

In A Word, MISSISSIPPI'S BANKS AND CREDIT UNIONS ARE SAFE

The past several weeks have been some of the most tumultuous in regards to our economy since the savings and loan crisis of the late 1980's and early 1990's and the great depression almost 80 years ago. With the failures and take-overs of mega-banks, investment bank giants Bear Stearns and Lehman Brothers and Federal Government take-over and/or assistance of Freddie Mac, Fannie Mae, and AIG, Mississippians have wondered how much worse could it get. Mississippians are also concerned about their hard-earned money they have placed in Mississippi's financial institutions. Their concerns range from safety of the institution, safety of their dollars, and is their institution about to fail.

As Commissioner of the Department of Banking and Consumer Finance, I have heard these questions and concerns many times of late. Mississippians, however, should rest easy; our institutions have had a very long track record of conservative management, good earnings, and strong capital and reserves. These traits have positioned Mississippi institutions the ability to weather even these tough economic times.

The Mississippi Department of Banking and Consumer Finance is the regulator for all state-chartered banking institutions, credit unions, independent trust companies, all of the State's consumer financial service industries, and the home mortgage industry. The aggregate assets the Department is charged with regulating or supervising totals more than \$40 billion dollars.

The mission of our Department is our commitment to provide quality supervision and regulation to those institutions we have been given statutory authority. We regulate and supervise in an efficient and effective manner that would foster stability and instill public trust. In simple terms, Mississippians who are the customers and depositors of our institutions should have confidence in the safety, soundness, and stability of those institutions.

The customers who have money in Mississippi institutions also have the full force and backing of federal deposit insurance. This means that deposits up to \$250,000 dollars (increased from \$100,000 dollars just last week) in our institutions are insured by federal agencies (Federal Deposit Insurance Corporation [FDIC] and National Credit Union Share Insurance Fund [NCUSIF]). Since their inception, many years ago, no federal agency insured depositor has suffered any loss. Further good news, we expect that Mississippians will not have to use this insurance.

In short and again, Mississippi financial institutions are safe and sound, well-capitalized, well-reserved and are safe places to deposit your money.

John S. Allison
Commissioner