

Preservation and Promotion of Minority Depository Institutions

The Federal Deposit Insurance Corporation Report to Congress for 2018



Within the MDI sector, the financial performance of a small subset of institutions has been uneven. Generally, smaller MDIs and those serving low- and moderate-income communities, including both urban and rural markets, continue to face significant challenges, in part reflecting the continuing economic challenges faced by many of the communities they serve.

FDIC National Minority Depository Institutions Program

The FDIC's Minority Depository Institution Program ("MDI Program") is outlined in the FDIC's [*Policy Statement Regarding Minority Depository Institutions*](#) (see Attachment 1). In 2018, the FDIC appointed a new permanent, dedicated executive as National Director of Minority and Community Development Banking, reporting directly to the Directors of the Division of Risk Management Supervision and Division of Depositor and Consumer Protection to fully leverage resources and expertise in the two divisions. In addition, the FDIC created additional dedicated positions to support the program at headquarters. The FDIC also has designated MDI coordinators in each of its six regional offices.

The National Director provides overall direction and guidance, and ensures that appropriate resources across the agency are available for program initiatives. The FDIC's MDI Program is fully integrated into the supervision, consumer protection, insurance, and receivership business lines. The National Director works closely with MDIs and their trade associations to seek feedback on the FDIC's efforts under this program, discuss possible training initiatives, and explore options for

preserving and promoting minority ownership and management of depository institutions.

In carrying out this work, the FDIC meets regularly with its Federal banking agency colleagues to discuss outreach and training efforts, to share ideas, and to identify opportunities where the agencies can work together to assist MDIs. In addition, the FDIC coordinates with other Federal agencies that provide programs that can assist MDIs.

Executives and staff in the FDIC's six regional offices communicate with each MDI regularly to outline the FDIC's efforts to promote and preserve minority ownership and management of financial institutions; offer to have a member of regional management meet with the institution's board of directors to discuss issues of interest; hold roundtable discussions and training sessions; and to seek input regarding any training or other technical assistance the institution may desire.

2018 Initiatives Supporting Minority Depository Institutions

Preservation of MDIs remains a high priority for the FDIC. In 2018, the FDIC continued to support MDI and Community Development Financial Institution (CDFI bank) industry-led strategies for success. These strategies include new business models and increased collaboration between MDIs, CDFI banks and other financial institutions.

During 2018, the FDIC led discussions with MDI bankers and its Advisory Committee on Community Banking (CBAC) about the FDIC's [*Resource Guide for Collaboration with Minority Depository Institutions*](#) (see Attachment 3). This guide, published in December 2017, encourages