



# PRESS RELEASE

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

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## **FDIC Seeking Comment on New Handbook for *De Novo* Organizers Applying for Deposit Insurance**

The Federal Deposit Insurance Corporation (FDIC) is seeking comment on a handbook developed to facilitate the process of establishing new banks. [Applying for Deposit Insurance – A Handbook for Organizers of De Novo Institutions](#) provides an overview of the business considerations and statutory requirements that *de novo* organizers will face as they work to establish a new depository institution and apply for deposit insurance. It offers guidance for navigating three phases of establishing an insured institution: pre-filing activities, the application process, and pre-opening activities.

“*De novo* institutions add vitality to our local banking markets, providing credit and services to communities that may be overlooked by larger institutions,” FDIC Chairman Martin J. Gruenberg said. “This handbook is the latest in a series of steps we have taken to support the establishment of *de novo* institutions. Our goal is to increase transparency about the application approval process and resources available to assist potential organizers. The FDIC has developed this handbook as a practical and plain language guide to help organizers navigate the application review process.”

The handbook seeks to address the informational needs of organizers, as well as feedback from organizers and other interested parties during recent industry outreach events. The handbook does not establish new policy or guidance, or modify existing policy or guidance. The handbook, however, provides organizers and the public with transparency and clarity about the FDIC’s process for reviewing and approving applications for deposit insurance.

To ensure that the handbook will be useful to organizers, the FDIC is seeking comment on the following questions:

- Does the handbook provide an organizer with sufficient clarity, transparency, and understanding with respect to the requirements, procedures, and processes for establishing an insured depository institution?
- Does the handbook adequately address the requirements, procedures, and processes for establishing an insured depository institution during the primary phases: pre-filing activities, the application process, and pre-opening activities?

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- Does the handbook appropriately address the information needs of organizers who are experienced bankers, as well as the information needs of other organizers, such as certain proposed investors or directors, who may not have experience in banking?
- Is the inclusion of comments from successful bank Chief Executive Officers regarding de novo formation helpful and, if so, should the discussion be expanded?

The 60-day comment period ends on February 20, 2017. Comments should be submitted to [handbookcomments@fdic.gov](mailto:handbookcomments@fdic.gov).

Since 2014, the FDIC has taken a number of steps to enhance transparency and clarity about the deposit insurance application process. The FDIC issued two sets of answers to frequently asked questions associated with the FDIC's *Statement of Policy on Applications for Deposit Insurance*; provided an overview of the application process during a conference of state bank supervisory agencies; and hosted an interagency training conference to promote coordination among state and federal banking agencies in the review of applications.

In April 2016, the FDIC announced that the period of enhanced supervisory monitoring of newly insured depository institutions would return to three years, down from seven years during the financial crisis and recovery period. More recently, the FDIC has initiated industry outreach meetings in San Francisco, New York, and Atlanta to inform industry participants about the FDIC's application process. Future events are planned for Dallas, Chicago, and Kansas City in 2017.

Additional resources are available on the FDIC website dedicated to [applications for deposit insurance](#).

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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, 5,980 as of September 30, 2016. 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.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-110-2016

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