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2 MR. WATKINS: Thank you, Chad and good  
3 afternoon again. Today, I'll provide an update  
4 on recent de novo activity and our continuing  
5 deposit insurance application-related  
6 initiatives. Interest in de novo activity or  
7 forming a new bank continues. Since our March  
8 meeting, the FDIC approved two new banks. FDIC  
9 staff is currently reviewing 13 applications for  
10 deposit insurance.

11 We are actively engaged with a number  
12 of organizing groups that are exploring potential  
13 applications as well. In some cases, the  
14 organizing groups have submitted, or are  
15 considering submitting a draft application  
16 proposal under the process that the FDIC  
17 announced in December of 2018.

18 Under this process, organizing groups  
19 may request the FDIC to review the draft  
20 insurance proposal prior to filing an official  
21 application. The FDIC will review the draft  
22 proposal to identify any potential issues, and

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1 provide preliminary feedback to the organizing  
2 group so that they can fine tune their proposal  
3 before submitting a formal application.

4 The FDIC supports the formation of new  
5 banks, and staff is available in each of our  
6 regional offices to assist organizing groups  
7 during the application process. Since my last  
8 update in March, we began publishing updated  
9 sections of the applications procedures manual,  
10 which provides instructions in the review and  
11 processing of regulatory filings.

12 We will publish the remaining sections  
13 of the manual later this year. This resource and  
14 in particular the overview section, serves as an  
15 additional aid for organizing groups. For  
16 instance, the overview section provides expanded  
17 discussion for determining whether an application  
18 is substantially complete.

19 This expanded discussion is  
20 responsive to industry requests for additional  
21 explanation and clarity on that topic. I'm also  
22 pleased to inform you that we've updated our

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1 delegations of authority so that regional  
2 directors can approve deposit insurance  
3 applications for traditional community bank  
4 applications, as well as any change in business  
5 plan without consultation from the Washington  
6 Office.

7 We are also going to be issuing  
8 shortly an interpretive question and answer, a Q  
9 and A, clarifying that a specific physical  
10 address is not required at the time a deposit  
11 insurance application is filed.

12 Some of the feedback we received  
13 talked about the burn rate or the cost to carry,  
14 if you will, of opening up a new facility and  
15 this question-and-answer response or  
16 interpretive question and answer should help  
17 assure that you don't actually have to submit  
18 that at the time an application is filed.

19 These changes were frequently  
20 recommended during our outreach events regarding  
21 deposit insurance application process, including  
22 our roundtable events that concluded during the

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1 first quarter of this year and the request for  
2 information that was published in December of  
3 last year, in which the comment period closed on  
4 March 31st of this year.

5 We expect the actions will reduce cost  
6 and aid organizing groups in developing complete  
7 deposit insurance proposals. The feedback  
8 obtained through the outreach initiatives  
9 continues to inform our efforts to support and  
10 improve the deposit insurance application  
11 process.

12 In summary, we are striving to improve  
13 the deposit insurance application process. Our  
14 efforts have drawn on resources across multiple  
15 divisions within the FDIC, and have included  
16 important information and input and feedback from  
17 staff of each of our regional offices.

18 Opportunities to improve our process  
19 and increase transparency are informed by the  
20 feedback received through recent outreach efforts  
21 and through our ongoing interactions with  
22 interested parties.

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1           Thank you for your time, and I'll be  
2 happy to respond to any questions, Chad.

3           MEMBER HANRAHAN: Jim, those are good  
4 numbers to hear. It also recently came to my  
5 attention that the FDIC has updated its website  
6 with de novo applications and process, etcetera.

7           MR. WATKINS: Yes.

8           MEMBER HANRAHAN: I found that very  
9 helpful and informative, and seems to me to be  
10 very consistent with the Chairman's emphasis on  
11 transparency and showing what's going on. So  
12 thank you for doing that.

13          MR. WATKINS: Yes, thank you David.  
14 We have done a lot of work providing information  
15 on our website, just applications in general and  
16 the time lines we've been trying to pursue and  
17 achieve goals on that. So as part of the  
18 transparency initiative, we've done a lot of work  
19 in that regard.

20          MR. DAVIS: Okay, last call for  
21 questions. Okay. With that, I'd just like to  
22 thank everybody for coming today. That's the end

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1 of the program. Special thank you again to the  
2 members who this is their last meeting. We very  
3 much appreciate the service that you've given us.  
4 Again, thank you very one for making the trip  
5 here. Director Gruenberg, do you want to say  
6 anything?

7 DIRECTOR GRUENBERG: No.

8 MR. DAVIS: Okay. With that, despite  
9 our initial delays, we're 19 minutes early. So  
10 good luck everybody traveling back. Thank you.

11 (Whereupon, the above-entitled matter  
12 went off the record at 3:12 p.m.)

13