



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

**Financial Institution Letter**  
**FIL-126-2005**  
**December 21, 2005**

## **CLASS ACTION SETTLEMENTS**

### **Guidance on Filing Notices of Proposed Class Action Settlements**

**Summary:** The FDIC is providing guidance on new requirements for filing notices of proposed class action settlements involving financial institutions for which the FDIC is the primary federal regulator.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings)

**Suggested Routing:**

Chief Executive Officer  
Compliance Officer  
Legal Counsel

**Related Topics:**

None

**Attachment:**

None

**Contacts:**

Regional Director of the FDIC Regional Office  
responsible for supervision of the involved financial  
institution

**Note:**

FDIC financial institution letters (FILs) may be  
accessed from the FDIC's Web site at  
[www.fdic.gov/news/news/financial/2005/index.html](http://www.fdic.gov/news/news/financial/2005/index.html).

To receive FILs electronically, please visit  
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Information Center, 801 17th Street, NW, Room  
100, Washington, DC 20434 (1-877-275-3342 or  
202-416-6940).

**Highlights:**

- Section 1715 of Title 28 of the United States Code specifies new requirements for notifying appropriate state and federal officials of proposed class action settlements.
- The new notification requirements apply to depository institutions, depository institution holding companies, foreign banks, and nondepository institution subsidiaries of one of these entities that are defendants in proposed class action settlements.
- The financial institution must notify its primary federal regulator if some or all of the matters alleged in the class action are subject to regulation or supervision by that regulator.
- State-chartered depository institutions must also notify the state bank supervisor of the state in which the defendant is incorporated or chartered if some or all of the matters alleged in the class action are subject to regulation or supervision by the state supervisor.
- FDIC-supervised institutions must file a notice of proposed class action settlement with the FDIC within 10 days of it being filed in court. At a minimum, the notice should contain a description of the lawsuit, the proposed settlement, and a point of contact (e.g., bank counsel) should additional information be required.
- Notices must be sent to the Regional Director of the FDIC's Regional Office responsible for supervision of the involved financial institution.