



PRESS RELEASE

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

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FDIC Rescinds De Novo Time Period Extension; Releases Supplemental Guidance on Business Planning

The Federal Deposit Insurance Corporation on Wednesday rescinded Financial Institution Letter (FIL) 50-2009, *Enhanced Supervisory Procedures for Newly Insured FDIC-Supervised Depository Institutions*.

The FIL, among other measures, extended the de novo period for newly organized, state nonmember institutions from three to seven years for examinations, capital maintenance, and other requirements. It was issued against the backdrop of an elevated number of newly insured institutions that had either failed or had been identified as problem banks during the financial crisis.

Since the issuance of the guidance, the FDIC has adopted regulations and guidance that apply to all supervised institutions to strengthen their resiliency and risk-management practices. Further, the FDIC has enhanced its programs and procedures through a more forward-looking approach to supervision. Collectively, the processes and guidance address the supervisory objectives of the 2009 FIL.

State and federal agencies charter banks; the FDIC's role in the establishment of new banks is in the approval of deposit insurance.

"The entry of new banks has helped to preserve the vitality of the community banking sector over time," FDIC Chairman Martin J. Gruenberg said Wednesday at a [conference](#) hosted by the FDIC to discuss community banking. "De novo institutions fill important gaps in our local banking markets, providing credit and services to communities that may be overlooked by larger institutions. The FDIC welcomes applications for deposit insurance."

Also on Wednesday, the FDIC issued a supplement to its November 2014 guidance related to the Statement of Policy on Applications for Deposit Insurance. The guidance is in a question-and-answer format to aid applicants who are developing proposals for deposit insurance. The supplemental questions and answers focus on the development of business plans.

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Attachments:

[Supplemental Guidance Related to the FDIC Statement of Policy on Applications for Deposit Insurance](#)



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, 6,270 as of September 30, 2015. 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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