

Preservation and Promotion of Minority Depository Institutions

The Federal Deposit Insurance Corporation Report to Congress for 2021



Failing Institutions

In accordance with Section 308 of FIRREA 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, of-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 to bid on the failing bank.

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.

No MDIs failed in 2021.

Conclusion

The FDIC recognizes that MDIs play a unique role in promoting economic viability in minority and underserved neighborhoods and providing access to capital in their communities. The FDIC has long recognized the importance of MDIs in the financial system and takes steps to preserve and encourage minority ownership and management of insured financial institutions.

MDI bankers provide valuable input to the FDIC, including unique insight and experiences, as active members of two FDIC Advisory Committees that shape FDIC priorities and policy: the Advisory Committee on Economic Inclusion and the Advisory Committee on Community Banking.

The MDI Subcommittee to CBAC also provides an opportunity for minority bankers to discuss key issues and share feedback with FDIC Board Members and senior management and to promote collaboration, partnerships, and best practices. Preserving, promoting, and building capacity in these institutions are top priorities for the FDIC. The FDIC continually seeks to identify initiatives that will enable it to carry out its commitment to preserve MDIs and the minority character of these institutions.

Attachments

Attachment 1: [FDIC's Statement of Policy Regarding Minority Depository Institutions](#)

Attachment 2: [List of Minority Depository Institutions as of December 31, 2021](#)

