



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC Proposes New Rule Codifying Policy on Section 19 Hiring

Agency seeks comment to provide greater employment access for individuals with minor criminal offenses

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) today published a proposed rule to formalize a longstanding agency policy related to individuals seeking to work in the banking industry with minor criminal offenses.

“Since joining the FDIC, I have heard a number of stories about individuals that committed minor criminal violations when they were young and have been barred from banking,” said FDIC Chairman Jelena McWilliams. “We will always strive to protect the integrity of our banking system, but section 19 should not be a barrier to entry for individuals who have committed minor crimes in the past, paid their debt to society, and reformed their conduct, and are now seeking to gain employment with a financial institution.”

Section 19 of the *Federal Deposit Insurance Act* prohibits, without the prior written consent of the FDIC, any person from participating in banking who has been convicted of a crime of dishonesty or breach of trust or money laundering, or who has entered a pretrial diversion or similar program in connection with the prosecution for such an offense.

In 1998, the FDIC issued a Statement of Policy on Section 19, setting forth a set of criteria for providing relief for individuals with convictions for certain low-risk crimes that constituted *de minimis* crimes, forgoing the need for an application for a waiver of Section 19. The FDIC is now seeking comment on a proposed rule to codify and amend its 1998 policy.

[Fact Sheet](#)
[FDIC's Notice of Proposed Rulemaking](#)
[FDIC Chairman Jelena McWilliams' statement](#)

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 5,303 as of June 30, 2019. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars—insured financial institutions fund its operations.

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