

News from Senator

BOB DOLE



(R - Kansas)

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DOLE TO MEET WITH FDIC OFFICIAL;
AGENCY ACTIONS AFFECTING KANSAS BANKS TO BE DISCUSSED

Washington, DC -- Sen. Bob Dole (R-KS) meets today with the top official from the Federal Deposit Insurance Corporation (FDIC) to discuss that agency's policies and the affect they have on Kansas banks.

Sen. Dole said he is holding the meeting because of "increasing evidence that the FDIC's regulatory policies related to farm loans are severely frustrating bankers' efforts to help distressed farmers" during the current soft farm economy.

The Kansas Republican will meet with Bill Isaac, chairman of the FDIC. Also attending the meeting will be Deryl Schuster, president of the Kansas Bankers Association, and Harold Stones, executive vice president of the association.

Dole noted, "For months the FDIC has promised me that their policy of forbearance regarding agriculture portfolios would have the flexibility to enable small, rural Kansas banks a chance at helping farmers through cash-flow problems."

"Instead," said Dole, "What I am hearing from Kansas bankers and farmers is that FDIC examiners are becoming less tolerant. I hear stories of undue pressures on bankers to foreclose on small family farms. What I want the FDIC to be is more sympathetic, to help our Kansas bankers work through these problems with the farmers, help stabilize these falling land prices."

Sen. Dole added, "I understand the need for prudent, diligent regulatory control to protect depositors. But it is also important to have regulators understand the ups and downs of agriculture, to be sure policies are a part of the solution for everyone and not a problem for a few."

Kansas currently leads the nation with eight bank failures this year. Some of these, said Dole, are due in part to deteriorating agricultural economy conditions.

Sen. Dole said he will evaluate the responses given by Issac to judge the nomination of William L. Seidman, the White House's choice as a successor to Issac. Seidman's nomination hearings will be held later this year.