



Department of Consumer and Business Services
350 Winter Street NE, Room 200
P.O. Box 14480
Salem, Oregon 97309-0405
(503) 947-7872
www.cbs.state.or.us

Oregon Banks Remain Strong

The recent closure of Indy-Mac Bank in California and drop in stock prices of banks throughout the country have prompted concerns among depositors of banks. The Department of Consumer and Business Services, Division of Finance and Corporate Securities assures depositors that state-chartered banks remain strong.

“Banks throughout the country are facing challenges – and Oregon banks are certainly not immune,” said David Tatman, administrator of the division. “But Oregon banks historically have had strong fundamentals and, despite the current challenges, that remains true today.”

The division conducts regular examinations of Oregon’s 35 state-chartered banks to ensure their safety and soundness. Oregon banks are currently facing many of the same challenges as others across the country, such as dropping stock prices and higher loan losses due to the downturn in the mortgage lending market. However, Oregon banks are in a better position than many of their national counterparts because they have solid underlying financials. In fact, with few exceptions, Oregon’s banks remain profitable, have a high level of reserves set aside to cover loan losses, and are well in excess of minimum capital requirements. These three factors are important to the well-being and the sound operation of a financial institution.

Depositors in Oregon banks should remain confident that their money is safe in state-chartered banks. Banks have federal deposit insurance through the Federal Deposit Insurance Corporation (FDIC). In general, the FDIC provides depositors with \$100,000 in coverage for their individual deposit accounts, and that coverage is guaranteed by the U.S. government. For more information, go to:
<http://www.fdic.gov/deposit/index.html>.

The Division of Finance and Corporate Securities will continue to monitor state-chartered banks and provide resources to their management teams to help them through these challenging times. Bank customers are encouraged to call the division with questions at 503-378-4140 or visit
www.dfcs.oregon.gov.

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