Preservation and Promotion of Minority Depository Institutions

Report to Congress for 2019

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Preservation and Promotion of Minority Depository Institutions

The Federal Deposit Insurance Corporation Report to Congress for 2019

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 2019; a description of the FDIC's minority depository in stitution program; and detailed information on the FDIC's 2019 initiatives supporting MDIs.

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* provides additional information (see Attachment 1).

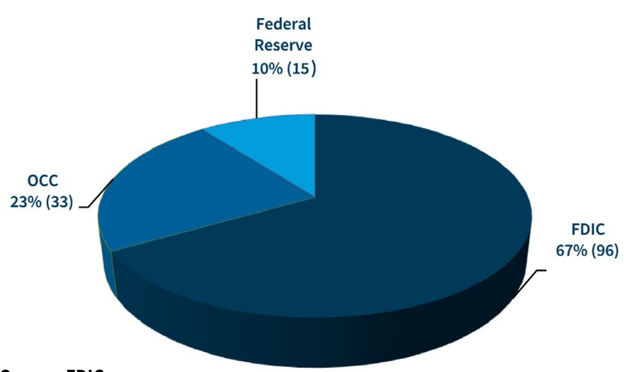
Summary Profile of Minority Depository Institutions

The FDIC maintains a list and tracks the insured MDIs it supervises, i.e., state-chartered institutions that are not members of the Federal Reserve System (Federal Reserve), as well as MDIs that are supervised by the Office of the Comptroller of the Currency (OCC) and the 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 was to fail.

Structure

As of December 31, 2019, FDIC-insured MDIs totaled 144 institutions with combined total assets of nearly $249 billion and 36,676 employees (see Attachment 2, *List of Minority Depository Institutions*). The FDIC supervised 96 of the 144 MDIs as their primary Federal regulator.

FDIC-Insured MDIs by Primary Federal Regulator as of 12/31/2019



Source: FDIC.

[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.

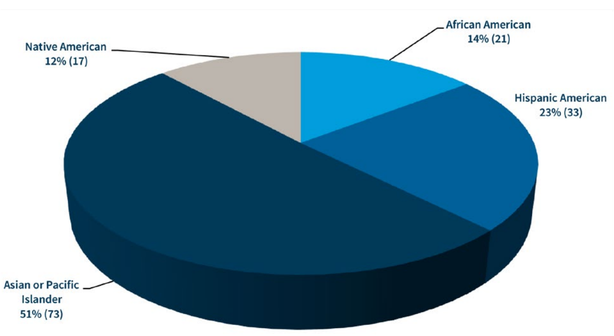
At the beginning of 2019, there were 149 FDIC-insured MDIs with combined total assets of nearly $234 billion. During the year, two new MDIs opened, both Asian American. The two new MDIs combined have nearly $71 million in assets.

One new Native American MDI was created due to a merger. Five MDIs merged with non-MDIs and thus lost status: two Asian American; one African American; one Native American; and one Hispanic American. Two MDIs merged with other MDIs thereby keeping their status: one Hispanic American and one Native American.

One MDI failed in 2019. The OCC closed a $120 million African American MDI on November 1, 2019, and appointed the FDIC as receiver. To protect depositors, the FDIC entered into a purchase and assumption agreement with another African American MDI that assumed all of the deposits of the failed institution, and purchased essentially all of its assets. The failure reduces the number of African American MDIs nationwide to 21 as of year-end 2019.

Of the total assets of the institutions involved in 2019 MDI acquisitions, mergers, or failures, 57 percent ($3.7 billion of $6.5 billion in MDI assets) remained in MDI institutions after the transactions.

FDIC-Insured MDIs by Type as of 12/31/2019



Source: FDIC.

Performance

As of December 31, 2019, the overall financial performance of FDIC-insured MDIs remains sound; however, there were nominal declines in key performance ratios. The number of profitable firms declined over the year to about 85 percent of all MDIs compared to 91 percent as of December 31, 2018. The percentage of unprofitable MDIs is over 14 percent and remains significantly higher than the percentage of both community banks and all banks that are unprofitable, at 3.81 and 3.59 percent, respectively. The unprofitable institutions generally are smaller institutions, many of which are located either in urban areas that experienced significant economic distress during the financial crisis or smaller rural markets with economic challenges.

MDI full-year net income of $3.2 billion declined by $133 million (4.0 percent) from the previous year due primarily to significant increases in noninterest and interest expenses, as well as income taxes. Net operating revenue, however, increased $620 million (6.2 percent) and was driven by an increase of net interest income of $457 million (5.5 percent) compared to the previous year. Despite the increase of net interest income, net interest margins declined modestly by 12 basis points to 3.97 percent, due to the $719 million (47.2 percent) increase in interest expense outpacing a nearly 12 percent increase in interest income.

Higher net interest income partially resulted from growth in loans and securities. Total earning assets increased $19 billion (8.9 percent) from the year prior as loan balances rose $11.3 billion (6.9 percent). This nearly 7 percent rate of loan growth for MDIs surpassed the loan growth rate at all community banks by 140 basis points. Commercial real estate (CRE) categories accounted for $4.8

billion of this growth and one- to four-family lending accounted for an additional $3.5 billion of total loan growth. Commercial and industrial (C&I) loan balances grew to $2.0 billion. Additionally, securities increased by $7.1 billion (21.1 percent).

Total 30-89 day past due balances increased by 15.7 percent from one year ago, driven by one- to four-family lending, and consumer and C&I portfolios; but noncurrent and net charge-off balances declined. Lower noncurrent balances helped improve the coverage ratio (allowance for loan and lease losses to noncurrent loans and leases) to 80 percent, up from 76.4 percent a year ago. The noncurrent rate in the fourth quarter was 1.54 percent, down seven basis points from the previous quarter and 27 basis points from the previous year. Despite the improvement, both of these figures trail the coverage ratio and noncurrent rate of all community banks (148.42 percent and 0.75 percent, respectively).

Total equity capital increased from the previous year by $2.8 billion (9.5 percent) to $31.8 billion. All standard capital ratios, except the Tier 1 Leverage ratio, increased from fourth quarter 2018. The Tier 1 Leverage ratio decreased by four basis points to 11.65 percent. All but one institution was considered well capitalized or adequately capitalized.

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 (LMI) 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 *Policy Statement Regarding Minority Depository Institutions* (see Attachment 1) provides the framework for the minority depository institutions program (MDI program). The FDIC has a National Director of Minority and Community Development Banking in the Washington, DC Office, and MDI coordinators in each of its six regional offices. The National Director reports to the Directors of the Division of Risk Management Supervision and the Division of Depositor and Consumer Protection to leverage resources and expertise in the two divisions. In 2019, the FDIC filled two additional dedicated positions that support the MDI program at the national level.

The National Director advises the FDIC Chairman on MDI activities and initiatives, provides overall direction and guidance, and consults with other FDIC divisions to provide appropriate resources across the agency to support 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 FDIC's efforts under this program, discuss possible training initiatives, and explore options for preserving and promoting minority ownership and management of depository institutions.

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Betty J. Rudolph, National Director, Minority and Community Development Banking, FDIC, welcomes attendees to the 2019 Interagency MDI and CDFI Bank Conference.

The National Director also regularly meets with Federal banking agency colleagues to discuss outreach and training efforts, to share ideas, and to identify opportunities where the agencies can work together to support 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 seek input regarding any training or other technical assistance the institution may desire.

The FDIC has a website (*fdic.gov/mdi*) dedicated to MDIs, which provides valuable information on MDIs and resources useful to minority banks. The MDI website houses the FDIC's *Annual Reports to Congress*, a list of MDIs updated quarterly, research studies on MDIs, and other helpful resources. These resources include information on how collaborations with MDIs can result in sound and profitable lending and investments that meet the needs of underserved communities, updates on the FDIC's MDI Subcommittee, and contact information for national and regional MDI coordinators and staff.

2019 Initiatives Supporting Minority Depository Institutions

The preservation and promotion of MDIs remains a long-standing and high priority for the FDIC. In 2019, the FDIC expanded engagement with MDIs and continued to promote and support strategies led by MDIs and Community Development Financial Institution (CDFI) banks to better serve their communities. These strategies included increasing collaboration between MDIs and other financial institutions; partnering to share costs, raise capital, or pool loans; and innovatively using available Federal programs. The FDIC supports these efforts through research, outreach, and engagement to better understand MDI issues, as well as by providing technical assistance, education, and training for MDI and CDFI banks.

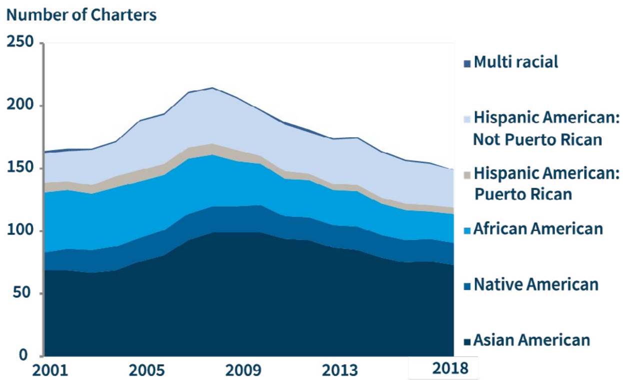
Research

During 2019, the FDIC published a research study, *Minority Depository Institutions: Structure, Performance, and Social Impact*, that explores changes in FDIC-insured MDIs, their role in the financial services industry, and their impact on the communities they serve. The study looked at the demographics, structural change, geography, financial performance, and social impact of MDIs over a 17-year period ending December 31, 2018.

The study found that MDIs continue to consolidate, but more gradually than community banks overall. The number of African American MDIs declined by more than half during this period. African

American MDIs represented 15 percent of all MDIs at year-end 2018, compared with almost 30 percent of all MDIs in 2001. However, the number of Native American, Hispanic American, and Asian American MDIs increased during the same period.

FDIC-Insured MDI Charters



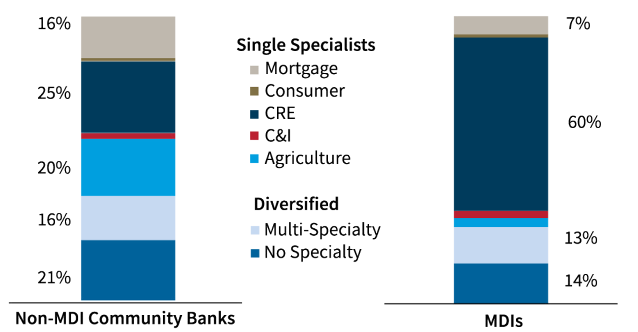
Source: FDIC.

By 2016, MDI assets had surpassed pre-recession highs, and they continue to grow in absolute terms. The asset share of Asian American MDIs has increased, while the asset share of African American MDIs and Hispanic American MDIs has declined.

MDI financial performance improved significantly over the past five years, particularly in terms of revenue generation and loan performance. Credit quality and earnings at MDIs were especially hard hit during the last recession and housing crisis. However, credit quality has continued to improve in the past five years, and MDI noncurrent loans and net charge-offs were at new lows at the end of the study period. MDIs, and particularly small MDIs, still have much higher expenses in terms of the cost to bring in a dollar of revenue. However, that disadvantage has narrowed in recent years.

MDIs not only have a greater share of total loans secured by real estate, but they also have more loans secured by CRE than non-MDI community or non-community banks. Since 2001, MDIs have migrated to the CRE specialty group from other lending groups. In 2001, 32 percent of MDIs had no lending specialty; by 2018, this number had declined to 14 percent. The share of MDI CRE specialists reached 60 percent at year-end 2018, compared to 25 percent at community banks.

Percent of Institutions by Lending Specialty Group, Year-End 2018

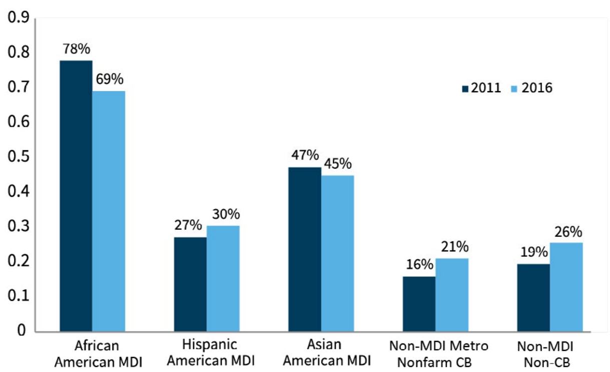


Source: FDIC. Loan categories with fewer than 5 percent of institutions are not labeled.

MDIs tend to serve communities in which a higher share of the population lives in LMI census tracts and a higher share of residents are minorities, compared with non-MDI community banks in similar geographies.

The chart on the next page shows the high percentage of LMI populations served by MDIs, compared to similarly situated non-MDIs (non-MDI non-farm community banks) and non-MDI non-community banks, which are generally very large institutions with a regional or national footprint.

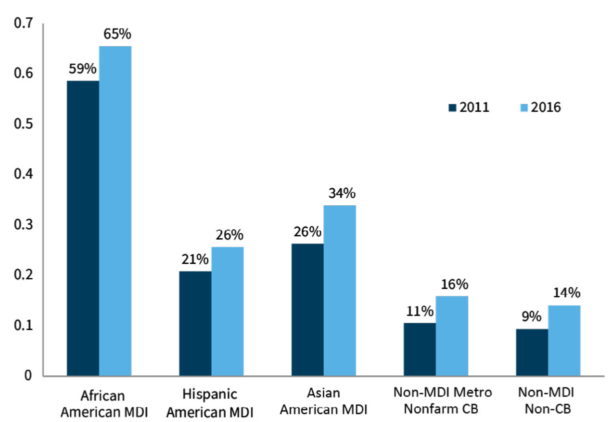
The median share of estimated service area population living in LMI census tracts is higher among MDIs



Source: FDIC. Note that CB means community bank.

In addition, a comparison of mortgage lending based on an analysis of Home Mortgage Disclosure Act (HMDA) data showed that MDIs originated a greater share of their mortgages for properties in LMI census tracts and to minority borrowers when compared with non-MDIs in similar geographies. Compared with non-MDIs, MDIs also originated a greater share of small business loans guaranteed by the U.S. Small Business Administration (SBA) to borrowers in LMI census tracts and to borrowers in census tracts with higher shares of minority residents.

The median share of HMDA-reported mortgage originations for properties in LMI census tracts is higher for MDIs



Source: FDIC. Note that CB means community bank.

MDI Subcommittee

In 2019, the FDIC established a new MDI Subcommittee of the Advisory Committee on Community Banking (CBAC), which held its inaugural meeting in December 2019. There are nine executives serving as members of the MDI Subcommittee representing African American, Native American, Hispanic American, and Asian American MDIs across the country.

The MDI Subcommittee advises the CBAC regarding the FDIC's MDI program. It serves as a source of feedback for the FDIC to fulfill its statutory goals to preserve and promote MDIs. The MDI Subcommittee provides a platform for MDIs to promote collaboration, partnerships, and best practices, and it identifies ways to highlight the work of MDIs in their communities.

FDIC held its inaugural meeting of the MDI Subcommittee on December 3, 2019.

MDI Subcommittee members discuss banking trends affecting MDIs. From left: James H. Sills, III, M&F Bank; Warren Huang, Amerasia Bank; Gilbert Narvaez, Jr., Falcon International Bank; and Kyle Chavis, Lumbee Guaranty Bank.

During the December meeting, the FDIC presented MDI Subcommittee members with potential updates to the FDIC's *Policy Statement Regarding Minority Depository Institutions* (see Attachment 1), with the objective of strengthening its program to preserve and promote MDIs.

Members of the MDI Subcommittee provided a brief overview on the origins of their institutions, an overview of their business models, and the communities they serve. Some also commented on the unique challenges they face.

In addition, in 2019, the FDIC added additional MDI bankers to the CBAC membership to bring further MDI perspectives and issues to the table.

Collaboration Roundtables

The FDIC hosted three roundtables in 2019 with large bank executives and MDI bankers to foster collaboration to support the continued vibrancy of MDIs and their communities. At each roundtable, the FDIC outlined how both MDIs and other institutions might realize business and regulatory benefits by developing partnerships, drawing upon the FDIC's *Resource Guide for Collaboration with Minority Depository Institutions* (see Attachment 3), published in December 2017. In addition, the FDIC clarified how relationships with MDIs receive consideration under the Community Reinvestment Act (CRA).

During the roundtables, executives from 29 large banks and 24 MDIs discussed potential partnerships including financial support, lending activities, or service activities including technical assistance.

Prior to each roundtable, the FDIC asked bankers to complete a "collaboration inventory" (see Attachment 4). Minority banks outlined the types of partnerships they were seeking, such as direct investment or deposits; loan participations as a buyer or a seller; or technical assistance or services ranging from sharing specialty expertise to collaborating on product development or back office operations. Large banks identified the categories where they had an interest in partnering. Participants exchanged inventories prior to the roundtable to facilitate conversations at the meeting.

From left: Adam Ahmad, Barclays Bank, and Kevin Choi and Seung Goo (Sean) Lee, Shinhan Bank America discuss collaboration opportunities at the New York Large Bank – MDI Roundtable.

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On June 27, the FDIC held a roundtable for banks in the FDIC's New York Region. Other roundtables were held in Atlanta on October 17 and Chicago on November 7.

Bankers attending the roundtables reported the beginning of promising partnerships that are in progress involving direct investment, deposits, and technical assistance. In addition, one of the banks described the benefit of networking with other MDIs at these events. The FDIC is monitoring the outcomes of the roundtables and will highlight successful partnerships at future events and on its MDI website.

Workshops and Webinars

One of the FDIC's statutory goals is to preserve the minority character of MDIs in failed bank acquisitions. In 2019, the FDIC hosted three workshops and three webinars with MDI bankers to discuss the failed bank bidding process and special marketing procedures for MDIs. In addition, the FDIC implemented a new marketing procedure that provides a two-week window exclusively for MDIs.[2]

Interagency MDI and CDFI Bank Conference

In June, the FDIC hosted the interagency MDI and CDFI bank conference, *Focus on the Future: Prospering in a Changing Industry*, in collaboration with the OCC and Federal Reserve. There were more than 200 attendees, of which 80 were MDI and CDFI bankers, representing 61 banks, at the two-day conference held at the FDIC's L. William Seidman Center in Arlington, Virginia.

Makada Henry-Nickie, Brookings Institute, (left) facilitated the discussion of key challenges facing minority and CDFI banks with FDIC Chairman Jelena McWilliams, OCC Senior Deputy Comptroller Grovetta Gardineer, and Federal Reserve Governor Michelle Bowman.

Agency principals from the FDIC, OCC, and the Federal Reserve opened the conference by providing updates on programs and policies that can help MDI and CDFI banks achieve their goals. Chairman McWilliams began the conversation by emphasizing the importance of minority banks to the financial system. "MDIs are critical to our nation's banking system. The idea behind this conference is to highlight your issues and honor the work that you do. I am very grateful to you." After remarks from each principal, the audience actively engaged with the principals through a variety of questions and comments.

Nilesh Patel, Central Bank, asks a question during the Agency Principals' panel.

[2] See discussion under Failing Institutions, page 12.

General sessions included a supervision panel where attendees heard from top regulatory officials about trending topics that are pertinent for MDIs. Other general sessions featured MDI CEOs offering their perspectives on top leadership issues; innovation; collaboration; and expanding MDI and CDFI bank participation in the New Markets Tax Credit program, which was a peer-to-peer dialogue.

CEO Perspectives Panel: From left, Arthur W. Lindo, Deputy Director of Policy, Federal Reserve, moderator; Cynthia Day, Citizens Trust Bank; Noor Menai, CTBC Bank Corp (USA); and Darrin Williams, Southern Bancorp, Inc.

Also featured was a general session on the FDIC's research study, [*MDI Structure, Performance, and Social Impact*]. The authors of the study discussed their findings, including trends in the structure, financial performance, and social impact of MDIs.

FDIC Research Study, *Minority Depository Institutions: Structure, Performance, and Social Impact*. From left: Erica Lee, moderator, Eric Breitenstein, Karyen Chu, and Margaret Hanrahan, Division of Insurance and Research, FDIC.

There was an extended session on Opportunity Zones, which explored the role that MDIs and CDFI banks can play in this tax incentive. Panelists included bankers who have participated in Opportunity Zone transactions, Opportunity Fund managers who are connecting investors and deals, and professionals with technical knowledge of the tax incentive.

Opportunity Zones Panel. From left: Aron Betru, Milken Institute, moderator; Mike Morrell, Sunrise Banks; Adam Northup, Virginia Community Capital; and Tony Thomas, Harbor Bankshares Capital Corporation.

The conference also featured a number of concurrent workshops that highlighted relevant topics for MDIs and CDFI banks. Topics included cybersecurity; a research discussion about understanding MDIs and their markets; Federal programs supporting MDIs; succession management; a peer discussion on the benefits of participating in the CDFI Fund's programs; and a workshop that focused on the FDIC's role in supporting preservation of the minority character of failing MDIs.

There were several networking opportunities for MDIs to learn from each other, share common interests, and interact with their regulators and other Federal agencies. These included networking lunches, an opening reception, and an opportunity to have candid conversations with regulators during a breakfast on the second day.

Attendees provided high ratings for the conference overall, and they specifically found the topics to be relevant to their work.

Succession Planning Workshop. From left: Asif Dakri, Wallis Bank; James Wang, Asian Bank; and Brian Argrett, City First Bank of DC.

Alden J. McDonald, Jr. (center) introduces his son, Todd McDonald, to FDIC Chairman McWilliams. Alden McDonald founded Liberty Bank and Trust in 1972 in New Orleans, Louisiana.

Preserving the Minority Character: FDIC Franchise Marketing Update. From left: Nathan Sis, Resolutions and Closing Manager, FDIC; and Pamela Farwig, Deputy Director, Division of Resolutions and Receiverships, FDIC.

Saurabh Narain, President and CEO, National Community Investment Fund and Alan Thian, President and CEO, Royal Business Bank at the opening reception.

Whitney Thomas Toussaint discusses her role as an FDIC Regional MDI Coordinator for the New York Region. Also pictured is Doyle Mitchell, President and CEO, Industrial Bank.

Technical Assistance

The FDIC pursued efforts to improve communication and interaction with MDIs and to respond to the concerns of minority bankers in 2019. The FDIC maintains active outreach with MDI trade groups and offers to arrange annual meetings between FDIC regional management and each MDI's board of directors to discuss issues of interest.

The FDIC routinely contacts MDIs to offer return visits by supervision staff and technical assistance following the conclusion of FDIC safety and soundness, consumer compliance, CRA, and specialty examinations to help bank management 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.

MDIs also may initiate contact with the FDIC to request technical assistance. The FDIC's MDI website (FDIC.gov/MDI) provides contact information and encourages any MDI to request technical assistance from the FDIC at any time (FDIC Regional MDI Coordinator contact list).

In 2019, the FDIC provided 134 technical assistance sessions on nearly 50 risk management, consumer compliance, and resolution topics, including:

- Accounting,
- Bank Secrecy Act and Anti-Money Laundering,
- Community Reinvestment Act,
- Compliance management,
- Funding and liquidity,
- Information technology risk management and cybersecurity,
- Internal audit, and
- Failed bank acquisition.

Outreach, Training, and Educational Programs

The FDIC holds outreach, training, and educational programs for MDIs through individual meetings, conference calls, workshops, webinars, and regional banker roundtables. In 2019, topics of discussion for these sessions included many of those listed above, as well as collaboration and partnerships, the CECL accounting methodology, IT vendor management, cybersecurity, innovation, CDFI Fund programs, and emerging technology.

The National Director and staff took part in several outreach initiatives in 2019, including engagement with the National Bankers Association, the National Association of Chinese American Bankers, the American Bankers Association, the Independent Community Bankers of America, and the Community Development Bankers Association.

Outreach by the National Director also included visits to six FDIC-supervised MDIs across the country.

Betty J. Rudolph, National Director, Minority and Community Development Banking, FDIC, shown here with the Board of Directors of the National Association of Chinese American Bankers.

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 implemented a new failing bank marketing procedure in 2019 that provides a two-week 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.

The FDIC applied this new procedure to the sole failure of an MDI in 2019. An African American MDI failed on November 1, 2019, and another African American MDI submitted the least cost bid, assumed all of the deposits, and purchased the failed bank's assets.

The FDIC's research shows that over a 17-year period, most of the assets of merged and failed MDIs have been acquired by other MDIs. Of the nearly $23 billion in MDI failed-bank assets during this period, 86 percent were acquired by another minority institution.

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 *Policy Statement Regarding Minority Depository Institutions*

Attachment 2: *List of Minority Depository Institutions as of December 31, 2019*

Attachment 3: *Resource Guide for Collaboration with Minority Depository Institutions*

Attachment 4: *Large Bank Roundtable Collaboration Inventory*

"The health of Minority Depository Institutions is essential to the health of our nation's financial system. The FDIC is dedicated to promoting the financial strength of MDIs. The FDIC stands ready to preserve and protect MDIs. They are the lifeblood of their communities."

—Jelena McWilliams, Chairman, FDIC

Attachment 1

POLICY STATEMENT REGARDING MINORITY DEPOSITORY INSTITUTIONS

Minority depository institutions often promote the economic viability of minority and under-served communities. The FDIC has long recognized the importance of minority depository institutions and has historically taken steps to preserve and encourage minority ownership of insured financial institutions.

Statutory Framework

In August 1989, Congress enacted the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"). Section 308 of FIRREA established the following goals:

- Preserve the number of minority depository institutions;
- Preserve the minority character in cases of merger or acquisition;
- Provide technical assistance to prevent insolvency of institutions not now insolvent;
- Promote and encourage creation of new minority depository institutions; and
- Provide for training, technical assistance, and educational programs.

Definition

"Minority" as defined by Section 308 of FIRREA means any "Black American, Asian American, Hispanic American, or Native American." Section 308 of FIRREA defines "minority depository institution" as any Federally insured depository institution where 51 percent or more of the voting stock is owned by one or more "socially and economically disadvantaged individuals." Given the ambiguous nature of the phrase "socially and economically disadvantaged individuals," for the purposes of this Policy Statement, minority depository institution is defined as any Federally insured depository institution where 51 percent or more of the voting stock is owned by minority individuals. This includes institutions collectively owned by a group of minority individuals, such as a Native American Tribe. Ownership must be by U.S. citizens or permanent legal U.S. residents to be counted in determining minority ownership. In addition to the institutions that meet the ownership test, for the purposes of this Policy Statement, institutions will be considered minority depository institutions if a majority of the Board of Directors is minority and the community that the institution serves is predominantly minority.

Identification of Minority Depository Institutions

To ensure that all minority depository institutions are able to participate in the program, the FDIC will maintain a list of Federally insured minority depository institutions. Institutions that are not already identified as minority depository institutions can request to be designated as such by certifying that they meet the above definition. For institutions supervised directly by the FDIC, our examiners will review the appropriateness of an institution being on the list during the examination process. In addition, case managers in our regional offices will note changes to the list while processing deposit insurance applications, merger applications, change of control notices, or failures of minority depository institutions. The FDIC will work closely with the other Federal regulatory agencies to ensure that institutions not directly supervised by the FDIC are accurately captured on our list. In addition, the FDIC will periodically provide the list to relevant trade associations and seek input regarding its accuracy. Inclusion in the FDIC's minority depository institution program is voluntary. Any minority depository institution not wishing to participate in this program will be removed from the official list upon request.

Organizational Structure

The FDIC has designated a national coordinator for the FDIC's minority depository institutions program in the Washington Office and a regional coordinator in each Regional Office. The national coordinator will consult with officials from the Office of Diversity and Economic Opportunity, the Legal Division, and the Division of Resolutions and Receiverships to ensure appropriate personnel are involved in program initiatives. The national coordinator will regularly contact the various minority depository institution 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 of depository institutions. As the primary Federal regulator for State nonmember banks, the FDIC will focus its efforts on these institutions. However, the national coordinator will meet with the other Federal regulators periodically to discuss each agency's outreach efforts, to share the ideas, and to identify opportunities where the agencies can work together to assist minority depository institutions. Representatives of other divisions and offices may participate in these meetings.

The regional coordinators are knowledgeable about minority bank issues and are available to answer questions or to direct inquiries to the appropriate office. However, each FDIC-insured institution has previously been assigned a specific case manager in their regional office who will continue to be the institution's central point of contact at the FDIC. At least annually, regional coordinators will contact each minority depository institution directly supervised by the FDIC in their respective regions to discuss the FDIC's efforts to promote and preserve minority ownership of financial institutions and to offer to have a member of regional management meet with the institution's board of directors to discuss issues of interest. Finally, the regional coordinators will contact all new minority State nonmember banks identified through insurance applications, merger applications, or change in control notices to familiarize the institutions with the FDIC's minority depository institution program.

Technical Assistance

The FDIC can provide technical assistance to minority depository institutions in several ways on a variety of issues. An institution can contact its case manager for assistance in understanding bank regulations, FDIC policies, examination procedures, etc. Case managers can also explain the application process and the type of analysis and information required for different applications. During examinations, examiners are expected to fully explain any supervisory recommendations and should offer to help management understand satisfactory methods to address such recommendations.

At the conclusion of each examination of a minority depository institution directly supervised by the FDIC, the FDIC will offer to have representatives return to the institution approximately 90 to 120 days later to review areas of concern or topics of interest to the institution. The purpose of the return visits will be to assist management in understanding and implementing examination recommendations, not to identify new problems. The level of technical assistance provided should be commensurate with the issues facing the institution. As such, institutions where more examination recommendations are made would generally be offered more detailed technical assistance in implementing those recommendations.

FDIC employees can advise on risk management procedures, accounting practices, recruiting techniques, etc., but will not actually perform tasks expected of an institution's management or employees. For example, FDIC employees may explain Call Report instructions as they relate to specific accounts, but will not assist in the preparation of an institution's Call Report. As another example, FDIC employees may provide information on community reinvestment opportunities, but will not recommend a specific transaction.

Training and Educational Programs

The FDIC will work with trade associations representing minority depository institutions and other regulatory agencies to periodically assess the need for, and provide for, training opportunities and educational opportunities. We will partner with the trade associations to offer training programs during their annual conferences and other regional meetings.

The national coordinator and the regional coordinators will also work with trade associations and other organizations to attempt to identify groups that may be interested in establishing new minority depository institutions. FDIC representatives will be available to address such groups to discuss the application process, the requirements of becoming FDIC insured, and the various programs geared toward minority depository institutions.

Failing Institutions

The FDIC will attempt to preserve the minority character of failing institutions during the resolution process. In the event of a potential failure of a minority depository institution, the Division of Resolutions and Receiverships will contact all minority depository institutions nationwide that qualify to bid on failing institutions. The Division of Resolutions and Receiverships will solicit qualified minority depository institutions' interest in the failing institution, discuss the bidding process, and upon request, offer to provide technical assistance regarding completion of the bid forms. In addition, the Division of Resolutions and Receiverships, with assistance from the Office of Diversity and Economic Opportunity, will maintain a list of minority individuals and nonbank entities that have expressed an interest in acquiring failing minority-owned institutions. Trade associations that represent minority depository institutions will also be contacted periodically to help identify possible interested parties.

Reporting

The regional coordinators will report their region's activities related to this Policy Statement to the national coordinator quarterly. The national coordinator will compile the results of the regional offices' reports and submit a quarterly summary to the Office of the Chairman. Our efforts to preserve and promote minority ownership of depository institutions will also be highlighted in the FDIC's Annual Report.

Internet Site

The FDIC will create a Webpage on its Internet site (*www.fdic.gov*) to promote the Minority Depository Institution Program. Among other things, the page will describe the program and include the name, phone number, and email address of the national coordinator and each regional coordinator. The page will also contain links to the list of minority depository institutions, pertinent trade associations, and other regulatory agency programs. We will also explore the feasibility and usefulness of posting other items to the page, such as statistical information and comparative data for minority depository institutions. Visitors will have the opportunity to provide feedback regarding the FDIC's program and the usefulness of the Webpage.

By order of the Board of Directors, April 9, 2002.
[Source: 67 Fed. Reg. 18620, April 16, 2002]

Attachment 2

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Num.	FDIC REGION	TOTAL ASSETS ($000)
Alamerica Bank	BIRMINGHAM	AL	20000128	35314	NM	FDIC	B	1	ATLANTA	19,584
Commonwealth National Bank	MOBILE	AL	19760219	22229	N	OCC	B	1	ATLANTA	49,791
BAC Florida Bank	CORAL GABLES	FL	19731012	21265	NM	FDIC	H	2	ATLANTA	2,260,033
Banesco USA	CORAL GABLES	FL	20060110	57815	NM	FDIC	H	2	ATLANTA	1,718,155
U. S. Century Bank	DORAL	FL	20021028	57369	NM	FDIC	H	2	ATLANTA	1,312,272
Executive National Bank	MIAMI	FL	19720607	20711	N	OCC	H	2	ATLANTA	467,405
Interamerican Bank, A FSB	MIAMI	FL	19760823	31823	SB	OCC	H	2	ATLANTA	201,400
International Finance Bank	MIAMI	FL	19831130	24823	NM	FDIC	H	2	ATLANTA	780,095
Ocean Bank	MIAMI	FL	19821209	24156	NM	FDIC	H	2	ATLANTA	4,314,163
Plus International Bank	MIAMI	FL	20010914	57083	NM	FDIC	H	2	ATLANTA	72,586
Sunstate Bank	MIAMI	FL	19990315	34643	NM	FDIC	H	7	ATLANTA	451,808
Central Bank	TAMPA	FL	20070226	58377	NM	FDIC	A	3	ATLANTA	200,413
Touchmark National Bank	ALPHARETTA	GA	20080128	58687	N	OCC	A	3	ATLANTA	407,629
Citizens Trust Bank	ATLANTA	GA	19210618	8033	SM	FED	B	1	ATLANTA	418,130
First IC Bank	DORAVILLE	GA	20000131	34998	NM	FDIC	A	3	ATLANTA	704,772
Metro City Bank	DORAVILLE	GA	20060404	58181	NM	FDIC	A	3	ATLANTA	1,636,039
PromiseOne Bank	DULUTH	GA	20081106	58657	NM	FDIC	A	3	ATLANTA	450,362
Loyal Trust Bank	JOHNS CREEK	GA	20191118	59182	NM	FDIC	A	8	ATLANTA	25,679
Embassy National Bank	LAWRENCEVILLE	GA	20070305	58413	N	OCC	A	3	ATLANTA	109,617
Carver State Bank	SAVANNAH	GA	19270101	16584	NM	FDIC	B	1	ATLANTA	42,345
Quantum National Bank	SUWANEE	GA	19951227	34110	N	OCC	A	3	ATLANTA	512,653
Mechanics & Farmers Bank	DURHAM	NC	19080301	12266	NM	FDIC	B	1	ATLANTA	265,273

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Num.	FDIC REGION	TOTAL ASSETS ($000)
Lumbee Guaranty Bank	PEMBROKE	NC	19711222	20568	NM	FDIC	N	4	ATLANTA	343,753
OPTUS Bank	COLUMBIA	SC	19990326	35241	NM	FDIC	B	1	ATLANTA	78,131
Citizens Bank of Chatsworth	CHATSWORTH	IL	19340101	10843	NM	FDIC	A	3	CHICAGO	33,495
American Metro Bank	CHICAGO	IL	19970129	34334	NM	FDIC	A	3	CHICAGO	80,451
GN Bank	CHICAGO	IL	19340101	29399	SB	OCC	B	1	CHICAGO	137,351
International Bank of Chicago	CHICAGO	IL	19921026	33708	NM	FDIC	A	3	CHICAGO	677,878
Pacific Global Bank	CHICAGO	IL	19951109	34089	SM	FED	A	3	CHICAGO	219,898
Millennium Bank	DES PLAINES	IL	20070702	58348	NM	FDIC	A	3	CHICAGO	153,551
Metro Bank	LOUISVILLE	KY	19970106	34308	NM	FDIC	B	6	CHICAGO	26,311
First Independence Bank	DETROIT	MI	19700514	20179	NM	FDIC	B	1	CHICAGO	295,951
Bay Bank	GREEN BAY	WI	19950821	34052	NM	FDIC	N	4	CHICAGO	108,303
Columbia Savings and Loan Association	MILWAUKEE	WI	19240101	28480	SL	FDIC	B	1	CHICAGO	21,979
Native American Bank, National Association	DENVER	CO	19870727	27026	N	OCC	N	4	DALLAS	132,849
Liberty Bank and Trust Company	NEW ORLEANS	LA	19721116	20856	NM	FDIC	B	1	DALLAS	601,545
Centinel Bank of Taos	TAOS	NM	19690301	19904	NM	FDIC	H	2	DALLAS	279,487
FirstBank	ANTLERS	OK	19010101	14331	SM	FED	N	4	DALLAS	322,210
AllNations Bank	CALUMET	OK	19010101	4051	SM	FED	N	4	DALLAS	43,346
F & M Bank	EDMOND	OK	19020101	12761	NM	FDIC	N	4	DALLAS	480,916
Bank of Grand Lake	GROVE	OK	20050609	57915	NM	FDIC	H	2	DALLAS	170,152

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019

NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Num.	FDIC REGION	TOTAL ASSETS ($000)
Bank of Cherokee County	HULBERT	OK	19081201	2327	SM	FED	N	4	DALLAS	118,707
Gateway First Bank	JENKS	OK	19350503	15118	NM	FDIC	N	4	DALLAS	1,498,327
Bank 2	OKLAHOMA CITY	OK	19030101	11521	SM	FED	N	4	DALLAS	198,963
First Security Bank and Trust Company	OKLAHOMA CITY	OK	19510406	17001	NM	FDIC	B	1	DALLAS	55,713
First National Bank and Trust Company	SHAWNEE	OK	19841029	25738	N	OCC	N	4	DALLAS	243,644
Bank of Commerce	STILWELL	OK	19030203	2320	NM	FDIC	N	4	DALLAS	131,854
Oklahoma State Bank	VINITA	OK	19380713	15611	NM	FDIC	N	4	DALLAS	154,754
Tri-State Bank of Memphis	MEMPHIS	TN	19461216	16511	NM	FDIC	B	1	DALLAS	85,617
Citizens Savings Bank and Trust Company	NASHVILLE	TN	19040104	10319	NM	FDIC	B	1	DALLAS	97,321
International Bank of Commerce	BROWNSVILLE	TX	19841009	25679	NM	FDIC	H	2	DALLAS	1,074,874
One World Bank	DALLAS	TX	20050404	57901	NM	FDIC	A	3	DALLAS	106,645
State Bank of Texas	DALLAS	TX	19871019	27074	NM	FDIC	A	3	DALLAS	853,091
United Bank of El Paso del Norte	EL PASO	TX	20010501	57119	SM	FED	H	2	DALLAS	236,063
Freedom Bank	FREER	TX	19580712	17881	NM	FDIC	H	2	DALLAS	48,148
American First National Bank	HOUSTON	TX	19980518	34656	N	OCC	A	3	DALLAS	1,904,248
Golden Bank, National Association	HOUSTON	TX	19850503	26223	N	OCC	A	3	DALLAS	1,022,609
Southwestern National Bank	HOUSTON	TX	19971103	34319	N	OCC	A	3	DALLAS	590,447
Unity National Bank of Houston	HOUSTON	TX	19850801	26351	N	OCC	B	1	DALLAS	106,140

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Num.	FDIC REGION	TOTAL ASSETS ($000)
Commerce Bank	LAREDO	TX	19820331	23772	NM	FDIC	H	2	DALLAS	508,218
Falcon International Bank	LAREDO	TX	19861210	26856	NM	FDIC	H	2	DALLAS	1,294,446
International Bank of Commerce	LAREDO	TX	19660902	19629	NM	FDIC	H	2	DALLAS	8,724,864
Bank of South Texas	MCALLEN	TX	19860708	26727	NM	FDIC	H	2	DALLAS	137,980
Greater State Bank	MCALLEN	TX	19740101	31762	NM	FDIC	H	2	DALLAS	89,273
Rio Bank	MCALLEN	TX	19850211	25886	NM	FDIC	H	7	DALLAS	544,956
Texas National Bank	MERCEDES	TX	19201126	3337	N	OCC	H	2	DALLAS	330,035
Lone Star National Bank	PHARR	TX	19830124	24347	N	OCC	H	2	DALLAS	2,418,865
Citizens State Bank	ROMA	TX	19780515	22657	NM	FDIC	H	2	DALLAS	87,941
First State Bank	SHALLOWATER	TX	19601008	18301	NM	FDIC	A	3	DALLAS	95,194
Wallis Bank	WALLIS	TX	19721028	20845	NM	FDIC	A	3	DALLAS	796,690
International Bank of Commerce	ZAPATA	TX	19840206	24961	NM	FDIC	H	2	DALLAS	384,273
Zapata National Bank	ZAPATA	TX	19611116	18454	N	OCC	H	2	DALLAS	86,614
Pinnacle Bank	MARSHALLTOWN	IA	19270505	252	SM	FED	N	4	KANSAS CITY	215,130
CBW Bank	WEIR	KS	18920101	13959	NM	FDIC	A	3	KANSAS CITY	86,916
Woodlands National Bank	HINCKLEY	MN	19081001	1417	N	OCC	N	4	KANSAS CITY	207,944
People's Bank of Seneca	SENECA	MO	19960315	34146	NM	FDIC	N	4	KANSAS CITY	238,507
Turtle Mountain State Bank	BELCOURT	ND	20071203	58586	NM	FDIC	N	4	KANSAS CITY	35,753
Industrial Bank	WASHINGTON	DC	19340818	14679	NM	FDIC	B	1	NEW YORK	530,840

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Num.	FDIC REGION	TOTAL ASSETS ($000)
Leader Bank, National Association	ARLINGTON	MA	20020508	57134	N	OCC	A	3	NEW YORK	1,583,299
The Harbor Bank of Maryland	BALTIMORE	MD	19820913	24015	NM	FDIC	B	6	NEW YORK	311,321
KEB Hana Bank USA, National Association	FORT LEE	NJ	19860916	26790	N	OCC	A	3	NEW YORK	243,086
New Millennium Bank	FORT LEE	NJ	19990719	35151	NM	FDIC	A	8	NEW YORK	389,647
Ponce Bank	BRONX	NY	19600331	31189	SB	OCC	H	7	NEW YORK	1,051,663
Amerasia Bank	FLUSHING	NY	19880620	27267	NM	FDIC	A	3	NEW YORK	691,915
NewBank	FLUSHING	NY	20060929	58203	NM	FDIC	A	3	NEW YORK	451,432
Abacus Federal Savings Bank	NEW YORK	NY	19841129	32257	SB	OCC	A	3	NEW YORK	353,374
Carver Federal Savings Bank	NEW YORK	NY	19480101	30394	SB	OCC	B	6	NEW YORK	571,987
Eastbank, National Association	NEW YORK	NY	19841126	25749	N	OCC	A	3	NEW YORK	175,530
Global Bank	NEW YORK	NY	20070312	58263	NM	FDIC	A	3	NEW YORK	202,466
Piermont Bank	NEW YORK	NY	20190701	59154	NM	FDIC	A	8	NEW YORK	45,298
Popular Bank	NEW YORK	NY	19990102	34967	SM	FED	H	7	NEW YORK	10,055,910
Shinhan Bank America	NEW YORK	NY	19901018	33188	NM	FDIC	A	8	NEW YORK	1,627,721
United Orient Bank	NEW YORK	NY	19810409	23373	NM	FDIC	A	3	NEW YORK	82,908
Noah Bank	ELKINS PARK	PA	20060717	58196	NM	FDIC	A	3	NEW YORK	390,453
Asian Bank	PHILADELPHIA	PA	19990609	34759	SM	FED	A	3	NEW YORK	238,451
United Bank of Philadelphia	PHILADELPHIA	PA	19920323	33568	NM	FDIC	B	1	NEW YORK	49,442
Banco Popular de Puerto Rico	HATO REY	PR	19990102	34968	SM	FED	H	7	NEW YORK	41,627,000

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Num.	FDIC REGION	TOTAL ASSETS ($000)
Banco Santander Puerto Rico	SAN JUAN	PR	19721002	20828	NM	FDIC	H	7	NEW YORK	6,005,654
Oriental Bank	SAN JUAN	PR	19650325	31469	NM	FDIC	H	7	NEW YORK	9,253,736
FirstBank Puerto Rico	SANTURCE	PR	19490117	30387	NM	FDIC	H	7	NEW YORK	12,597,360
First Commercial Bank (USA)	ALHAMBRA	CA	19970520	34496	NM	FDIC	A	8	SAN FRANCISCO	692,103
New OMNI Bank, National Association	ALHAMBRA	CA	19800212	23086	N	OCC	A	3	SAN FRANCISCO	460,253
American Plus Bank, N.A.	ARCADIA	CA	20070808	58469	N	OCC	A	3	SAN FRANCISCO	563,445
First Choice Bank	CERRITOS	CA	20050818	57966	SM	FED	A	3	SAN FRANCISCO	1,690,431
American Continental Bank	CITY OF INDUSTRY	CA	20031006	57444	NM	FDIC	A	3	SAN FRANCISCO	269,874
United Pacific Bank	CITY OF INDUSTRY	CA	19820511	23805	NM	FDIC	A	3	SAN FRANCISCO	149,364
Community Commerce Bank	CLAREMONT	CA	19761001	26363	NM	FDIC	H	2	SAN FRANCISCO	279,859
US Metro Bank	GARDEN GROVE	CA	20060915	58310	NM	FDIC	A	3	SAN FRANCISCO	542,288
California Business Bank	IRVINE	CA	20051101	58037	NM	FDIC	A	3	SAN FRANCISCO	82,608
Commercial Bank of California	IRVINE	CA	20030515	57417	NM	FDIC	H	2	SAN FRANCISCO	1,084,381
Bank of Hope	LOS ANGELES	CA	19860318	26610	NM	FDIC	A	8	SAN FRANCISCO	15,666,543
Broadway Federal Bank, f.s.b.	LOS ANGELES	CA	19470226	30306	SB	OCC	B	1	SAN FRANCISCO	438,033
Cathay Bank	LOS ANGELES	CA	19620419	18503	NM	FDIC	A	3	SAN FRANCISCO	18,066,529
COMMONWEALTH BUSINESS BANK	LOS ANGELES	CA	20050303	57873	SM	FED	A	3	SAN FRANCISCO	1,162,520

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Num.	FDIC REGION	TOTAL ASSETS ($000)
CTBC Bank Corp. (USA)	LOS ANGELES	CA	19650427	19416	NM	FDIC	A	8	SAN FRANCISCO	3,673,681
Eastern International Bank	LOS ANGELES	CA	19850226	32277	NM	FDIC	A	3	SAN FRANCISCO	128,700
Hanmi Bank	LOS ANGELES	CA	19821215	24170	NM	FDIC	A	8	SAN FRANCISCO	5,530,677
Open Bank	LOS ANGELES	CA	20050610	57944	NM	FDIC	A	3	SAN FRANCISCO	1,179,378
Pacific City Bank	LOS ANGELES	CA	20030918	57463	NM	FDIC	A	3	SAN FRANCISCO	1,746,302
Preferred Bank	LOS ANGELES	CA	19911223	33539	NM	FDIC	A	3	SAN FRANCISCO	4,630,165
Royal Business Bank	LOS ANGELES	CA	20081118	58816	NM	FDIC	A	8	SAN FRANCISCO	2,783,284
Gateway Bank, F.S.B.	OAKLAND	CA	19900608	33103	SB	OCC	A	3	SAN FRANCISCO	128,563
Metropolitan Bank	OAKLAND	CA	19830901	25869	NM	FDIC	A	3	SAN FRANCISCO	181,441
East West Bank	PASADENA	CA	19720101	31628	SM	FED	A	8	SAN FRANCISCO	44,181,503
EverTrust Bank	PASADENA	CA	19950503	34010	NM	FDIC	A	8	SAN FRANCISCO	945,202
Pacific Alliance Bank	ROSEMEAD	CA	20061227	58234	NM	FDIC	A	3	SAN FRANCISCO	269,124
First General Bank	ROWLAND HEIGHTS	CA	20051013	58060	NM	FDIC	A	3	SAN FRANCISCO	977,318
Bank of the Orient	SAN FRANCISCO	CA	19710317	20387	SM	FED	A	3	SAN FRANCISCO	894,124
California Pacific Bank	SAN FRANCISCO	CA	19801016	23242	NM	FDIC	A	3	SAN FRANCISCO	77,392
Mission National Bank	SAN FRANCISCO	CA	19820216	23749	N	OCC	A	3	SAN FRANCISCO	250,037

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Num.	FDIC REGION	TOTAL ASSETS ($000)
Asian Pacific National Bank	SAN GABRIEL	CA	19900725	33013	N	OCC	A	3	SAN FRANCISCO	56,537
Mega Bank	SAN GABRIEL	CA	20080205	58401	NM	FDIC	A	3	SAN FRANCISCO	389,990
Universal Bank	WEST COVINA	CA	19541117	30722	SB	OCC	A	3	SAN FRANCISCO	417,227
California International Bank, N.A.	WESTMINSTER	CA	20051130	57974	N	OCC	A	3	SAN FRANCISCO	42,943
Bank of Whittier, National Association	WHITTIER	CA	19821220	24211	N	OCC	A	3	SAN FRANCISCO	73,884
ANZ Guam, Inc.	HAGATNA	GU	19910111	33316	NM	FDIC	A	8	SAN FRANCISCO	335,195
Bank of Guam	HAGATNA	GU	19721211	20884	NM	FDIC	A	3	SAN FRANCISCO	1,944,695
BankPacific, Ltd	HAGATNA	GU	19530101	30692	SL	FDIC	A	3	SAN FRANCISCO	154,562
Finance Factors, Ltd.	HONOLULU	HI	19520514	25158	NM	FDIC	A	3	SAN FRANCISCO	589,208
Hawaii National Bank	HONOLULU	HI	19600916	18296	N	OCC	A	3	SAN FRANCISCO	665,004
Ohana Pacific Bank	HONOLULU	HI	20060601	58231	NM	FDIC	A	3	SAN FRANCISCO	183,814
OneUnited Bank	BOSTON	MA	19820802	23966	NM	FDIC	B	1	SAN FRANCISCO	654,051
Eagle Bank	POLSON	MT	20060725	58282	NM	FDIC	N	4	SAN FRANCISCO	70,491
UniBank	LYNNWOOD	WA	20061101	58407	NM	FDIC	A	3	SAN FRANCISCO	347,435
Total			Count	144						248,619,176

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

LIST OF MINORITY DEPOSITORY INSTITUTIONS

December 31, 2019	
NAME / CITY / STATE / EST. DATE / CERT	CLASS / REGULATOR / MINORITY STATUS Alpha / MINORITY STATUS Num. / FDIC REGION / TOTAL ASSETS ($000)
Count	Minority Status
21	B - Black or African American
33	H - Hispanic American
73	A - Asian or Pacific Islander American
17	N - Native American or Alaskan Native American
0	M - Multi-racial American
Class	Definitions of Class Types
94	NM -State bank, not a member of the Federal Reserve
15	SM - State bank, member of the Federal Reserve
25	N - National bank
2	SL - State or Federal savings and loan association
8	SB - State or Federal savings bank
Regulator	Definitions by Primary Federal Supervisory Agency
96	FDIC - Federal Deposit Insurance Corporation
33	OCC - Office of the Comptroller of the Currency
15	FED - Federal Reserve
Count	Minority Status
18	1 - Black or African American
25	2 - Hispanic American
61	3 - Asian or Pacific Islander American
17	4 - Native American or Alaskan Native American
0	5 - Multi-racial American
3	6 - Minority Board and Serving African American Community
8	7 - Minority Board and Serving Hispanic Community
12	8 - Minority Board and Serving Asian or Pacific Islander Community
0	9 - Minority Board and Serving Native American or Alaskan Native American Community
0	10 - Minority Board and Serving Multi-Racial Community

Attachment 2: List of Minority Depository Institutions as of December 31, 2019

Attachment 3

RESOURCE GUIDE FOR COLLABORATION WITH MINORITY DEPOSITORY INSTITUTIONS

Minority depository institutions (MDIs)[1] play a vital role in the U.S. economy by providing responsive banking services to those who might not otherwise have access to a financial institution. MDIs tend to maintain offices in underserved communities which often have a higher concentration of low- or moderate-income (LMI) census tracts and a higher share of minority populations. In addition, MDIs tend to originate a greater proportion of their mortgages to borrowers who live in LMI census tracts and to minority borrowers compared to non-MDI institutions.[2]

Insured depository institutions, whether an MDI or non-MDI, may realize business and regulatory benefits from partnering and forming collaborative relationships with MDIs. MDIs often have a better understanding of the economic development needs of underserved areas. At the same time, MDIs are sometimes challenged in providing a full spectrum of banking services to their communities due to the MDIs' size and limited resources. A partnership or collaborative relationship can create opportunities for non-MDI banks to offer additional capacities to MDIs in a multitude of mutually beneficial areas. These efforts can also provide MDIs' communities with access to a wider variety of services and improve operational efficiencies.

Collaboration among MDIs, or between MDIs and non-MDIs, can result in sound and profitable lending and investments that meet the needs of underserved communities. In addition, institutions engaging in such collaboration and partnerships may receive Community Reinvestment Act (CRA) consideration for such activities.[3]

Examples of Collaboration With and Among MDIs

There are a variety of activities regarding which non-MDIs and other MDIs may collaborate with an MDI. These activities could include, but are not limited to, the following:

- Direct investment in an MDI;
- Loan participations, other lending arrangements, and sharing of loan servicing;
- Sharing of bank staff and other resources; and
- Information networking.

[1]The three federal banking agencies have separate definitions of MDI. FDIC defines "minority depository institution" as any federally insured depository institution where 51 percent or more of the voting stock is owned by minority individuals. In addition to institutions that meet the FDIC's ownership test, institutions will be considered minority depository institutions if a majority of the board of directors is minority and the community that the institution serves is predominantly minority.

[2]"Minority Depository Institutions: Structure, Performance, and Social Impact" FDIC Quarterly, Vol. 8, No. 3, 2014, pp. 55-59.

[3]Refer to the Federal Financial Institution Examinations Council CRA questions and answers available at https://www.ffiec.gov/cra/qnadoc.htm, FDIC FIL-77-2016 (November 15, 2016) "Banker Teleconference Series: Webinar on Recently Revised Interagency Questions and Answers Regarding Community Reinvestment" available at https://www.fdic.gov/news/news/financial/2016/fil16077.html.

Direct Investment in an MDI

Non-MDIs or other MDIs may place deposits directly with an MDI, make a direct capital investment in an MDI, or participate in a fund that makes direct investments in an MDI.

Loan Participations, Other Lending Arrangements, and Sharing of Loan Servicing[4]

MDIs can collaborate with other MDIs or non-MDIs through loan participations. This collaboration or partnership allows for larger loan transactions, originated either by the MDI or the other participating non-MDIs. In addition, this collaboration can allow for the MDIs to access special resources and unique skill sets of other financial institutions. Further, these transactions can provide opportunities for diversifying the loan portfolio, enhancing liquidity and interest rate risk management, and serving the credit needs of a wider range of customers.

MDIs may form a partnership, such as through a lending consortium, or form a Community Development Financial Institution (CDFI)[5], a loan fund, or other entity that provides mortgages to members of the MDIs' communities. In some circumstances, a group of financial institutions may be allowed to acquire interests in a special purpose entity (SPE), such as a limited liability corporation, established specifically to manage and dispose of troubled loans or other real estate owned. Each financial institution is a member/owner of the SPE, holding an interest equivalent to the value of the assets it conveyed to the SPE. They also retain control over the assets and maintain the same level of risk as before the exchange. However, by pooling troubled assets, such SPEs may reduce maintenance costs through economies of scale and make bulk sales of troubled assets more feasible.

Sharing of Bank Staff and Other Resources[6]

Several larger financial institutions have forged partnerships with smaller MDIs so that automated teller machine fees are waived for customers of the MDI, thereby increasing access to the MDI customers' funds. Other collaborations may include the sharing of specialized staff members, teams, or consultants to assist with back-office operations requiring special skill sets, such as internal audit, asset valuations, or managing problem assets.

[4]See FDIC FIL-44-2008, Guidance for Managing Third-Party Risk (June 6, 2008), available at https://fdic.gov/news/news/financial/2008/fil08044.html; FDIC FIL-49-2015, Advisory on Effective Risk Management Practices for Purchased Loans and Purchased Loan Participations (November 6, 2015), available at https://www.fdic.gov/news/news/financial/2015/fil15049.html; and refer to the FDIC website "Regulatory Guidance: Risk Management Supervision Outsourcing and Third-Party Providers (Vendor Management)" at https://www.fdic.gov/regulations/resources/director/risk/it-tpp.html.

[5]A CDFI is an institution that provides credit and financial services to underserved markets and populations. CDFIs can be banks, credit unions, loan funds, microloan funds, or venture capital providers.

[6]Ibid.

Attachment 3: Resource Guide for Collaboration with Minority Depository Institutions

Information Networking

Trade associations that focus on unbanked and under-banked consumers provide training and information on the availability of MDI investment opportunities. MDIs participate in these types of trade organizations, which provide a forum for their members to exchange ideas, address issues of common concern, enhance understanding and compliance with new regulations, promote community outreach, and educate investors of opportunities.

Benefits of Community Banks Partnering With MDIs

Community banks in particular can benefit from partnerships with MDIs for strategic business purposes, including the ability to:

- Serve bank customers that neither institution could serve alone;
- Reduce operating and compliance costs by sharing back-office operations and specialized expertise; and
- Jointly purchase goods and services at reduced costs.

By collaborating with each other or with non-MDI banks, institutions may be able to achieve a variety of benefits, including increasing the ability to acquire and support current technology, conserving capital for other strategic business opportunities, and, more generally, improving the quality and reducing the costs of products and services.

Opportunities for CRA Consideration

In general, all financial institutions will receive consideration for activities that benefit geographies or individuals located within their geographically designated assessment area(s), or somewhere within a broader statewide or regional area that includes the institution's assessment area(s) even if they will not benefit the institution's assessment area(s), as long as the institution has been responsive to community development needs and opportunities in its assessment area(s). This is available whether partnering with an MDI or not, and is also available to partnerships between MDIs. If a non-minority owned institution wishes to reach beyond these geographic restrictions, additional CRA-eligible opportunities exist when financial institutions partner with minority or women-owned financial institutions or low-income credit unions (MWLI).[7] The activities do not need to benefit the non-minority owned financial institution's assessment area(s); however, they must help meet the credit needs of the local communities in which the MWLI is chartered.

Examples of activities with MWLIs that may receive consideration when financial institutions reach beyond the normal geographic restrictions listed above are:

- Making a deposit or capital investment in the MWLI;
- Purchasing or selling a participation in a loan in the MWLI's market area;

[7] The CRA statute and regulation uses the phrase "minority- or women-owned financial institutions and low-income credit unions." 12 U.S.C. 2903(b); 12 CFR 345.21(f).

[8] "Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment" (Questions and Answers), 81 Fed. Reg. 48506, 48535-36, Q&A__.21(f)–1 (July 25, 2016).

- Loaning an officer or providing other technical expertise to help an MWLI improve its lending policies and practices; and
- Providing free or discounted data processing systems or office facilities to help an MWLI serve its customers.[8]

Further, the CRA statute specifically provides that the regulators can consider in any CRA evaluation the amount of a contribution, or loss incurred, by any financial institution that donates, sells on favorable terms, or makes available on a rent-free basis to any MDI one of its branches located in a predominantly minority neighborhood.[9] In this case, the statute refers to "minority depository institutions," but the definition is narrower than the definitions generally used by the banking regulators. To be considered a minority depository institution for purposes of this provision, more than 50 percent of the ownership or control of the institution must be held by one or more minority individuals and more than 50 percent of the net profit or loss must accrue to one or more minority individuals.

Community Development Lending

Financial institutions may receive CRA consideration for loans made directly to an MWLI that primarily lends or facilitates lending to promote community development.[10] Additionally, they may also receive CRA consideration by purchasing a participation in a community development loan made by an MWLI. Loan participations can allow financial institutions to originate larger loans because other banks agree to purchase participations in these loan transactions. Alternatively, an MWLI could receive CRA consideration for purchasing a participation in a larger community development loan made by another institution, if they lack the size or expertise to originate such a loan. Geographic restrictions discussed earlier would apply in both scenarios.

Investments in MWLIs

Consideration is also given for "qualified investments" in an MWLI that has a primary purpose of community development, provided geographic requirements are met.[11]

In addition, consideration is given when providing grants that allow MWLIs to undertake community development activities, such as financial counseling or financial literacy training targeted to LMI individuals.

Community Development Services Provided to MWLIs

Financial institutions may receive CRA consideration for providing technical assistance or other community development services to MWLIs that have a primary purpose of community development and meet the geographic restrictions discussed above.

[9]Refer to 12 USC §2907(a).

[10]See Questions and Answers, 81 Fed. Reg. 48528- 29, Q&A __.12(h) – 1.

[11]See Questions and Answers, 81 Fed. Reg. 48532- 33, Q&A __.12(t) – 4. Any investment by a bank must comply with all relevant laws related to such investments.

[12]See Questions and Answers, 81 Fed. Reg. 48530- 31, Q&A __.12(i) – 3.

Examples of community development services include:

- Helping with marketing financial services, including development of advertising or promotions, publications, or workshops;
- Furnishing financial services training for staff and management; and
- Contributing accounting or bookkeeping services.[12]

A financial institution also could receive consideration for donating staff and support to an MWLI to enable the institution to provide community development services. Such services include "credit counseling, home buyer and home maintenance counseling, financial planning, or other financial services education to promote community development and affordable housing, including credit counseling to assist low- or moderate-income borrowers in avoiding foreclosure on their homes."[13]

Finding MDI Partners for Collaboration

In keeping with the spirit of Section 308 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), the FDIC maintains close communication with MDIs regarding MDI programs and initiatives. As such, the FDIC is aware of potential collaboration opportunities with MDIs and can provide options for exploring a collaborative relationship.

Additionally, the FDIC can assist in vetting collaboration proposals for which institutions desire to obtain CRA credit. Institutions interested in pursuing collaborative relationships with MDIs may contact the National MDI Director, Regional Directors, Regional MDI Coordinators, or Regional Community Affairs Specialists.

A listing of Regional MDI Coordinators may be found at: *https://www.fdic.gov/regulations/resources/minority/contact.html*

A listing of Regional Community Affairs contacts may be found at: *https://www.fdic.gov/consumers/community/offices.html*

Institutions may also pursue such collaboration opportunities directly. A listing of MDIs may be found at: *https://www.fdic.gov/regulations/resources/minority/mdi.html*

[13] Ibid.

Attachment 4

LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

Bank Name	
Street Address	
City/State/Zip Code	
Contacts	
Name	
Title	
Phone Number	
Email	
Name	
Title	
Phone Number	
Email	

Attachment 4: Large Bank Roundtable Collaboration Inventory

LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

Financial Support

Financial institutions may receive Community Reinvestment Act (CRA) consideration for "qualified investments" in minority- or women-owned financial institutions or low-income credit unions (MWLI) that have a primary purpose of community development. "Qualified investment" means a lawful investment, deposit, membership share, or grant that has community development as its primary purpose. Refer to *Financial Institution Letter (FIL) 64-2017: Resource Guide for Collaboration with Minority Depository Institutions* for additional information and for any geographic requirements.

Collaboration/Partnership Opportunities	Additional Detail	Request	Can Provide	Contact Point
Financial Support				
Capital Investment				
Deposit Accounts / Deposit Support				
Access to Government Deposits				
Other				

Attachment 4: LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

Lending Opportunities

Financial institutions may receive CRA consideration for loans made directly to an MWLI that primarily lends or facilitates lending to promote community development, and for purchases of participations in community development loans made by an MWLI. An MWLI could receive CRA consideration for purchasing a participation in a larger community development loan made by another institution, if they lack the size or expertise to originate such a loan. Refer to *FIL 64-2017: Resource Guide for Collaboration with Minority Depository Institutions* for additional information and for any geographic requirements.

Collaboration/Partnership Opportunities	Additional Detail	Request	Can Provide	Contact Point
Lending Opportunities	*(specify loan type below)*			
Loan Participations:				
As Seller				
As Purchaser				
Loan Sales:				
As Seller				
As Purchaser				
Other				

Attachment 4: LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

Service Opportunities

Financial institutions may receive CRA consideration for providing technical assistance related to the provision of financial services or other community development services to MWLIs that have a primary purpose of community development. Examples of community development services include: helping with marketing financial services, including development of advertising or promotions, publications, or workshops; furnishing financial services training for staff and management; and contributing accounting or bookkeeping services. A financial institution also could receive consideration for donating staff and support to an MWLI to enable the institution to provide community development services. Refer to *FIL 64-2017: Resource Guide for Collaboration with Minority Depository Institutions* for additional information and for any geographic requirements.

Collaboration/Partnership Opportunities	Additional Detail	Request	Can Provide	Contact Point
Product Development / Delivery /Support				
Mortgage Loan Origination, Servicing, or Support				
Specialty Lending Activities (e.g., SBA)				
CRA Program Development				
New Product Development Collaboration				
ATM Access				
Credit Card Program Collaboration				
Product Marketing Support				
Other				

Attachment 4: LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

Collaboration/Partnership Opportunities	Additional Detail	Request	Can Provide	Contact Point
Technical Assistance				
BSA/AML				
Consumer Compliance				
Information Technology				
CyberSecurity				
Loan Portfolio Hedging				
Treasury Management				
Other				
Collaboration/Partnership Opportunities	**Additional Detail**	**Request**	**Can Provide**	**Contact Point**
Human Capital Support				
Providing Board Members				
Executives on Loan to MDI				
Mentorship in Specific Areas				
Other				
Collaboration/Partnership Opportunities	**Additional Detail**	**Request**	**Can Provide**	**Contact Point**
Training Collaboration				
Training Curriculum Development				
Invite to Larger Bank Training Initiatives				
Discounted Access to Industry Sponsored Training				
Training Scholarships				
Sponsor Symposium				
Other				

Attachment 4: LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

Collaboration/Partnership Opportunities	Additional Detail	Request	Can Provide	Contact Point
Shared Services				
Compliance Systems / Controls				
Payroll Processing				
Data Processing				
Volume Purchase of Equipment or Supplies				
Interest Rate Risk / Economic Capital / Investment Account Modeling / Analytics				
Trust / Wealth Management Support				
Fraud Detection Services				
Third Party Vendor Assessment				
Model Validation (BSA/AML SA Model, IRR, etc.)				
Assessing Consumer Behavior through Technology				
Collaboration/Partnership Opportunities	**Additional Detail**	**Request**	**Can Provide**	**Contact Point**
Other Opportunities				

Attachment 4: LARGE BANK ROUNDTABLE COLLABORATION INVENTORY

FDIC