Preservation and Promotion of Minority Depository Institutions

The Federal Deposit Insurance Corporation Report to Congress for 2018

Pursuant to Section 367 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 308 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989

Introduction

Section 308 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) established the following goals: to preserve the number of minority depository institutions; to preserve the minority character in cases involving merger or acquisition of a minority depository institution; to provide technical assistance to help prevent insolvency of minority depository institutions; to promote and encourage creation of new minority depository institutions; and to provide for training, technical assistance and educational programs for minority depository institutions.

Pursuant to Section 367 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, this report provides a summary profile of minority depository institutions (MDIs) as of the end of 2018; a description of the FDIC's minority depository institution program; and detailed information on the FDIC's 2018 initiatives supporting minority depository institutions. The FDIC defines an MDI as any federally insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the Board of Directors is minority and the community that the institution serves is predominantly minority. Ownership must be by U.S. citizens or permanent legal U.S. residents to be counted in determining minority ownership. The FDIC's *Policy Statement Regarding Minority Depository Institutions* (see Attachment 1) provides additional information.

Summary Profile of Minority Depository Institutions

The FDIC maintains a list and tracks insured MDIs it supervises, i.e. state chartered institutions which are not members of the Federal Reserve System, as well as MDIs that are supervised by the Office of the Comptroller of the Currency (OCC) and the Federal Reserve System (Federal Reserve).[1] The FDIC takes this broad approach given its role in considering applications for deposit insurance and in resolving institutions in the event an MDI were to fail.

Structure

As of December 31, 2018, FDIC-insured MDIs totaled 149 institutions with combined total assets of nearly $234 billion, and 35,582 employees (see Attachment 2, *List of Minority Depository Institutions as of December 31, 2018*). The FDIC supervised 98 of the 149 MDIs as their primary Federal regulator.

At the beginning of 2018, there were 155 FDIC-insured MDIs with combined total assets of approximately $223 billion. During the year, three institutions gained MDI status due to changes in control, adding one new African American, one new Hispanic American, and one new Asian American MDI to the list. Three MDIs merged into other MDIs, including two Asian and one Hispanic MDI. Four MDIs merged into non-MDIs, reducing the list of Hispanic MDIs by three and Asian MDIs by one. Finally, two MDIs lost status; one multiracial MDI terminated its deposit insurance and merged into a credit union, and one Asian

[1] The FDIC's published list of FDIC-insured minority depository institutions does not include women-owned or women-managed institutions because they are not included in the statutory definition.