



Contact: Phil Battey
Office: (703) 292-3357
Cell: (703) 209-9153

GROUNDBREAKING INITIATIVE SEEKS \$1 BILLION FOR GULF COAST REBUILDING

NEW ORLEANS, LA – (Nov. 20, 2006) – Major American corporations today announced the \$1 Billion Gulf Coast Rebuilding Challenge, an unprecedented effort to channel long-term, private sector funding to the Gulf Coast to promote rebuilding in the storm ravaged region.

Participants hope to channel at least \$1 billion into the region over the next five years.

Executives from Bank of America, General Motors, Home Depot, Fannie Mae, Microsoft, National Community Investment Fund, and The First American Corporation joined officials from the Office of the Federal Coordinator of Gulf Coast Rebuilding, banking association leaders and New Orleans business leaders in announcing the program.

“Rebuilding of the Gulf Coast is an ongoing process that must engage the public and private sectors,” said Don Powell, the Federal Coordinator for Gulf Coast Rebuilding. “The Federal Government has allocated significant resources in the region and identifying private sector funding is another critical step in the rebuilding process.”

Last year, Hurricanes Katrina, Rita and Wilma caused more than \$100 billion of damage along the coast, displacing more than a million people.

“Capital is critical to helping local community banks serve their mission and Fannie Mae is pleased to be a part of the team of investors that is bringing this capital to the banks,” said Daniel H. Mudd, President and Chief Executive Officer of Fannie Mae. “We appreciate and support the unique role, vision and insight of community banks, and we believe that they are essential to rebuilding Gulf communities.”

"Although much has been torn down, certainly much more will be rebuilt - through the unity, generosity and strength of individuals and organizations," said Bob Nardelli, Chairman, President and CEO of The Home Depot. "The Gulf Coast Rebuilding Challenge is a great example of how resources are being marshaled and multiplied to help bring life, hope and charm back to the families and children of the Gulf region."

Corporations and other organizations participating in the new program benefit the devastated area by simply depositing money using local community banks in the Gulf area. The community bank places the funds in CDs at multiple banks through the CDARS service of Promontory Interfinancial Network, so that the full deposited amount up to \$30 million is eligible for FDIC insurance. In return, the community bank receives matching deposits, which it can use to support construction lending. Alternatively, the community bank can receive fee income, with the option to receive matching deposits when funds are resubmitted after an initial maturity.

“Local banks were there for their communities when disaster struck the Gulf Coast,” said American Bankers Association President and CEO Edward L. Yingling. “This initiative is a great opportunity for banks and corporations across the country to step up and support the people of this region as they continue to rebuild.”

Currently, 37 local community banks in the region are eligible to receive funding through the Gulf Coast Rebuilding Challenge. Ultimately, more than 300 such banks may be eligible. To be eligible to receive funding through the initiative, banks must have assets of less than \$500 million and be located in areas affected by the storms, as indicated by the Gulf Opportunity Zone Act of 2005. They must also be members of the Promontory Network.

“As a national leader in community development, Bank of America understands the crucial role of strategic capital in strengthening local institutions,” said Paul Hinds, Bank of America Program Related Investments Executive. “Our investment builds on our previously announced goal to lend and invest at least \$100 million to rebuild affordable housing and revitalize neighborhoods in hurricane-devastated areas.”

One bank that is eligible is Liberty Bank in New Orleans, whose President, Alden J. McDonald, Jr., said: “In the long run, this initiative will provide a needed source of flexible funding – the money we need, when we need it – to rebuild our city.”

“ICBA is pleased to be a partner in this program,” said Camden R. Fine, President and CEO of the Independent Community Bankers of America, whose 5,000 community bank members include 100 community banks in the Gulf Coast area. “Communities across the region benefit when community banks work hand-in-hand with other businesses to spur development and renew economic growth.”

“This is a win for everyone,” said Eugene A. Ludwig, Promontory’s Chairman and CEO. “Corporations and others will be able to change people’s lives for the better just by depositing funds using a Gulf Coast bank, with eligibility for full coverage by the Federal Deposit Insurance Corporation. There is nothing more safe and certain than Federal deposit insurance. Since the FDIC was created in 1933, no one has lost a single penny in an FDIC-insured account.”

“By investing in this region and working together, we can rebuild our communities,” said Jennifer Heard, General Manager of South Central Enterprise District at Microsoft Corporation. “In the terrible days immediately following Hurricane Katrina, Microsoft provided cash and technology assistance to support the relief efforts, and we’re in it for the long haul. The company continues to support nonprofit partners, business leaders and

communities in getting back on their feet. Further support to rebuild the Gulf Coast communities is essential, and this type of public-private assistance will help provide economic opportunities to residents."

"This initiative will be crucial in providing ongoing liquidity to community banks which are anchors in economic development," said Saurabh Narain, Chief Fund Advisor, National Community Investment Fund. "NCIF has invested in Liberty Bank and Dryades Savings Bank – two of the three African-American owned CDFI banks in New Orleans."

"In the wake of the hurricanes that ravaged the Gulf Coast, General Motors, the GM Foundation and our employees responded quickly with much needed cash donations and vehicles to aid in the relief efforts. While a lot of progress has been made, the rebuilding of communities and lives continues, and much more still needs to be done," said Rod Gillum, GM vice president, Corporate Responsibility and Diversity. "GM is proud to partner with the banking community to extend its support by making a deposit to support the Gulf Coast Rebuilding Challenge."

More information about the Gulf Coast Rebuilding Challenge is available on the web at www.gulfchallenge.org.
