FDIC News

The Federal Deposit Insurance Corporation Employee Newsletter

October 2018

18th Annual Bank Research Conference Focuses on Timely Topics

By Haelim Anderson, Phillip Li, and Jennifer Rhee
Division of Insurance and Research

Chairman Jelena McWilliams kicked-off the 18th Annual Bank Research Conference on September 6 by highlighting the importance of research in supporting the FDIC's role in maintaining stability and public confidence in the nation's financial system. She discussed the rapid changes occurring in the financial industry brought on by technical developments, but expressed optimism about the lasting effects of "FinTech." The Chairman also answered questions from the audience on topics ranging from bank examinations, to the living will process, to the effectiveness of deposit insurance.

FDIC Chairman Jelena McWilliams delivers opening remarks at the conference.

The Conference, sponsored by the FDIC's Center for Financial Research and the *Journal of Financial Services Research*, has become a premier forum in its field. The conference attracted approximately 480 paper submissions from various researchers in academia, financial regulatory agencies, and the private sector. Among these theoretical and empirical papers, 26 papers were chosen to be presented at the conference, spread across nine sessions over two days. Some of the session topics included tradeoffs in bank regulation, segmentation of the

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The ***FDIC News*** is published monthly by the Office of Communications of the Federal Deposit Insurance Corporation, 550 17th Street N.W., Room 7102 Washington, DC 20429
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lending markets, FinTech, and depositor reactions to increased risk at banks.

The Chairman also answered questions from the audience on topics ranging from bank examinations, to the living will process, to the effectiveness of deposit insurance.

Photos clockwise l to r: Allen Berger, Professor of Banking and Finance, University of South Carolina, asks a question. Itay Goldstein, Professor of Finance and Economics, Wharton School, University of Pennsylvania, serves as a discussant. Mitchell Peterson, Professor of Finance, Kellog School of Management, Northwestern University, is a discussant.

Deborah Lucas, the Sloan Distinguished Professor of Finance at MIT's Sloan School of Management and Director of the MIT Golub Center for Finance and Policy, delivered the keynote address on bailouts and their costs on the second day of the conference. She highlighted the roles played by various government agencies, including the FDIC, in the bailout process during the financial crisis and the cost that is borne by each institution. She closed the address by saying that, while the direct cost related to the 2008 financial crisis is not quite in the trillions, the loss is big enough to raise questions about whether taxpayers could have been better protected.

The opening session of the first day consisted of three papers that focused on theoretical banking models and the effects of bank regulation. These models highlighted the benefits of capital requirements as a regulatory tool. The second session included two papers on the impact of regulations on bank behavior; the first paper studied the relationship between creditor rights and bank lending risk, and the second investigated the relationship between government guarantees and banks' incentives to distort their performance. The third session consisted of three papers that examined the structure of lending markets and their impact on lending, and the fourth session focused on stress spillovers through banks and their welfare consequences. The last session of the first day was a fast track session with six papers on various topics including living wills, contingent convertibles, and FinTech.

The first session of the second day focused on the internal organization of bank holding companies (BHCs) and

There was also a session dedicated to FinTech and how FinTech firms conduct financial intermediation. The research particularly focused on how FinTech firms evaluate loans and affect credit supply, essentially changing lending dynamics.

their operational risk. The papers discussed capital pressures created by nonbanking subsidiaries on banks within the BHC, and the effect of business complexity on risk management in financial institutions. The second session discussed the effect of regulation on credit provisions, highlighting the impact of bank competition on credit provisions and the relationship between the implementation of risk-retention requirements and the underwriting of mortgage loans. There was also a session dedicated to FinTech and how FinTech firms conduct financial intermediation. The research particularly focused on how FinTech firms evaluate loans and affect credit supply, essentially changing lending dynamics. The final session studied the reaction of depositors to bank behavior. The research documented that depositors monitored banks by withdrawing deposits or demanding higher deposit rates, but also showed that deposit insurance can potentially weaken depositor discipline, highlighting the importance of supervisory discipline in promoting financial stability. 🏛

Photos l to r: Raluca Roman of the Federal Reserve Bank of Philadelphia presents a paper on bailouts. Jonathan Pogach, Chief of Financial Modeling and Research, Center for Financial Research, FDIC, presents a paper on internal capital in bank holding companies. Mitchell Berlin, Vice President and Economist, Federal Reserve Bank of Philadelphia, is a discussant. Deborah Lucas, Professor of Finance, Sloan School of Management, MIT, delivers the keynote address.

Town Hall Meeting

Chairman McWilliams Leads Productive Dialogue at Town Hall Meeting

By Sally Kearney
Office of Communications

At her first official in-person Town Hall meeting on September 24, Chairman McWilliams encouraged employees to become engaged, ask questions, and look for better ways of doing things. The meeting, held at the Sheila C. Bair Auditorium at Virginia Square and broadcast live via FDIC TV, drew participation nationwide.

Describing the meeting as "an opportunity to engage," Chairman McWilliams said she seeks a vigorous exchange in order to "continue to build the agency into a great place to work." She praised employees for their dedication to the FDIC's mission. "You are at the core of everything we do at the FDIC," she said. "I am grateful for your support and humbled by it as well."

Describing the meeting as "an opportunity to engage," Chairman McWilliams said she seeks a vigorous exchange in order to "continue to build the agency into a great place to work."

Stressing the importance of empowerment, Chairman McWilliams pledged to provide employees with "the tools, the delegations, and the authority to do your jobs." She urged employees to talk to their supervisors if they need support, technology, or the authority to act, and encouraged those who notice duplicative or ineffective methods to "speak up."

"Think about how each action you take every day affects the deposit insurance fund, the consumers we protect, and the economy we support," she said. "If in doubt, ask a question."

Expanding on this theme, Chairman McWilliams pointed to the need to improve efficiency. As an example, she said the hiring process at the FDIC frequently takes far too long, which can prevent recruiting top talent. Working with DOA, she is directing a plan to improve and speed hiring at the FDIC.

Fielding questions on a range of issues, Chairman McWilliams gave each inquiry consideration and offered her views in some detail. She addressed questions on innovation, transparency, succession planning, hiring people with disabilities, financial education, and more, and included personal recollections and anecdotes with several of her responses. For example, when asked about her support for the Library's services and resources, she recalled how as a young person growing up in the former Yugoslavia, she was such an avid reader that the school librarian eventually asked if she was actually reading all the books she checked out, which of course she was. "I think it is important to use those resources," she said.

Responding to a question about financial education, she expressed her support for consumer protection and financial literacy, and recalled how she began her tenure at the Federal Reserve in the consumer protection division. "My foray into banking was through the channel of consumer protection," she said. "I look at it as complementary to prudential regulation." She added that "there definitely is a role for consumer education and literacy."

On succession planning, she commented on the fact that some employees have served with the agency for 30 and 40 years, a remarkable occurrence; yet, when these employees retire, they take with them "an incredible wealth of knowledge." She is taking steps to ensure that employees who want to move to the next level have opportunities to advance. In addition, she is investigating ways to strengthen the network of former staff "who could be called again to serve their country if a crisis strikes."

At Town Hall meeting, Chairman McWilliams urges employees to ask questions and seek creative solutions.

On transparency, Chairman McWilliams emphasized the role that transparency plays in fostering trust, whether among external stakeholders or employees.

FDIC student interns can play a part in succession planning. Recently, Chairman McWilliams sat down with a group of student interns in the main building cafeteria. During their discussion, an intern mentioned that it would help to have a "clear sense" of how to move forward with the FDIC after an internship ends.

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Responding to this recommendation, Chairman McWilliams began inquiring about how interns can have a potential path to becoming employees if they so choose.

On transparency, Chairman McWilliams emphasized the role that transparency plays in fostering trust, whether among external stakeholders or employees. A "Trust through Transparency" initiative includes an FDIC website, www.fdic.gov/transparency. Internally, more information will be shared with employees so that they understand how decisions are made and what those decisions mean to them.

The realignments announced in September in which Arleas Upton Kea was named Deputy to the Chairman and Chief Operating Officer and Art Murton was named Deputy to the Chairman for Policy reflect an effort "to streamline our processes and eliminate duplication and remove bureaucratic impediments to decisionmaking," Chairman McWilliams said, adding, "I am trying to make the organization even more flat to the point where we don't have multiple decision points."

The Town Hall meeting offered the most in-depth view yet of Chairman McWilliams' vision and direction for the agency. Throughout, she stressed that progress depends on employee participation.

Chairman McWilliams chats with employees after the Town Hall meeting.

This step will not be the last change on the FDIC's "journey" toward a better place to work, and Chairman McWilliams said she will solicit employee input moving forward. "Be open to change," she said. Any forthcoming changes will be made with deliberation, she added. "We will be thoughtful about any organizational changes. We're carefully considering the past, the present, and the future."

The Town Hall meeting offered the most in-depth view yet of Chairman McWilliams' vision and direction for the agency. Throughout, she stressed that progress depends on employee participation. For her part, she said, "I will promise you a work environment that is inclusive of all of us, an environment that values diversity, recognizes and grows talent, and encourages exceptionalism."

Community Affairs Staff Gather for Training in New Money Smart Module

Members of DCP's Community Affairs Branch from across the nation came together at Virginia Square to become the first group to be trained in the FDIC's major update of the original Money Smart for Adults.

By Nicole Peters
Division of Depositor and Consumer Protection

From left, Salvador Arbujo, Tina Queen, April Atkins, and Alberto Cornejo discuss an activity during a Money Smart Train-the-Trainer (MS TTT) session for Community Affairs Branch staff on September 25-26 at VASQ.

The DCP Community Affairs Branch held a two-day train-the-trainer course on August 29-30 at Virginia Square to orient Community Affairs Branch staff to the updated version of Money Smart for Adults prior to its public release this fall. Several staff who could not attend the August training session participated in a make-up session on September 25-26.

The staff learned that the updated curriculum keeps many of the features that have made Money Smart for Adults a popular and impactful resource for banks and other organizations since its release in September 2001, while also learning about its design, content, activities, and modules of the materials.

The training was made possible through a multi-work unit collaboration led by DCP's Outreach and Program Development Section staff. Team members included Bobbie Gray, Laura Lawrence, Nicole Peters, Tina Queen, and Gloria Yukee-Graham, with strong support from Heather Woods and other members of DOA's Graphic Design and Printing Unit.

Terry Lee, Atlanta Regional Manager for Community Affairs, said the training helped "bring the Community Affairs staff together to celebrate the new iteration of Money Smart." Lee appreciated the module's "fresh new look and content," noting that it provides "an opportunity for us to stimulate new and existing partnerships around community services for individuals."

Community Affairs Specialist Gloria Yukee-Graham in San Francisco liked the module's ability to customize a presentation "based on the learning needs and interests of participants." Lee views the new module as a "good tool for banks in fulfilling their community service for CRA [Community Reinvestment Act] under the community development test." Most banks find it challenging to come up with a community service that provides a "meaningful impact to the community," Yukee-Graham noted, but "Money Smart is just the perfect answer to overcome these challenges."

Peggi Gill, David Ramos, Bobbie Gray, Mark Pittman, Salvador Arbujo, Tina Queen, April Atkins, and Alberto Cornejo participating in a Money Smart Train-the-Trainer (MS TTT) session for Community Affairs Branch staff on September 25-26 at VASQ.

In addition to lecture and group discussions, the training program included engaging activities such as an exercise in which participants were asked to develop a song about Money Smart, or an exercise similar to Pictionary, in which participants tried to identify specific words from their group's drawings.

Community Affairs Assistant Danyale Lucado in Chicago said that group activities were a highlight of the training session. "In one activity, the groups were tasked with coming up with a Money Smart jingle," Lucado said. "Some groups clapped their hands to rap lyrics while others swayed in their chairs to the sweet serenade of Eloy Villafranca [Dallas Regional Manager for Community Affairs]. It was hilarious! But more importantly, it was a great demonstration of the fact that financial education can be not only empowering but fun for our participants. It's important that instructors know how to bring that element to their classrooms."

Diversity Student Interns Bring Skills and Enthusiasm to FDIC Projects

By Sally Kearney
Office of Communications

Felicia Jacques, a summer intern in Atlanta, presents an overview of the newly released Special Hiring Authorities Referral Chart to Atlanta HR staff, from left, Georgette Irby, Aundria Lawson, and Reginald Lathan. Lead HR Specialist Pinkie Harrod said that Jacques "exceeded our expectations."

Pinkie Harrod, Lead HR Specialist in the Atlanta Regional Office, decided it was time to focus on projects that had been lingering on her team's to-do list. Busy managing day-to-day demands, the team had been hard-pressed to tackle longer-term but important projects. Also, for quite some time, Harrod and her team members had considered hosting a student intern who could gain experience while working at the FDIC.

For help, Harrod turned to an FDIC program—the Diversity Outreach Student Intern Program (DOSIP). Administered by the Division of Administration (DOA), DOSIP enables undergraduate and graduate students from diverse socioeconomic and cultural backgrounds to come to the FDIC and assist divisions and offices with various assignments. Third-party organizations recruit, select, and recommend interns for the program.

Administered by the Division of Administration (DOA), DOSIP enables undergraduate and graduate students from diverse socioeconomic and cultural backgrounds to come to the FDIC and assist divisions and offices with various assignments.

DOSIP differs from the Pathways Student Intern Program that the Office of Personnel Management (OPM) sponsors and in which the FDIC participates, said Melodee Brooks, Senior Advisor, Division of Administration (DOA). "DOSIP interns are not FDIC employees but are more like contract employees," Brooks said. "The third-party organizations pay the interns and take care of other expenses such as travel and accommodations. What the FDIC offers is the assignments and the opportunity to gain experience."

The FDIC established DOSIP several years ago but suspended the program temporarily to conduct a review and recommend improvements. "After the review, DOA and OMWI came up with a better approach, and last year, we re-implemented the program and entered into Memoranda of Understanding [MOUs] with the Hispanic Association of Colleges and Universities [HACU] and Minority Access, Inc."

DOSIP is a year-round program, with 15-week sessions in the spring and fall, and a 10-week session in the summer. "We had seven interns this summer and will have five this fall," Brooks said.

The process for selecting interns resembles something of a matching process. In advance of an intern session (fall, summer, or spring), Brooks contacts FDIC administrative officers, who check in their areas to identify a need for interns. "For example, DOF may ask for an accounting major, or the Legal Division may be interested in a law student. DIT may want a person who is studying cybersecurity," Brooks said.

Brooks forwards requests to HACU and Minority Access, and these organizations seek candidates among their interns who might be interested and would be a good fit. Brooks receives a list of potential candidates from HACU and Minority Access, which she forwards to the relevant FDIC divisions or offices. It is then up to the potential hosts to review the lists and conduct interviews. When an intern is selected, the FDIC conducts a background check.

Pinkie Harrod made such a request in early 2017. When Brooks provided a list of candidates, Harrod and her team reviewed the list and selected five candidates to interview.

The interview process was crucial for Harrod and her team. "We wanted a candidate who would fit in with our group and who had the skill set and the desire to come in and explore new things," Harrod said. "Our biggest assignment was to reorganize our SharePoint site. We emphasized to all the candidates during the interviews that this would be the primary focus for this position."

Harrod could not have been happier with Jacques' performance. "Thanks to Felicia, this was the best summer ever, and hiring a DOSIP intern was a win-win," she said.

Harrod and her team selected Felicia Jacques, a Minority Access intern who had just completed her freshman year at Agnes Scott College. "Felicia had not worked with SharePoint, but she had worked with other similar programs," Harrod said. "When she joined us, she

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taught herself SharePoint via FDIC SkillPort and recommended a plan to reorganize the site. We worked with her to bring the plan to final approval."

Following Brooks's recommendation, Harrod and her team used the framework in the DOSIP manual to structure Jacques' 10-week session. "We wanted to ensure that we incorporated the team's and Felicia's goals while she accomplished activities for the team," Harrod said.

Harrod could not have been happier with Jacques' performance. "Thanks to Felicia, this was the best summer ever, and hiring a DOSIP intern was a win-win," she said. "Felicia exceeded our expectations. In addition to reorganizing the SharePoint site, she delivered a presentation on referral codes on staffing certificates, redesigned the RMS Slotting Assignment Excel spreadsheet, drafted the 2018 Atlanta Fall Corporate Recruitment Schedule, and scanned paper files and uploaded electronic copies to the SharePoint site."

Jacques also conducted informational interviews with executives and corporate managers. "Felicia did a great job, and we wanted her to stay on with us, but she has on-campus jobs during the academic year," Harrod said. "It is our hope that her brief role with the FDIC won't be her last."

Jasmine Tobin, a summer intern in OMWI at headquarters, impressed her co-workers with her ability to understand complex issues. Victor Christiansen, Chief of OMWI's Minority and Women Business and Diversity Inclusion Branch, said that Tobin was not only "creative and dependable," but "demonstrated an impressive degree of maturity for someone her age."

Brooks agrees with Harrod that selecting a DOSIP intern can be mutually beneficial for the interns and the FDIC. "The students have the opportunity to gain career experience, explore career paths, and enhance their skills, while the FDIC accomplishes projects and expands access to diverse student populations."

Victor Christiansen, Chief, Minority and Women Business and Diversity Inclusion Branch, OMWI, said that his office benefited from having an intern on board this summer. "Jasmine Tobon joined our office in June and worked with me for 10 weeks as a HACU intern," Christiansen said. "Not only did I thoroughly enjoy working with Jasmine, but without exception the entire OMWI staff had high praise for her positive attitude and congenial personality. During our time together, she was truly a valuable asset and a conscientious team player. She is creative and dependable and demonstrated an impressive degree of maturity for someone her age."

Gina Stuart, Executive Assistant to General Counsel Charles Yi, Legal Division, also had positive things to say about hosting HACU intern Jennifer Garcia. "Jennifer's genuine desire to learn and be of assistance was refreshing," Stuart said. "She took on projects from other areas in Legal as well as ours, and was always willing to help. Immediately upon arrival, she wanted to learn as much as possible about the various units that make up Legal and our agency as a whole. She had the opportunity to meet with and assist key attorneys throughout our division. At summer's end, we were both excited that she was returning to her senior year in school and applying to law schools this fall, and sad that she was leaving. If it were only possible to harness her energy, eagerness, and enthusiasm, and dispense it at will. But in the end, she gained an abundance of helpful knowledge, and I gained another 'work daughter.'"

Angelisa Harris, DCP Chicago Regional Community Affairs Manager, said that summer intern Archibald Bernard, who had a background in urban planning, made substantive contributions on work related to unbanked and underbanked households. "One of the most rewarding aspects of being a supervisor is the ability to provide professional development opportunities for young adults in the internship programs sponsored and hosted by the FDIC," Harris said. "In addition to being an avid supporter of the Pathways Intern Program and the Workforce Recruitment Program, I was delighted to be able to host interns from DOSIP this year. My objective is to provide interns with meaningful assignments that support Community Affairs initiatives and broaden their understanding of our banking system and the breadth of FDIC's role in it. I was so very impressed with the caliber of Archibald's maturity, dedication, professionalism, and eagerness to contribute that I readily agreed to host another DOSIP intern this fall. It's a winning 'trifecta' in the workplace—for the intern, the Corporation, and me!"

Archibald Bernard, the HACU intern who served in Chicago, said of his experience: "I really enjoyed my summer internship experience with the DOSIP program. It allowed me to expand my research, data analysis, and problem-solving skills while learning more about how the FDIC connects to the local community. I especially appreciated the opportunity to work independently on projects that I was passionate about with guidance and support from my supervisor."

Brooks noted that the program will soon begin recruiting for the spring session, which extends from January through May.

Brooks noted that the program will soon begin recruiting for the spring session, which extends from January through May. "The students referred to us by HACU and Minority Access have been quite impressive," she said.

Is the FDIC Really a Corporation? The History Behind the Mystery.

By Jay Rosenstein
Office of Communications

The first Board of Directors of the FDIC was sworn in at the U.S. Treasury Department on September 11, 1933. From left: E.G. Bennett, FDIC Director; Walter J. Cummings, FDIC Chairman; J.F.T. O'Connor, Comptroller of the Currency and FDIC Board member.

Every so often the television gameshow *Jeopardy!* features a question or a clue involving the FDIC, and I'm always hoping that the contestants know so much about us that the first one to buzz in gets the correct answer in a nanosecond. That's not how it played out in a segment that aired on June 7, 2016, but I'm glad it turned out the way it did.

The *Jeopardy!* category was "ABBREV" (a clever abbreviation for "abbreviation") and the clue posted on the game board was "CREATED BY THE BANKING ACT OF 1933: FDIC."

Stew was the first to respond with, "What is the Federal Deposit Insurance Company?" Next came Robert who said, "What is the Federal Deposit Insurance Commission?" Malavika didn't even take a guess, resulting in what's apparently known in *Jeopardy!* circles as a "Triple Stumper." Nobody got it right!

It was up to host Alex Trebek to remind the contestants and the millions of TV viewers that we're the Federal Deposit Insurance [dramatic pause] Corporation!

Why do I mention that? Because it got me thinking that, chances are, as an FDIC employee or retiree, you and I have seen or heard the full name of our agency hundreds of times and never given much thought to whether the FDIC is really a corporation. The answer is [dramatic pause] yes! We are a rare kind of "government corporation" under the law that created the FDIC in 1933.

According to a 2011 report from the federal government's Congressional Research Service (CRS), Congress has approved a relatively small number of government corporations since the early 1900s, generally created in response to emergencies. The first significant use of these corporations involved mobilization efforts during World War I. Then came the Great Depression of the 1930s, when Congress established a few more federal government corporations responding to the financial crisis, one being the FDIC to protect deposits and help regulate banks, another being the Reconstruction Finance Corporation, which, among other responsibilities, provided assistance to banks and mortgage companies between 1932 and 1957.

Let's also not forget the Resolution Trust Corporation (RTC), which was created by law in 1989 to be managed by the FDIC and to perform duties related to failed savings and loan institutions. On January 1, 1996, all remaining assets and liabilities of the RTC were transferred to the FSLIC Resolution Fund (FRF).

> ***There is no absolute description or criteria for a government corporation, but in general, it is for entities that are predominantly of a business nature and engage in a large number of transactions with the public for a specific purpose. It also is expected to do enough income-producing business to be considered a self-sustaining organization.***

Interestingly enough, two decades later, the FRF is still an active fund at the FDIC until all of its assets are sold or otherwise liquidated and all of its liabilities are satisfied. And it won't be going away for a long, long time because of a smattering of remaining matters. "Most are related to some court-awarded monetary penalties against officers and directors who contributed to thrift institution failures," said Paul Covas, the manager of the Financial Reporting Unit in the FDIC Division of Finance. "Other unresolved issues include the liquidation of certain assets acquired from failed thrift institutions managed by the RTC and the oversight of property owners' compliance with affordable housing agreements with the RTC for low-income households, the last of which will expire in 2045."

What defines a federal government agency as a government corporation? There is no absolute description or criteria for a government corporation, but in general, it is a form of organization for entities that are predominantly of a business nature and engage in a large number of transactions with the public for a specific purpose. It also is expected to do enough income-producing business to be considered a self-sustaining organization. That generally means a government corporation is not part of the federal budget and does not use taxpayer money because it requires greater flexibility than

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is typical under the government's appropriations process.

Based on the CRS report and other sources, there are probably about 20 or 30 government corporations in the U.S. today. Perhaps you're familiar with some of them. Ever hear of the National Railroad Passenger Corporation, AKA Amtrak? How about the U.S. Postal Service and the Pension Benefit Guaranty Corporation?

Examples of lower-profile government corporations include Federal Prison Industries, Inc., (trade name UNICOR, part of the Justice Department), which prepares inmates for reentry into society through job training, and the St. Lawrence Seaway Development Corporation (part of the U.S. Department of Transportation), which maintains the American waterways between Lake Erie and Montreal and engages in economic and trade development with its Canadian counterparts.

And while there are federal government-sponsored enterprises and other "quasi-governmental" entities that have been approved by Congress to provide desired services to the public, they aren't usually considered government corporations because they are privately (stockholder) owned.

So, why did President Franklin D. Roosevelt and the Congressional founders of the FDIC agree in 1933 to start an independent government corporation for federal deposit insurance and not a new "division" of, perhaps, the U.S. Treasury or the Federal Reserve? And why did they approve a financially independent federal entity instead of being part of the appropriations process for funding?

Lee Davison, the FDIC's historian in the Division of Insurance and Research, says there is no direct explanation in the legislative record, but he has some observations.

"From the 1880s onward, there had been many unsuccessful attempts at federal deposit insurance that used existing government entities — the Office of the Comptroller of the Currency, the Treasury and the Fed among the most frequent," Davison recalled. "But, as far as we know, it is only as you move into the Depression years, in the early 1930s, that the idea of an independent corporation or something similar initially appears. The first instances seem to be in two House bills in January of 1932. One called for creating a 'Depositors Relief Corporation,' and another for a 'Federal Guaranty and Insurance Corporation.' The corporate structures in both these bills clearly had an effect on the legislation that would pass in 1933."

"From the 1880s onward, there had been many unsuccessful attempts at federal deposit insurance that used existing government entities — the Office of the Comptroller of the Currency, the Treasury and the Fed among the most frequent," recalled Lee Davison, the FDIC's historian. "But, as far as we know, it is only in the early 1930s that the idea of an independent corporation or something similar initially appears."

And in March of 1932, Rep. Henry Steagall of Alabama, one of the main architects of what would become the successful deposit insurance legislation in 1933, proposed creating an independent "Liquidating Board." According to Davison, it was to be run by a five-person board of directors composed of the Comptroller, the Treasury Secretary and three people to be nominated by the President and confirmed by the Senate.

"Steagall also did not see deposit insurance as a government guarantee. He viewed the agency as 'a mutual organization,' with the law providing that banks would guarantee each other's deposits via a government-controlled entity," Davison said. "That point of view likely contributed to the FDIC's corporate form, and that mutual character was evident in the original 'permanent plan' for federal deposit insurance in the Banking Act of 1933. It had each insured bank becoming a stockholder in the Corporation and potentially receiving dividends from the FDIC's earnings, but that plan was never implemented. That's because of 1935 statutory changes that replaced a combination of stock subscriptions by banks and their unlimited liability for deposit insurance assessments at the FDIC's call, with regular flat-rate premiums."

There's no way to know how things might have been different for the last 85 years if the FDIC had initially been placed inside a Cabinet agency or otherwise not created as an independent government corporation. That's OK, though, because what we know is that ever since "the Corporation" had its grand opening in the New Deal-era, it has proven to be a great deal for the American people.

Special Requests: Referring to the FDIC as "the Corporation" is just one of the unusual sayings in our agency's unofficial vocabulary. I'm gathering more examples of the wacky ways FDICers have talked to each other through the years. I'm especially interested in great stories involving the FDIC's use of code names and secret codes as well as the many odd words, funny phrases, nutty names and crazy acronyms that our employees and retirees have used to describe FDIC-related things. Please send me your suggestions and any supporting details or history, preferably by COB Monday, November 5, or otherwise soon. My contact information is in the box below. Be sure to include your name, e-mail address and phone number. Requests for anonymity will be honored.

KNOW SOMETHING UNUSUAL OR HUMOROUS ABOUT THE FDIC?

Please send your stories, insights, anecdotes, humor and other suggestions to: Jay Rosenstein, INSIDE/OUT, FDIC Office of Communications, 550 17th Street, NW, Room 7100, Washington, DC 20429. Phone: (202) 898-7303. Fax:(202) 898-3543. Email address: jrosenstein@fdic.gov.

RETIREES, IT'S TIME FOR AN UPDATE!

The Benefits Center Encourages YOU to Update Your Beneficiaries.

By Danyale Lucado
Chicago Regional Office, DCP

Open season is the time of year that the Office of Personnel Management (OPM) encourages retirees to review their benefit elections and ensure they have adequate coverage for Dental, Vision, and Health insurances.

In addition to selecting the preferred insurance options, of particular importance are designations of beneficiaries. If you have experienced a life event such as marriage, divorce, birth/adoption of a child, or the passing of a loved one, it's important to review your beneficiary forms to ensure your benefits are going to those whom you intend. Whether it's a time of celebration or a time of difficulty, retiree benefits can be a crucial component in managing the financial challenges of life.

"It's already hard when someone passes," said Benefits Assistant Director Valerie Waller. Tasked with overseeing benefits for the Corporation, Waller has witnessed some of the challenges retirees' loved ones face when forms are not properly updated.

"Sometimes it doesn't work out well when a person passes," Waller explained. "A retiree could be divorced and money could still go to a former spouse because the responsible party will have to go by what's on the beneficiary form." For this reason, Waller says open season is a good time to remind retirees to check their designation of beneficiary forms as an annual routine just to make sure everything is how they want it to be.

For this reason, Waller says open season is a good time to remind retirees to check their designation of beneficiary forms as an annual routine just to make sure everything is how they want it to be.

DOA Assistant Director Valerie Waller, right, and HR Specialist Crystal Donaldson review the accuracy of an employee's Federal Employees Retirement System (FERS) beneficiary form.

When no designation of beneficiary is available, benefits typically go by order of precedence, which is usually the spouse of a benefit holder, followed by the benefit holder's children, then the benefit holder's parents. However, retirees can make this process much easier for their loved ones by making sure beneficiary forms are completed and kept updated.

Waller oversees benefits for FDIC retirees and says even they have to be reminded to keep their information up to date. "Some of our retirees move and forget to notify us, which impacts our ability to send them important information," she said. Therefore, it is also important to ensure that retirees keep their address current with FDIC, OPM, Thrift Savings Plan and T. Rowe Price for the FDIC Savings Plan.

Retirees still have access to MyEnroll after separating from the FDIC, if they are continuing the FDIC Life Insurance and/or Dental plan.

Name: Stan Jackson
Most recent position: Facilities Operations Specialist
Division: DOA
Location: Headquarters
When and where joined the FDIC: I joined the FDIC in August 1992 at headquarters.

Career highlights: I actually began my federal government career when I was in college, working for the National Institutes of Health (NIH). Just before coming to the FDIC, I worked at the Household Finance Company. Once I became a member of the FDIC family, I started by working with Call Reports in supervision. After serving in Call Reports, I moved to the travel area in the former Division of Accounting and Corporate Services (DACS). When the Ombudsman's Office transitioned from the RTC to the FDIC, I was fortunate to land a position with that group.

The Ombudsman's Office was planning a downsizing, so along came Dwight Wilson, former head of FDIC Transportation. Dwight needed help with the parking program and asked if I was interested. That launched the rest of my career in DOA and Facilities.

Other Experience: I retired from the Air Force Reserves after 22 years. My time in the Air Force allowed me to see a lot of the world and experience some things I would never have been able to do. Also, I'd be remiss if I didn't mention that until recently I was a member of the FDIC Toastmasters Club.

Retirement date: September 1, 2018

Plans for retirement: Travel, become a snow bird in the winter, flip a couple of houses a couple of times a year, and get on my wife's nerves.

Comments and thoughts: It has been a real gratifying part of my life to have worked here with so many great people—yes, great! I am thankful to God that I was able to have the FDIC in my circle.

Stan Jackson

Dave Van Vickle

In more than 32 years with the FDIC, Dave Van Vickle managed to fit in a variety of experiences and locations while steadily advancing. Having served as an Assistant Regional Director in the Chicago Regional Office since 2006, Van Vickle is retiring October 31.

Growing up in Sheldon, Iowa, a small town in the northwestern corner of the state, Van Vickle attended Iowa State University. Immediately after graduation, he went to work for the FDIC's Wichita, Kansas, Field Office as an examiner trainee. While there, Van Vickle examined many problem banks affected by the agricultural and energy crises of the time. He earned his commission in 1989.

The savings and loan crisis was heating up when Van Vickle transferred to the former Chicago North Field Office, where he continued to examine banks during the early 1990s. Soon Van Vickle moved again, this time to Bath, Ohio, near Akron, where a field office opened to handle the growing number of problem and failing S&Ls in the state. Van Vickle traveled throughout Ohio, gaining more experience with problem institutions.

In 1996, Van Vickle was selected as a Case Manager in the Chicago Regional Office and served in that position until 2002, when he left supervision to become Chicago Regional Manager for the Division of Insurance and Research (DIR). "That was quite an experience," he recalled. "It was the first time in my professional life that I dealt with the press." He returned to RMS in 2006 as an Assistant Regional Director in Chicago.

In the immediate future, Van Vickle plans to visit his children, who "live all over the country." He also wants to spend time considering different options. "I feel that I am not ready to stop working, so I want to explore possibilities," he said. "I'd like to try something different for a while."

Moira Dwyer, Case Manager in the Chicago Region, said of Van Vickle: "Dave is a class act—one of the 'good' guys—smart, nice, and a great role model [I could go on]. However, one of the traits that sets Dave apart from all others is his sense of humor. His quick wit, entertaining stories, and harmless antics were a daily occurrence that broke up the monotony of the workday and built camaraderie. Thanks for the laughs, Dave, you will be missed!"

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Michael Mahon, also a Case Manager in Chicago, paid tribute to a supervisor, role model, and mentor. "David Van-Vickle has been my Assistant Regional Director [ARD] for more than 10 years, as an examiner and case manager. He has a wealth of knowledge after leading the Chicago Region through the financial crisis and being involved in the resolution of about 50 to 60 financial institutions since then. He remains calm and collected no matter how complicated the situation. What I've admired most about Dave is his leadership ability. He always puts people first, above all else. He knows when to be firm and when to show compassion, whether dealing with bankers, FDIC employees, or other regulators, and his instincts for how to be effective in his position are second to none. I've learned so much from him as his direct report, and I will always cherish his mentorship over the past three-and-a-half years."

"What I've admired most about Dave is his leadership ability. He always puts people first, above all else." Michael Mahon, Case Manager, Chicago Region