

**VOICE OF THE PEOPLE (LETTER)**

# **Superior failure**

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Alexandria, Va. -- As the banking analyst who raised the red flag in February, I offer two comments regarding the Tribune's editorial about the Superior Bank failure ("Superior's lesson in risk," July 31).

First, contrary to the editorial's assertion, the federal Office of Thrift Supervision was far too slow in responding to Superior's problems. As American Banker reported July 31, the FDIC raised concerns about Superior's condition in January 1999, 1 1/2 years before the OTS became sufficiently alarmed.

Actually, Superior's activities should have been ringing alarm bells long before 1999.

Because of this regulatory negligence, particularly on the part of the OTS, the FDIC faces a loss that could exceed \$1 billion.

Second, the Superior failure will not cost taxpayers a single dollar because several congressional enactments in the 1990s ensured that America's sound, well-run banks and thrifts will pay for all future bank insolvency losses. In fact, the Superior failure may be costly enough to trigger a deposit insurance premium increase. Sadly, the banking industry has to pay for regulatory bungling. Ultimately, banking customers, and not taxpayers, bear this cost.