



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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FDIC Proposes to Update Policy Statement on Minority Depository Institutions

WASHINGTON—The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today approved a new proposed Statement of Policy to enhance the agency's efforts to encourage and preserve Minority Depository Institutions (MDIs). The proposed revisions would update, strengthen, and clarify the FDIC's policies and procedures related to the agency's existing MDI framework. The FDIC seeks public comment on the proposal over a 60-day period.

Specifically, the proposed revisions describe the initiatives the FDIC has taken and will take to promote the preservation of MDIs and enhance communication between the FDIC and these minority-owned and managed institutions. The proposed Statement of Policy would also define the program terms for technical assistance, training, education, and outreach. Finally, it offers an explanation of how the FDIC applies examination standards in assessing the performance of MDIs.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) established several goals related to MDIs: (1) preserving the number of minority depository institutions; (2) preserving the minority character in cases of merger or acquisition; (3) providing technical assistance to prevent insolvency of institutions not now insolvent; (4) promoting and encouraging creation of new minority depository institutions; and (5) providing for training, technical assistance, and education programs.

Under Chairman Jelena McWilliams' leadership, the FDIC has sought new and innovative ways to engage with MDIs and better understand their needs. The FDIC frequently engages with technical assistance, banker roundtables, and networking events to connect MDIs and non-MDIs for potential business partnerships.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. 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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Over the years, the FDIC has continued to modify and enhance its MDI Program to better meet its statutory goals. Last updated in 2002, the FDIC's Statement of Policy regarding MDIs detailed the framework by which the FDIC implements the goals set forth in FIRREA and administers its MDI Program to meet those goals. The revisions in the proposed Statement of Policy are intended, in part, to strengthen and improve the various aspects of the MDI Program to reflect the FDIC's enduring and strengthened commitment to preserve and promote MDIs.

Attachment:

Proposed Statement of Policy



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