

# Preservation and Promotion of Minority Depository Institutions

The Federal Deposit Insurance Corporation Report to Congress for 2020



Community Reinvestment Act, and other specialty examinations to help bank management better understand and implement examination recommendations. These return visits, normally conducted within 90 to 120 days after the examination, are intended to provide useful recommendations or feedback for improving operations, not to identify new issues.

Through its public [website](#), the FDIC invites inquiries and provides contact information for any MDI to request technical assistance at any time.

In 2020, the FDIC provided 135 individual technical assistance sessions on approximately 40 risk management, consumer compliance, and resolution topics, including:

- » Accounting,
- » Bank Secrecy Act and Anti-Money Laundering,
- » Business continuity planning,
- » Community Reinvestment Act,
- » Compliance management,
- » Funding and liquidity,
- » Information technology risk management and cybersecurity,
- » Internal audit,
- » Loan modifications and Troubled Debt Restructuring, and
- » Pandemic contingency planning.

The FDIC also held outreach, training, and educational programs for MDIs through conference calls and regional banker roundtables. In 2020, topics of discussion for these sessions included many of those listed above, as well as collaboration and partnerships, CECL accounting

methodology, information technology vendor management, cybersecurity, Community Reinvestment Act, innovation, Bank Secrecy Act, CDFI Fund Programs, and emerging technology.

## Failing Institutions

In accordance with Section 308 and FDIC policy, the FDIC seeks to preserve the minority character of failing institutions before and during the resolution process. The FDIC provides ongoing supervisory oversight of institutions prior to failure, through regular on-site examinations, visitations, off-site monitoring, and through many offers of technical assistance.

In the event of a potential MDI failure, the FDIC contacts all MDIs nationwide that qualify to bid on failing institutions. The FDIC solicits qualified MDIs' interest in the failing institution and discusses the bidding process. The FDIC also provides technical assistance regarding completion of the bid forms and use of the FDIC's secured website for conducting due diligence. During the resolution process, the appropriate Federal and State regulators must clear institutions on the final bidders list.

The FDIC provides a two-week franchise marketing window exclusively for MDIs. During this window, the FDIC contacts all qualified MDIs on the bid list to ensure they received an invitation to bid, and provides full access to the data room if an MDI is interested. The FDIC also describes the failing bank transaction and offers technical assistance on the bidding process. Following the two-week period, the FDIC invites all other qualified bidders to the failing bank project.

In 2020, no MDIs failed.