

US Sen Bunning: FDIC's Bair Said Up To 500 More Banks Could Fail

By Jessica Holzer, Of DOW JONES NEWSWIRES

WASHINGTON -(Dow Jones)- Federal Deposit Insurance Corp. Chairman [Sheila Bair](#) believes up to 500 more banks could fail, a U.S. senator said Bair told him in a recent meeting.

"She told us that unless something dramatic happens, we could lose up to 500 more banks," Sen. Jim [Bunning](#), R-Ky., said Thursday at a hearing of the Senate Banking Committee on the foreclosure crisis.

Bunning said Bair made the remarks in a recent meeting.

"That means that people who make mortgages in local places people that could really help in a foreclosure will not be there," Bunning said.

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