

Statement by FDIC Chairman Jelena McWilliams

before the

Financial Stability Oversight Council

March 26, 2020

Over the past several weeks, the rapid spread of the novel coronavirus (COVID-19) has disrupted our economy and increased volatility in global financial markets.

I want to underscore that our banks are safe. Your FDIC-insured deposits are safe.

This crisis did not originate in banks. It is an economic shock brought on by a pandemic unprecedented in modern times. Banks are well positioned to deliver much needed capital and liquidity to communities across the United States.

The FDIC is working closely with the other financial regulators to provide necessary flexibility to both banks and their customers in these challenging times. The brunt of this economic impact is going to fall hardest and fastest on consumers, small businesses, independent contractors, low-income borrowers, and hourly workers. We have taken several regulatory actions¹ to provide banks with more flexibility to deploy capital to the broader economy. We have encouraged banks to take prudent steps to work with all borrowers struggling in this economic environment. The agency will continue to closely monitor the economic health and well-being of financial markets, the banking industry, and consumers.

The 6,000 employees of the FDIC continue to fulfill the agency's critical mission. Our employees work and live in the communities that will bear the brunt of the economic burden brought on by the pandemic. We are your friends and neighbors. We will work tirelessly to maintain stability and public confidence in the financial system. We have done it before, and we will do it again.

Lastly, I would like to warn the public about misinformation being propagated regarding the safety of bank deposits and the ability of consumers to access cash. Unfortunately, there are people who are trying to capitalize on public fear and uncertainty for personal benefit. Consumers should have heightened awareness of imposters pretending to be FDIC representatives, or anyone offering unsolicited financial advice. The FDIC does not ever ask for money or personal information, or recommend that consumers move their money out of a bank account.

The FDIC was born out of a crisis, and it has witnessed many crises. We will get through this one together. Since 1933, no depositor has lost a penny of insured deposits in an FDIC bank, and that will not change. Thank you.

¹ <https://www.fdic.gov/coronavirus/>.