

THE WHITE HOUSE

WASHINGTON

March 28, 1989

Dear Reverend Unterkoefer:

The President asked me to respond to your letter regarding the potential of self-insurance for deposits in banks or savings institutions. The President has consistently opposed use of taxpayer funds for solving the savings and loan problem except as a very last resort. However, honoring the government's current commitment to depositors will require such funding. For the failure, the feasibility of private alternatives to deposit insurance is one of the subjects that will be studied by the Treasury pursuant to the bill's requirements.

Sincerely,



Richard C. Breeden
Assistant to the President
for Issues Analysis

Most Reverend Ernest L. Unterkoefer
The Diocese of Charleston
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