

FDIC Advisory Committee on Community Banking

October 28, 2020

MDI Subcommittee Update



MDI Subcommittee Update: Investing in the Future of Mission-Driven Banks



- The FDIC released “Investing in the Future of Mission-Driven Banks” and an MDI and CDFI bank locator mapping system. These resources are available on the FDIC public website at the MDI Program web page: [FDIC.gov/mdi](https://www.fdic.gov/mdi).
- These resources assist private companies, philanthropic organizations, and other banks with ways to invest in mission-driven banks.
- “Investing in the Future of Mission-Driven Banks” provides information about investment options and partnerships including grants, equity investments, the creation of an investment fund, deposits, technology support, as well as other partnership opportunities.
- The MDI and CDFI Bank locator includes every FDIC-insured mission-driven bank and branch in the country.
- There are approximately 250 FDIC-insured MDIs and CDFI banks with combined capital of less than \$40 billion. Consequently, a modest investment at any one of these institutions can have an enormous impact on the bank’s operations and its communities.

[Investing in the Future of Mission-Driven Banks](https://www.fdic.gov/mdi)

MDI Subcommittee Update: Investing in the Future of Mission-Driven Banks

Find at [FDIC.gov/MDI](https://www.fdic.gov/MDI)

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"When I joined the FDIC as Chairman last year, I made it a priority to increase the agency's efforts to promote and preserve minority depository institutions (MDIs). MDIs are vital service providers for minority populations. If not for your institutions, individuals in low- and moderate-income communities might not have access to banking services. You help create jobs, grow small businesses, and build wealth. Because of the investments you make in your communities, your customers have a better opportunity to achieve their American dream."

FDIC Chairman Jelena McWilliams
National Bankers Association 92nd Annual Convention
Washington, DC, October 2, 2019

To learn more about FDIC's position on MDIs, go to the Speeches and Testimony page.




ADVISORY COMMITTEE ON COMMUNITY BANKING
MINORITY DEPOSITORY INSTITUTIONS SUBCOMMITTEE

The MDI Subcommittee of FDIC's Advisory Committee on Community Banking (CBAC) provides a platform for MDIs to offer advice to CBAC regarding the FDIC's MDI program. The MDI Subcommittee promotes collaboration, partnerships, and best practices. MDI Subcommittee members also share insights into key challenges facing their communities and identify ways to highlight the work of MDIs. To learn more, go to the MDI Subcommittee page.

Collaborative Relationships with Minority Depository Institutions

Insured depository institutions may realize business and regulatory benefits from partnerships and collaborative relationships with MDIs. Collaboration among MDIs, or between MDIs and non-MDIs, can result in sound and profitable lending and investments that meet the needs of underserved communities. The FDIC is holding a series of Large Bank – Minority Depository Institution Roundtables across the country. To learn more, go to the Collaboration page.



Maggie Lena Walker: America's National Treasure in Banking

In 1903, Maggie Walker became the first African American woman to found and charter a bank in the United States, serving as its president and using her standing to foster self-sufficiency and economic empowerment in her community. Learn more about her accomplishments.

The FDIC welcomes any comments or suggestions you may have regarding our MDI website or program:
MDIProgram@fdic.gov

Investing in the Future of Mission-Driven Banks



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MDI Subcommittee Update: Investing in the Future of Mission-Driven Banks

Impact Stories

Mission-Driven Banks Making a Difference

M&F Bank

M&F Bank
Durham, North Carolina
African American MDI and CDFI Bank



Jim Sills and M&F Bank staff volunteer to help North Carolina MedAssist.

UDI Community Development Corporation, a nonprofit organization with a mission to raise the economic welfare, education, and social levels of low-income and underprivileged residents of Durham, North Carolina, has developed the UDI Industrial Park, which provides facilities for approximately 300 people to work and train.

M&F Bank financed the construction of expanded facilities in the industrial park, which enabled more businesses to move in and to offer more employment opportunities. "What UDI is doing for the community is tremendous," said Jim Sills, President and CEO of M&F Bank. "We're very proud to have them as our client."

M&F Bank provides more than just banking services to its community. M&F Bank also partners with North Carolina MedAssist, a statewide nonprofit pharmacy program, which regularly holds free mobile pharmacy events in Durham. These events enable low-income and uninsured local residents to access basic over-the-counter medications for common diseases such as heart disease, diabetes, and asthma.

M&F Bank is a \$291 million African American MDI and CDFI bank in Durham, North Carolina. The bank was organized in 1907 under the authority of a charter issued by the North Carolina's state legislature. Originally named "Mechanics and Farmers Bank," the founders and original customers represented various trades, crafts, and professions in which African Americans had achieved success and prominence in the community in the early 1900s. The bank provides financial and advisory services for small businesses, and always seeks to advance its community development mission.

The Community Development Bankers Association provided the information used for this impact story.

*Investing in the Future of
Mission-Driven Banks*



MDI Subcommittee Update: Investing in the Future of Mission-Driven Banks

MDI and CDFI Bank Locator

FDIC MDI and CDFI Bank Headquarters and Branches provided by the Minority and Community Development Banking Program

Investing in the Future of Mission-Driven Banks

FDIC-insured Minority Depository Institutions (MDIs) and Community Development Financial Institution (CDFI) banks are banks, savings banks, and savings associations (collectively, banks) that serve minority, low- or moderate-income (LMI), and rural communities at higher rates than mainstream banks. Such banks are commonly known as "mission-driven banks" because they play a role in transforming the lives of underserved citizens and communities by making loans and providing other vital banking products and services. Mission-driven banks also ensure that residents and businesses in these communities have access to safe and affordable financial services.

Many mission-driven banks are small, and building capacity and scale are critical to growing their operations and expanding services to their communities. Grants, equity investments, the creation of an investment fund, deposits, and technology support are a few direct ways that private companies, philanthropic organizations, or others can partner with these institutions. FDIC-insured MDIs and CDFI banks have differing needs and may prefer a mix of these strategies based on their business model, strategic plans, history, culture, and financial condition.

MDIs, which include minority populations of African American, Asian American, Hispanic American, and Native American, as well as CDFI banks play a unique role in promoting economic viability in minority and LMI communities.

As of June 30, 2020, there were 143 FDIC-insured MDIs with headquarters across the United States, and these banks have almost 1,400 branches. MDIs have combined total assets of over \$280 billion.

There are 145 FDIC-insured CDFI bank headquarters across the United States, and these banks have almost 950 branches. CDFI banks have combined total assets of almost \$70 billion as of June 30, 2020.

There are also banks that are both MDI and CDFI banks. There are 34 such banks across the country with almost 150 branches. MDI/CDFI banks have combined total assets of

MDI Subcommittee Update: Investing in the Future of Mission-Driven Banks

Bank Information

FDIC MDI and CDFI Bank Headquarters and Branches provided by the Minority and Community Development Banking Program

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First Independence Bank	
FDIC Cert #	20179
Address	38880 Garfield Rd
Address 2	
City	Clinton Township
State	MI
Zip	48038
Branch Type	Full Service - Brick And Mortar
Community Development Fund Institution Bank	Yes
Minority Depository Institution (MDI)	Yes
MDI Type	African
Zoom to	...

MDI Subcommittee Update: Creating a Financial System of Inclusion and Belonging

Creating a Financial System of Inclusion and Belonging

“The FDIC has embraced our statutory responsibility to promote and preserve the health of MDIs by seeking new and innovative ways to engage with these institutions and better understand their needs. We do, however, recognize that we can do more, and ‘more’ in this case will require us to think outside the box.

“One of the options we are exploring to support MDIs and CDFI banks is a framework that would match these banks with investors interested in the particular challenges and opportunities facing those institutions and their communities.

“Although we are still developing the details, the idea would include a vehicle through which investors’ funds would be channeled to make investments in or with MDIs and CDFIs, including direct equity, structured transactions, funding commitments to loan participations, or potential loss-share arrangements.

“This initiative seeks to accomplish several objectives, including maximizing the benefits to MDIs and the communities they serve by providing capital preservation and growth, as well as providing a minimal return to investors. We expect to release more information in the near future, and we will continue to work with stakeholders on how best to proceed.”

*FDIC Chairman Jelena McWilliams
The University of Chicago Law School and American Financial
Exchange Webinar
August 26, 2020*



Speeches and Testimony

FDIC Chairman Jelena McWilliams on
“Creating a Financial System of Inclusion and Belonging”.
Keynote Speech before The University of Chicago Law
School and American Financial Exchange Webinar on
“The Role of Minority Depository Institutions and
Innovation in the Age of COVID-19”

[Chairman McWilliams’ speech](#)