PRESS RELEASE
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FDIC REDUCES BURDEN OF MANAGEMENT INTERLOCKS REGULATIONS

FOR IMMEDIATE RELEASE

The FDIC Board today agreed to reduce burdensome aspects of rules that limit the ability of bankers to work for two competing institutions at the same time.

By law, so-called "management interlocks" generally are prohibited because of concerns about potential anticompetitive effects. However, the agencies have limited authority to grant exceptions to the ban on interlocks.

Under current interagency rules, for example, an officer of one banking institution can perform similar duties for an unaffiliated institution in a different community in the same metropolitan area provided that both institutions have less than $20 million in assets. But under rules approved today, this management interlock would be permitted if just one of the institutions has assets of less than $20 million. The change is expected to reduce regulatory burden and enhance competition by expanding the ability of smaller institutions to attract talented new managers.

The revised regulations encompass a variety of changes to interlocks rules mandated by a 1994 law. Similar revisions were adopted by the Federal Reserve Board on July 10, and are being considered by the Office of the Comptroller of the Currency and the Office of Thrift Supervision.