

Nothing's Safer Than Money In The Bank!

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A lot of recent news stories and headlines are misleading because they don't tell the whole story. When there's a problem or a crisis in some other part of the country, such stories and headlines can make matters worse for Oklahomans.

Take banking, for example. If you listen to TV or radio reports, or glance at a newspaper, you can't avoid hearing or reading about the subprime lending crisis, or the "banking" crisis, or turmoil in the housing markets. When a commercial or savings bank fails, as has happened in other states on four occasions in 2008, it only intensifies the concern that exists about what's happening closer to home.

So what are the facts in Oklahoma? The commercial banking industry – the "normal" and traditional federally insured, federally regulated depository institutions that you deal with in your home town – is safe and sound.

And as far as your money is concerned, all you need to remember is **Nothing's Safer Than Money In The Bank!**

Oklahoma banks pay for FDIC deposit insurance coverage to make sure their customers are protected. That means your account in an Oklahoma bank is protected up to \$100,000, with additional protection for joint accounts and those set up for some beneficiaries, and \$250,000 for a retirement account. The Federal Deposit Insurance Corporation guarantees your accounts with more than \$52 billion in assets to protect depositors like you.

In addition, Oklahoma bank capital is at one of the highest points in history, with more than \$5 billion in bank capital at the end of the First Quarter of 2008. Overall, the banking industry's capital is at historic highs, with \$1.48 trillion in capital at the end of March.

One of the challenges we face is that words matter. And when one word is used to mean several different things, it inevitably creates confusion. For example, we know what a bank is—or at least we think we do. Sometimes a business that wants to add status to its name will call itself a bank even though it is not an insured depository institution.

Bear Stearns, for example, was not and is not a commercial bank. It was not an insured depository institution. It was an investment "bank." The word bank is also applied to mortgage firms. Their function, their purpose and their regulation differ from federally insured depository institutions.

Oklahoma banks are the backbone of our state's economy. They're the source of its stability and growth, and they exist to help Oklahomans catch their dreams every day.

The liquidity crisis that we've been hearing about recently comes from a crisis of confidence, and that crisis is sometimes spread by a well-intentioned news media that's more focused on 30-second sound bites than in detailed analysis of reality. For example, the **subprime lending crisis** was caused by **unregulated brokers and Wall Street institutions** themselves, sometimes **using the title "bank," and not by regulated, insured banks.**

It's happened to us before, and we survived and prospered as a state. That's the nature of Oklahomans, and it's the nature of our state's banking industry. And at the end of the day, all you need to know is that **Nothing's Safer Than Money In The Bank!**