



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-57-2019
October 10, 2019

Interagency Final Rule Raises Thresholds in the Major Assets Prohibition of the Depository Institution Management Interlocks Rules

Summary: The FDIC and the other federal bank regulatory agencies have jointly updated their rules restricting the ability of a director or other management official to serve at more than one unaffiliated depository organization. The final rule raises the thresholds for the “major assets prohibition” of the Depository Institution Management Interlocks Act (DIMIA). The updates provide relief for community banks and are unchanged from the proposal announced in December 2018.

Statement of Applicability to Institutions with Total Assets Under \$1 Billion: This Financial Institution Letter applies to FDIC-supervised financial institutions with total assets under \$1 billion.

Suggested Distribution:

FDIC-Supervised Institutions

Suggested Routing:

Chief Executive Officer
Compliance Officer

Related Topics:

FDIC Rules and Regulations, 12 CFR Part 348
(Management Official Interlocks)

Attachment:

[Final Rule to Increase the Major Assets Threshold Under the Depository Institutions Management Interlocks Act](#)

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Highlights:

- The FDIC, the Office of the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System are issuing a final rule to adjust the major assets prohibition thresholds of the DIMIA rule. This fulfills a commitment made in a 2017 report to Congress required by the Economic Growth and Regulatory Paperwork Reduction Act.
- Previously under the major assets prohibition, a management official of a depository organization with total assets exceeding \$2.5 billion (or any affiliate of such an organization) could not serve at the same time as a management official of an unaffiliated depository organization with total assets exceeding \$1.5 billion (or any affiliate of such an organization), regardless of the location of the two depository organizations.
- The final rule increases both thresholds in the major assets prohibition rule to a single \$10 billion threshold, based on general market changes since 1996, when the major assets threshold in the DIMIA was last amended by Congress.
- Adjusting the thresholds will relieve those depository organizations with asset levels below the new threshold from the requirement to seek an exemption to permit a prohibited management interlock.
- The final rule will take effect on October 10, 2019.
- FIL-88-2018 dated December 20, 2018 is rescinded. This FIL expires on October 10, 2020.