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 webpage: 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

To learn more about FDIC’s position on MDIs, go to the Speeches and Testimony page.
Minority Depository Institutions Program

Investing in the Future of Mission-Driven Banks
A Guide to Facilitating New Partnerships

Contents

Executive Summary
Overview
Minority Depository Institutions
Community Development Financial Institutions
Business Need
Strategic Options
Capacity Building Grants and Equity Investments
Investment Funds
Deposits
Technology Support
Other Partnership Opportunities
Roles/Responsibilities
The Importance of Mission-Driven Banks
MDI Social Impact
FDIC Initiatives to Support MDIs andCDFIs

Attachments
Recent Commitments to Support Mission-Driven Banks
Trade Association Contact List
List of MDI Banks as of December 31, 2019
List of CDFI Banks as of December 31, 2019

Investing in the Future of Mission-Driven Banks
M&F Bank
Durham, North Carolina
African American MDI and CDFI Bank

UDC Community Development Corporation, a community organization with a mission to serve the economic welfare of low- and moderate-income residents of Durham, North Carolina, has developed the UDC Industrial Park, which provides facilities for approximately 100 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 offer more employment opportunities. "At M&F, doing for the community is a mission," said Jim Mills, President and CEO of M&F Bank. "We are very proud to bring them to our clients."

M&F Bank provides more than just banking services to its community. M&F Bank also partners with Health Carolina Healthcare, a statewide nonprofit pharmacy program, which regularly holds free mobile pharmacy visits 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 $24 million African American MDI and CDFI Bank in Durham, North Carolina. The bank was organized as MFBF under the authority of a charter issued by the North Carolina State Bank. Originally named "North Carolina Community Bank," the F&F Bank and original customers represented women, banks, church, and professional associations. At the time of the bank's formation in the early 2000s, the bank provided financial services and advisory services for small businesses, and it has since expanded its services to other community development missions.
MDI Subcommittee Update: Investing in the Future of Mission-Driven Banks

MDI and CDFI Bank Locator

Investing in the Future of Mission-Driven Banks

FDIC-insured Minority Depository Institutions (MDIs) and Community Development Financial Institutions (CDFIs) help 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 $150 billion.

There are 145 FDIC-insured CDFI bank headquarters across the United States, and these banks have almost 900 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

Investing in the Future of Mission-Driven Banks

FDIC-insured Minority Depository Institutions (MDIs) and Community Development Financial Institutions (CDFIs) banks are banks, savings banks, and savings associations (collectively, banks) that serve minority- 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 crucial 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 asset-based fund, deposits, and technology support are a few direct ways that private companies, philanthropic organizations, or other entities 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 Americans, Asian Americans, Hispanic Americans, and Native Americans, as well as CDFI banks, play a unique role in promoting economic vibrancy 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 1,100 branches. MDIs have unsecured total assets of over $30 billion.

There are 143 FDIC-insured CDFI banks headquarters across the United States, and these banks have almost 950 branches. CDFI banks have combined total assets of almost $74 billion as of June 30, 2020.

There are also banks that are both MDI and CDFI banks. There are 79 such banks across the country, with almost 150 branches. MDI/CDFI banks have combined total assets of
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 CDFIs 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
“Creating a Financial System of Inclusion and Belonging”
August 28, 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