

Opening Remarks  
Of  
Comptroller of the Currency  
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Gulf Coast Bankers Conference  
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I am very proud to join you, and proud to be with my colleagues from both the federal banking agencies and the banking departments of the states that bore the brunt of last year's storms. The FDIC deserves a special note of appreciation for its leadership in arranging this forum.

I want to especially commend the driving role that Chairman Gruenberg has played in bringing all of us together today. And let me also say a special word about my state colleagues on the panel, John Ducrest and John Allison. They have each worked tirelessly on the ground to address the needs of our banks. From my perspective, there has been outstanding cooperation among state and federal regulators and I thank you for it.

Our purpose over the next two days is simple: to begin a real dialogue between those of you affected by the storms who may have needs – which may vary – and those who may be able to meet those needs. That's what we're here to do.

For those of you whose lives and operations have been so disrupted by Katrina and Rita, we're here to listen – and learn. We want to gain a better understanding of the

practical and technical problems you face. We want to facilitate dialogue between local bankers and those of you who are joining us from institutions outside the region. We want to encourage partnerships between you – partnerships with the potential to make a real difference to these hard-pressed communities.

Those are the goals of this forum. As regulators, we are determined to do whatever we can to be helpful.

One way we are doing that is through our CRA regulations and the interpretive questions and answers that were recently released. These provisions allow banks to receive CRA consideration for disaster recovery-related activities that help to revitalize and stabilize a designated disaster area. Our interpretive guidance allows CRA consideration for these activities for a period of three years following a disaster designation by the Federal government. Of course, we are very likely to extend this period beyond three years, given the need for long-term involvement by financial institutions in helping to address the widespread devastation caused by hurricanes Katrina and Rita.

And let me remind you that national banks have the authority under Part 24 of our regulations to make equity investments for any community development activity that revitalizes or stabilizes a designated disaster area. Many of these investments may be eligible for CRA consideration.

Because we're pulling together, much has already been accomplished. Something like normal life is returning to parts of the Gulf Coast. But the going is still slow. Key decisions remain to be made. Clearly, this is a long-term project – a project that will require patience as well as resources to accomplish.

For recovery to happen, the continuing support of the financial services industry will be crucial. This support can – and must -- take many forms.

Banks have always been places where people could turn for practical advice and guidance. Many of you who are bankers have told us that unprecedented numbers of customers are coming into the bank in search of answers to the difficult financial – and the non-financial – questions they face in getting their lives back on track. They're coming in because you've earned their trust. We appreciate your patience – taking the time to provide customers with the information they need about the options that are available to them.

But it's the financial decisions regarding individual borrowers and how to treat individual loans that may be the toughest ones you're facing. We've tried to assist by providing good, clear, and consistent guidance. But those difficult decisions are still yours to make, and we encourage you to make them on a case-by-case basis.

I have told our examiners and our banks that it would be our policy not to second-guess their decisions made to work with borrowers. I stand by that policy.

We want you to work with your customers, whether that means continuing to defer interest or principal payments, waiving fees, or providing extra time to receive insurance payments or outside assistance. While more and more of your customers don't need this type of assistance, some still may.

At the same time, it's essential that bankers assess the customer's underlying repayment ability and the status of the loan, and rate it accordingly.

It's because you're good business people that you're in a position to lend support to the rebuilding effort today. We don't want to see your future strength – and your ability to meet future crises – compromised in any way.

The rebuilding of the Gulf Coast is a great challenge. We also believe it's a great opportunity. This conference is a chance to learn what needs to be done next. I appreciate your decision to participate in our forum.