



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC Hosts Interagency Conference Focusing on Minority Depository Institutions Announces New MDI Initiatives and Publishes Results of New MDI Study

The Federal Deposit Insurance Corporation (FDIC) hosted the 2019 Interagency Minority Depository Institution and CDFI Bank Conference this week in partnership with the Federal Reserve Board and the Office of the Comptroller of the Currency. The two-day conference, held June 25–26, 2019, includes discussions on a wide range of topics related to minority depository institutions (MDIs), such as innovation, supervision, cybersecurity, and federal programs supporting MDIs.

“The health of Minority Depository Institutions (MDIs) is essential to the health of our nation’s financial system. FDIC is dedicated to preserving and promoting the financial strength of MDIs. The vitality of these banks is critical given their role in supporting the economic well-being of minority and traditionally underserved communities,” said FDIC Chairman Jelena McWilliams in her opening remarks.

Chairman McWilliams announced several FDIC initiatives focused on MDIs, including: establishment of a new MDI subcommittee to the FDIC’s Advisory Committee on Community Banking to provide a new platform for MDIs to exchange best practices, and the initiation of a series of roundtables between MDIs and other FDIC-supervised institutions to promote collaborative opportunities, such as direct investments and deposits in MDIs. In addition, the FDIC will continue to provide technical assistance to MDIs, including to groups seeking to organize new MDIs and to existing MDIs seeking to acquire failing institutions.

Chairman McWilliams also announced the release of a new research study that analyzes MDIs over an 18-year period, and examines their role in and impact on the financial services industry and the communities they serve.

A key conclusion of this study is that MDI financial performance has significantly improved over the past five years, particularly in terms of revenue generation and loan performance. Between 2001 and 2018, the number of Asian-American, Hispanic-American, and Native-American MDIs increased; the number of African-American MDIs declined by more than half to 15 percent of all MDIs at year-end 2018. Reflecting an overall industry trend in consolidation, the number of MDIs declined 31 percent, but consolidated more gradually overall compared to community banks, which declined by 33 percent.

The study also found that, despite this consolidation, more than three-fourths of the assets of merged MDIs and 86 percent of the assets of failed MDIs, remained with surviving MDIs. In addition, the study concludes that MDIs originate a greater share of mortgages than non-MDIs to borrowers in low- and moderate-income census tracts and in census tracts with larger shares of minority populations. The same is true for MDI origination of guaranteed Small Business Administration 7(a) loans.

Attachments [Minority Depository Institutions: Structure, Performance and Social Impact](#)

For more information on the FDIC and MDIs, visit <https://www.fdic.gov/mdi/>.

Join the discussion on social media with [#InteragencyMDICDFI2019](#).



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, 5,362 as of March 31, 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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