

FDIC Review Process for Draft Deposit Insurance Proposals

The FDIC is establishing a process to allow prospective organizers of new depository institutions the option to request FDIC review of a draft deposit insurance proposal prior to filing an official application. The FDIC will review draft proposals to identify potential issues and to provide preliminary feedback to organizers so that they can fine-tune their proposals before submitting a formal application.

Background

The FDIC has provided a number of resources to aid prospective organizers in understanding the deposit insurance application process. These resources are available on the FDIC website dedicated to [applications for deposit insurance](#).

As a key first step in the application process, the FDIC has long encouraged organizers to participate in a pre-filing meeting with the FDIC and other applicable regulatory agencies before submitting a deposit insurance application. Pre-filing meetings are beneficial for both prospective applicants and the supervisory agencies. The meetings promote open communication regarding the specifics of the application, regulatory expectations, and the application review process. Additionally, pre-filing communication with the FDIC can minimize the amount of time required for the application review process by providing potential applicants with a clear understanding of the requirements and providing the FDIC with the opportunity to identify early in the process any issues that need to be addressed by the applicant.

Recently, the FDIC has expanded the pre-filing meeting process to include more fulsome pre-filing discussions with organizers of more complex proposals. Based on the success of this effort, the FDIC is establishing a review process for draft deposit insurance proposals, as a supplement to the pre-filing meeting process.

Overview of the Draft Review Process

Interested organizing groups may request FDIC review of a draft deposit insurance proposal prior to filing an official application. The request should be made in writing to the appropriate FDIC regional office¹ and should be accompanied by a draft application filing.

The draft review process is designed to be collaborative. The FDIC will engage in a dialogue with the organizers about their views on the draft filing, such that the feedback may occur in stages. The FDIC expects to provide interim feedback to the organizers as soon as practicable, but no later than 30 days after receiving a draft proposal, and to communicate overall feedback within 60 days of receipt. The timeframe may vary depending on the attributes of a given proposal, and may extend beyond the 60-day goal if modifications to the draft proposal are submitted.

¹ See regional office listings, areas of responsibility, telephone numbers, contacts, and mailing addresses at: <https://www.fdic.gov/about/contact/directory/index.html#field-offices>.

Any organizing group may choose to submit a draft proposal to obtain feedback. However, the process may be particularly helpful for business models that present novel, unusual or complex aspects, or groups seeking technical assistance.

Draft Review Process Policy

The FDIC strongly encourages organizers to hold a pre-filing meeting prior to submission of a draft proposal. In the draft review process, FDIC case managers will review all information provided in the submission, with particular focus on the business plan, capital, and management. Throughout the review, FDIC staff may coordinate as appropriate, with counterparts from the relevant chartering authority and, if applicable, the local Federal Reserve Bank. The draft review process is meant to identify any obstacles or potential challenges that may require further supporting detail or considerations before the organizers file a formal application; it does not incorporate background investigations or formal determinations as to whether applicable statutory and regulatory requirements have been met.

Content of a Draft Proposal

Organizers may request feedback from the FDIC regarding particular aspects of the draft proposal. Such requests should be identified in the cover letter that accompanies the request for review of the draft proposal.

To obtain the most benefit from the FDIC's review, the draft proposal should address the business plan, capital, and management. The business plan should describe the planned products and services, market, and operating strategies, and provide details regarding the:

- anticipated business model;
- operating environment;
- organizational and ownership structure;
- relationships with affiliates and third-parties;
- management team and board members (to the extent key individuals have been identified);
- level and sources of capital;² and
- financial projections for the first three years of operation in the form of a projected quarterly balance sheet and income statement, along with capital calculations and supporting assumptions.

The draft proposal should include resumes (or equivalent information) for the identified executive officer and director candidates, information regarding the proposed governance and risk management framework, and plans to mitigate risks.

² In developing a draft business plan, organizers may refer to the [Interagency Charter and Federal Deposit Insurance Application](#) and [Applying for Deposit Insurance - A Handbook for Organizers of De Novo Institutions](#), which provide guidelines for a business plan's content and structure.

Organizers may also provide supplemental materials, for example, draft versions or descriptive summaries of:

- operating policies;
- the Community Reinvestment Act plan;
- organizational documents;
- stock offering materials;
- employment agreements;
- compensation and benefit plans;
- leases; and
- vendor or other third party agreements.

To ensure protection of business, trade, personal, or other information, the draft proposal should be submitted under a cover letter that requests confidential treatment, and all documents comprising the draft proposal should be clearly marked as *DRAFT AND CONFIDENTIAL*.

The FDIC expects to provide organizers interim feedback regarding questions or concerns that, individually or collectively, could present challenges with respect to any statutory factor or require further detail or support within 30 days of receipt of the draft proposal. Organizers may then submit modifications to the draft proposal that address the questions or concerns.

FDIC staff will strive to provide its final feedback within 60 days of receiving the draft proposal unless modifications are made to the proposal.

Other Matters

Any formal application made to the FDIC will be evaluated on its merits in accordance with applicable statutory factors and regulatory requirements without regard to prior draft proposals or applications.

FDIC staff is available to discuss proposals, even at the earliest stages of development, and answer any questions that organizers may have regarding regulatory requirements or the application process. To schedule a meeting with FDIC staff, organizers should contact the appropriate FDIC regional office.³

³ See link at footnote 1.