deposit waivers, main office and branch relocations, and appraisals for institutions affected by Hurricanes Katrina and Rita.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings) in the Atlanta and Dallas Regions

**Suggested Routing:**

Chief Executive Officer  
Chief Lending Officer  
Chief Financial Officer/Cashier

**Related Topics:**

Brokered Deposits  
Main Office and Branch Relocations  
Real Estate Appraisals

**Attachment:**

None

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(877-275-3342)**

**Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2005/index.html](http://www.fdic.gov/news/news/financial/2005/index.html).

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 202-416-6940).

**Highlights:**

For institutions affected by Hurricanes Katrina and Rita, the FDIC is providing relief in the administration of the following regulations:

- **Brokered Deposit Waiver.** The FDIC may modify certain informational requirements on a case-by-case basis for brokered deposit waivers when information is not available or other good cause.
- **Main Office and Branch Relocations.** The FDIC may accept applications for main office and branch relocations in emergency situations in telephonic communication, electronic mail, and facsimile.
- **Appraisal Waiver.** The FDIC has exempted the appraisal requirements for real estate transactions in designated counties affected by Hurricanes Katrina and Rita.

For additional information about the listed regulations, please communicate with the contact person for your state.

**REGULATORY RELIEF**  
Information for Bankers in Hurricane-Affected Areas

The Federal Deposit Insurance Corporation (FDIC) is providing flexibility in the administration of the requirements in the FDIC's Rules and Regulations for brokered deposit waivers (Section 303.243), main office and branch relocations (Section 303.45), and the appraisal requirements in Part 323 for institutions affected by Hurricanes Katrina and Rita.

**Brokered Deposit Waivers for Adequately Capitalized Institutions**

Section 29 of the FDIC Act prohibits an institution that is not well-capitalized from accepting funds for deposit obtained through a deposit broker. Adequately capitalized institutions must obtain waivers from the FDIC in order to accept brokered deposits. Section 303.243 (c) contains the waiver application requirements that include detailed market and financial information. The FDIC may modify the waiver filing requirements on a case-by-case basis when information is not available or other good cause for institutions affected by Hurricanes Katrina and Rita.

**Main Office and Branch Relocations**

Section 303.45 of the FDIC's Rules and Regulations requires institutions to notify the FDIC of temporary relocations and re-designations, and submit a written application in emergency situations. The FDIC, on a case-by-case basis, may allow applications to be received through *FDICconnect*, electronic mail services, facsimile, and telephonic communication.

**Appraisal Regulations**

The FDIC and the other federal financial institution regulatory agencies have granted a waiver of their appraisal regulations for three years to institutions affected by Hurricanes Katrina and Rita. This appraisal waiver covers real estate-related transactions in certain Alabama, Mississippi, and Texas counties and Louisiana parishes. To qualify for the waiver, a financial institution needs to document that: (1) the property involved was directly affected by the major disaster or the transaction would facilitate recovery from the disaster; (2) there is a binding commitment to fund the transaction that is made within three years after the date the major disaster was declared; and (3) the value of the real property supports the institution's decision to enter into the transaction. When an institution decides to rely on the appraisal waiver for a particular real estate-related transaction, the institution should provide sufficient documentation in the loan file to support its credit decision and assessment of the collateral's value. Such exempted transactions will continue to be subject to examiner review. The order will be published in the *Federal Register* and posted on the FDIC's Web site ([www.fdic.gov](http://www.fdic.gov)).

For additional information about the listed regulations, please communicate with the contact person for your state.

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