



REPORT TO CONGRESS

Preserving and Promoting Minority Depository Institutions Annual Report 2021



September 2022

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



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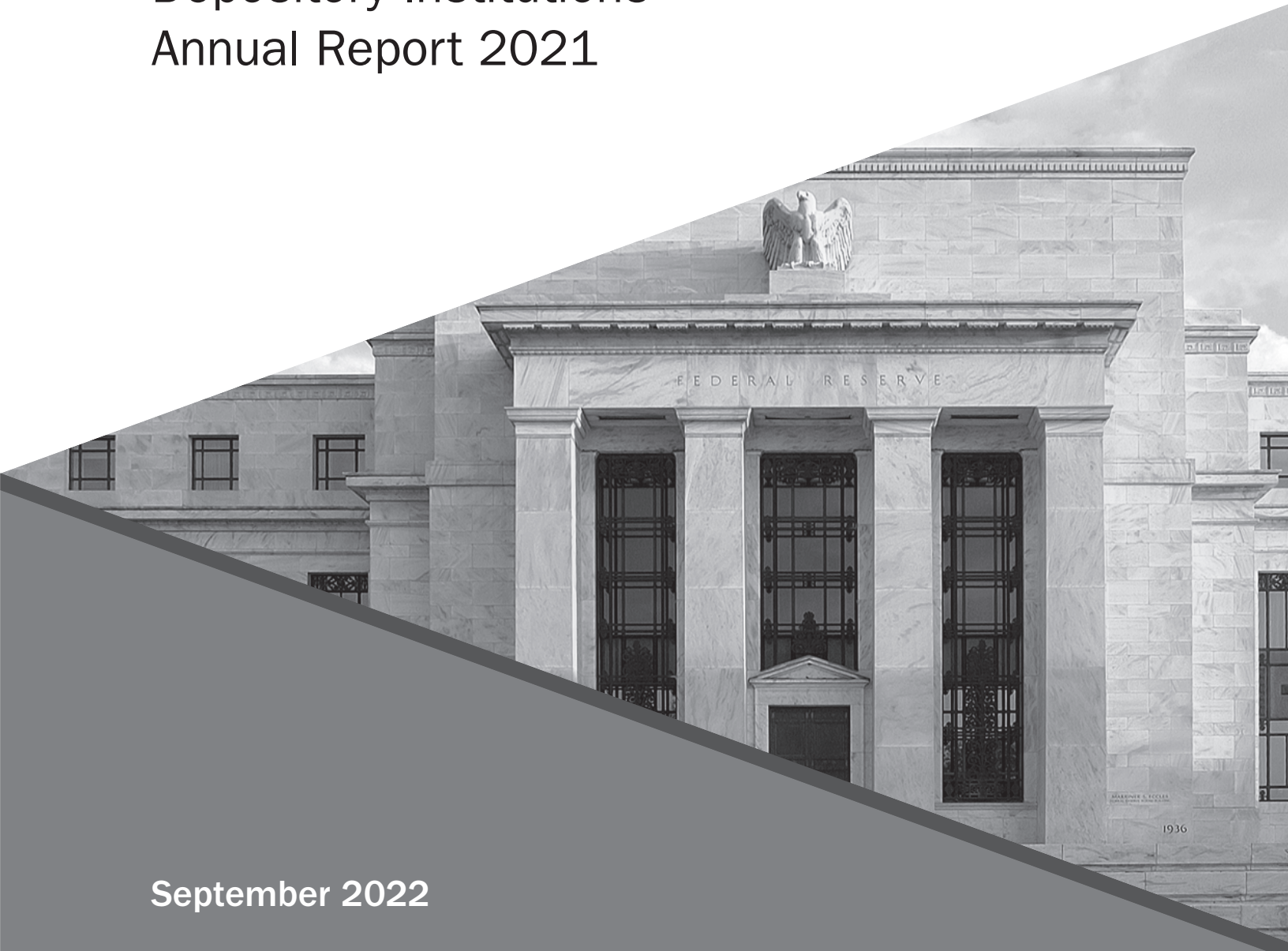
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- **promotes the safety and soundness of individual financial institutions** and monitors their impact on the financial system as a whole;
- **fosters payment and settlement system safety and efficiency** through services to the banking industry and U.S. government that facilitate U.S.-dollar transactions and payments; and
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Preface

The Federal Reserve Board (Board) submits this report pursuant to section 367 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Section 367 of the Dodd-Frank Act requires the Board to submit an annual report to Congress detailing the actions taken to fulfill the requirements outlined in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as amended by the Dodd-Frank Act in 2010 (see [appendix A](#)). In addition to the annual reporting requirement, FIRREA section 308 requires the Federal Reserve System (System) to devote efforts toward preserving and promoting minority ownership of minority depository institutions (MDIs). This report looks at the System's supervision efforts, the System's Partnership for Progress (PPF) initiatives, the Board's research efforts, and other System efforts and initiatives in 2021.

The Board is responsible for implementing numerous provisions of the Dodd-Frank Act, including mandates to preserve and promote MDIs.

The Regulatory Reform page on the Board's website provides information on the Board's efforts implementing the Dodd-Frank Act as well as initiatives the Board expects to address in the future.¹

¹ Board of Governors of the Federal Reserve System, "About Regulatory Reform," <https://www.federalreserve.gov/regreform/about.htm>; "Implementing the Dodd-Frank Act: The Federal Reserve Board's Role," <https://www.federalreserve.gov/regreform/milestones.htm>.

Abbreviations

ANPR	Advance notice of proposed rulemaking
CDFI	Community Development Financial Institution
CRA	Community Reinvestment Act
ECIP	Emergency Capital Investment Program
FIRREA	Financial Institutions Reform, Recovery, and Enforcement Act of 1989
FRB	Federal Reserve Bank
LICU	Low-income credit union
LMI	Low- and moderate-income
MDI	Minority depository institution
NBA	National Bankers Association
PFP	Partnership for Progress
WDI	Women's depository institution

Executive Summary

Low-wage individuals and minority communities experienced disproportionate harm to both their lives and livelihoods as a result of the coronavirus (COVID-19) pandemic: More minorities lost their jobs during the pandemic and were slower to be rehired as the recovery began.² Minority-owned small businesses closed at a higher rate than White-owned businesses during the early part of the pandemic.³

Given that MDIs serve minority communities, the Federal Reserve took extra steps to support and assist MDIs in light of the COVID-19 pandemic. Among them, the Federal Reserve responded to the crisis by conducting individualized outreach to MDIs and working with the U.S. Department of the Treasury (Treasury) to implement the Emergency Capital Investment Program (ECIP).

This report, which covers calendar-year 2021, looks at four areas of the Board's efforts in preserving and promoting MDIs:

- [State Member MDIs](#) looks at the System's supervisory responsibility for the 14 state member MDIs.
- [Partnership for Progress](#) looks at how the System supports MDIs through its PFP program, which is a national outreach effort to help MDIs confront unique business-model challenges, cultivate safe banking practices, and compete more effectively in the marketplace.
- [Research on MDIs and Low- and Moderate-Income Communities](#) looks at research conducted and the articles and surveys published by the Federal Reserve to better understand the challenges MDIs face in their local market areas.
- [Efforts and Initiatives](#) looks at ways the Federal Reserve continued to dedicate resources for proactive outreach and technical assistance activities.

² As shown in the Survey of Household Economics and Decisionmaking, 2021, during the survey period, 23 percent of Black adults were laid off, compared with 21 percent of Hispanic adults and 14 percent of White adults, <https://www.federalreserve.gov/consumerscommunities/shed.htm>.

³ Robert W. Fairlie, "The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey," Working Paper 27309 (Cambridge: National Bureau of Economic Research, June 2020), https://www.nber.org/system/files/working_papers/w27309/w27309.pdf.

State Member MDIs

Unchanged from 2020, the Board had primary supervisory responsibility for 14 state member MDIs in 2021,⁴ which are mainly community banks with total assets of \$10 billion or less (see table 1).⁵ Accordingly, the System's community banking organizations program, which is responsible for the risk-focused supervision of state member banks with less than \$10 billion in total assets, maintains supervisory responsibility for most of the Board's portfolio of MDIs.

Geographic Dispersion

In 2021, state member MDIs were located in 7 of the 12 Reserve Bank Districts, with assets concentrated in the New York and San Francisco Districts (see table 2).⁶ State member MDIs in these two Districts accounted for 98 percent of the total state member bank assets in the System's MDI portfolio. Though smaller in asset size, there is also a concentration of state member MDIs in the Kansas City District. All four of these banks are located in Oklahoma and are Native American MDIs.

Table 1. Asset distribution of state member MDIs as of December 31, 2021

Asset size	Number of banks	Percentage of total*
\$250 million or less	2	14
\$251 million to \$500 million	5	36
Over \$500 million to \$1 billion	3	21
Over \$1 billion to \$10 billion	1	7
Greater than \$10 billion	3	21
Total	14	100

* Because of rounding, the sum of values in this column may not equal the total.

Table 2. State member MDI distribution by Federal Reserve District as of December 31, 2021

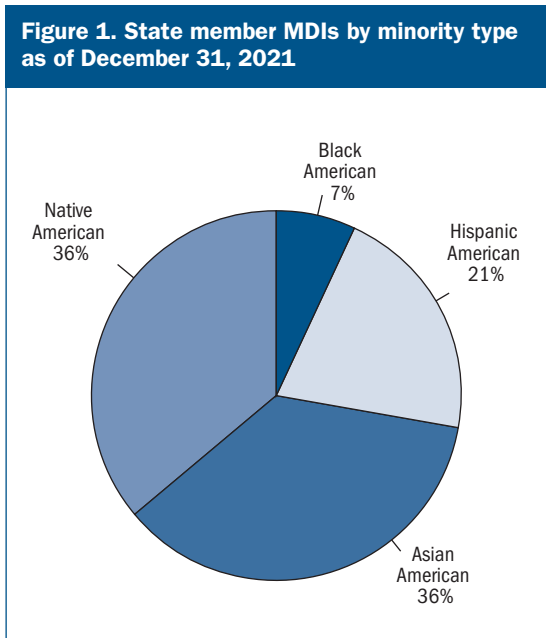
Reserve Bank District	Number of MDIs	Total assets (thousands of dollars)	Percentage of total assets*
Atlanta	1	668,803	0.47
Chicago	1	261,044	0.18
Dallas	1	333,572	0.24
Kansas City	4	1,143,887	0.81
New York	2	74,594,650	52.76
Philadelphia	1	335,088	0.24
San Francisco	4	64,060,576	45.31
Total	14	141,397,620	100.00

* Because of rounding, the sum of values in this column may not equal the total.

⁴ The term "state member" refers to state-chartered banks that are members of the Federal Reserve System.

⁵ For more details on the 14 state member MDIs discussed in this report as well as a comparison of the number, assets, and demographics of state member MDIs from 2017–21, see table B.1. in [appendix B](#).

⁶ Reserve Banks for the 12 Districts are headquartered in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco.



Minority Ownership Type

The Board's MDI portfolio includes banks representing all minority ownership categories as defined by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). As of year-end 2021, five state member MDIs were classified under Asian American minority status, five were classified under Native American minority status, three were classified under Hispanic minority status, and one was classified under Black minority status. (see [figure 1](#)).

Partnership for Progress Programming

The System supports MDIs primarily through its Partnership for Progress program, a national outreach effort to help MDIs confront unique business-model challenges, cultivate safe banking practices, and compete more effectively in the marketplace.

The PFP program is jointly managed by the Community Banking Organizations section of the Federal Reserve's Supervision and Regulation Division and the Community Development section of the Consumer and Community Affairs Division. The Division of Supervision and Regulation strives for a resilient and well-managed financial system that fairly meets the needs of consumers and businesses while working to tailor the Board's supervisory approach based on the size and complexity of firms. The community development function within the System—consisting of individual community development departments at each of the 12 Federal Reserve Banks (FRB) and at the Board—promotes economic growth and financial stability for lower-income communities and individuals through a range of activities, including convening stakeholders, conducting and sharing research, and identifying emerging issues.

The two divisions share in the staffing of the PFP program, and both divisions have appointed senior officers to co-chair the program's Executive Oversight Committee. In addition, each FRB has designated a PFP District coordinator(s) who communicates regularly with the MDIs in their District and assists with accomplishing the mission of the PFP program.

The 2021 PFP programming reflected strong coordination and effort across the Board and FRBs. The System also worked to encourage partnership between examination and community development staff at the FRBs to bring additional resources and creative programming to MDIs throughout the country.

The PFP views the congressional mandate in section 308 of the FIRREA to preserve and promote MDIs as more than simply supervising these institutions. In addition to providing technical assistance and outreach to the System's regulated MDIs, the Board actively works with colleagues at the other regulatory agencies with section 308 responsibilities to ensure a coordinated approach to supporting all MDIs.

In addition, the Board leverages the many resources available to it as the central bank of the United States to support MDIs consistent with the goals of the PFP program. First, the Federal Reserve is a research-driven institution and has engaged with internal and external stakeholders on a range of research projects to better understand the business models of MDIs and how they

serve their communities. Second, Federal Reserve leadership, including Board members and Reserve Bank presidents, have used their public platforms to speak about the importance and positive impact of MDIs on underserved communities.⁷ Third, through the convening power of the Federal Reserve, the System seeks to bring together individuals and institutions to form partnerships that will assist the MDI sector. Though COVID-19 prevented holding any in-person meetings related to the PFP during 2021, the Board continued to convene MDIs via webinars and other virtual forums.

COVID-19 Response and Recovery: Emergency Capital Investment Program

The COVID-19 pandemic brought unprecedented challenges to MDIs and the communities they serve. In the Consolidated Appropriations Act, 2021, Congress established the ECIP, which authorizes the Treasury to make up to \$9 billion in capital investments in banks and credit unions certified as MDIs or community development financial institutions (CDFIs). ECIP is intended to support the efforts of these institutions to provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers in underserved communities that may be disproportionately affected by the economic fallout of the COVID-19 pandemic.⁸ Per the statute, the Treasury sets aside \$2 billion for CDFIs and MDIs with less than \$500 million in assets and an additional \$2 billion for CDFIs and MDIs with less than \$2 billion in assets.

Since the creation of ECIP, Board staff have worked closely with the Treasury on many issues. For example, in March 2021, the federal banking agencies clarified through an interim final rule that preferred stock issued through ECIP qualifies as additional tier 1 capital and that subordinated debt issued through ECIP qualifies as tier 2 capital. In addition, the preamble to the interim final rule indicated that, for purposes of the Small Bank Holding Company and Savings and Loan Holding Company Policy Statement, preferred stock issued under ECIP is equity and subordinated debt issued under ECIP is debt.

During the application review process, PFP staff at the Board and FRBs reviewed the applications for all ECIP applicants that were either bank holding companies or Federal Reserve-regulated state member banks—close to 100 applications. This review entailed confirming the applicant’s eligibility, including their status as an MDI.

⁷ For example, Federal Reserve Board Governor Lael Brainard spoke about the importance of supporting Native community development financial institutions and MDIs. See “Financial Inclusion and Economic Challenges in the Shadow of the Pandemic: A Conversation with Tribal Leaders” (speech at *Fed Listens: Roundtable with Oklahoma Tribal Leaders*, Oklahoma City, Oklahoma, October 13, 2021), <https://www.federalreserve.gov/newsevents/speech/brainard20211013a.htm>.

⁸ “Emergency Capital Investment Program,” U.S. Department of the Treasury, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-small-businesses/emergency-capital-investment-program>.

Supervision and Regulation Letter on the PFP Program for MDIs and Women's Depository Institutions

In March 2021, the Federal Reserve issued SR letter 21-6/CA 21-4: Highlighting the Federal Reserve System's Partnership for Progress Program for Minority Depository Institutions and Women's Depository Institutions. This SR/CA letter outlines for System staff, MDIs, and women's depository institutions (WDIs) the System's PFP program and resources through the PFP that are available to MDIs and WDIs.

The SR/CA letter clarified and highlighted the two definitions used by the System for MDI designation. The System's definition of MDI is consistent with the FIRREA definition of a "minority bank," and states that an MDI is any depository institution (either privately or publicly owned) where 51 percent or more of the voting stock is owned by one or more socially and economically disadvantaged individuals. The definition also states that an MDI, in the case of a mutual institution, is where the majority of the board of directors consists of minority individuals, the majority of the account holders consists of minority individuals, and the community which it services is predominantly minority. In addition to institutions that meet the FIRREA qualifying criteria, the System considers an institution to be an MDI if a majority of its board of directors consists of minority individuals and the community that the institution serves is predominantly minority.

The SR/CA letter also formally defined WDIs and included newly defined WDIs as being eligible for assistance under the PFP program. The System's definition of "women's depository institution" is consistent with the definition of this term in the Community Reinvestment Act (CRA) and includes any depository institution where a majority of ownership or a majority of revenue is held by at least one woman, and a significant percentage of senior management positions are held by women.

Conferences and Convenings

Throughout 2021, the Federal Reserve conducted a number of programs specific to MDIs, including the following:

National Interagency MDI and CDFI Bank Conference

Every two years, the federal banking regulatory agencies (the Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and Federal Reserve) host an interagency conference for MDI and CDFI banks to help preserve and promote their mission. The 2021 conference was held virtually, September 27–30, 2021.

The theme for the conference was "Navigating the Economy with Resilience and Reinvention," and MDI and CDFI bank executives were invited to participate and dialogue with senior agency officials. The conference began with opening remarks by Federal Reserve Chair Jerome Powell and Treasury

Secretary Janet Yellen. Principals from each agency—Board Governor Michelle Bowman, FDIC Chairman Jelena McWilliams, and Acting OCC Comptroller Michael Hsu—then engaged in a fire-side chat that reflected on the key role MDIs and CDFIs play in serving their communities. Governor Bowman’s comments focused on the PFP program and reaffirmed the Federal Reserve’s commitment to preserving and promoting MDIs.

More than 300 people attended the conference with participants from over 70 banks. The conference covered a diverse range of topics that included

- updates from senior officials on trending topics, including resources, programs, and policies that can help minority and CDFI banks achieve their goals;
- discussions by CEOs from MDI and CDFI banks on top issues faced by bank leadership, trends in banking, and successes they have had competing in today’s marketplace;
- discussions on innovation, collaboration, and the evolving financial services landscape, with examples of successful responses by community and midsize banks; and
- a discussion on ways in which banks have adapted to new technology and innovative products, as well as the impact of the changing landscape on their business practices.

Banking and the Economy: A Forum for Minorities in Banking, October 18–22, 2021

The System sponsored the sixth annual Banking and the Economy: A Forum for Minorities in Banking in October. The forum gathers minority professionals in middle to senior management in the banking and financial services sectors nationwide. This initiative is designed to support the System’s mission through

- providing minority professionals with advanced tools and knowledge to enhance their careers and networks and increase diverse representation at the senior level in the banking and financial services industry and
- enhancing awareness of the System by delivering banking and economic updates, quality content and program experience, and education on the organization’s mission and work.

The Minorities in Banking Conference was hosted by the Federal Reserve Bank of Minneapolis and attracted over 800 participants from over 42 states. The week-long virtual forum delivered eight hours of programming focused on leadership, professional development, updates on the banking sector and the economy, and diversity and inclusion content, in addition to two hours of virtual networking opportunities.

Webinars

- On **April 14, 2021**, Board and PFP staff attended an interagency webinar session hosted by the FDIC to promote and train MDIs on the Capital Estimator Tool and the Capital Guide for use by

MDIs as they contemplate ECIP and other investment options. The tool and guide assisted the entities in determining the impact of additional capital raised either through the Treasury's ECIP or via private equity investments.

- On **May 6, 2021**, the Board and FRB Richmond partnered with the FDIC to present a webinar entitled “Investing in Minority Depository Institutions and Opportunities for Partnerships.” Over 250 people registered, and PFP staff presented on the Federal Reserve’s PFP program.
- On **May 24, 2021**, Board and PFP staff hosted an interagency “Ask the Regulators” session in partnership with the Treasury. The purpose of the webinar was to provide an overview of ECIP for eligible MDI and CDFI banks and to answer questions from these institutions.⁹

Community Reinvestment Act

In September 2020, the Board approved an advance notice of proposed rulemaking (ANPR) for the CRA. The ANPR included a section on MDIs and several proposals to strengthen CRA provisions to support MDIs, WDIs, low-income credit unions (LICUs), as well as CDFIs. The comment period for the ANPR closed in February 2021, and PFP staff led the MDI/CDFI working group that reviewed all comments related to MDIs and CDFIs.

Stakeholders noted that CRA activities through bank partnerships with MDIs, WDIs, LICUs, and CDFIs are key in helping to meet the credit needs of low- and moderate-income (LMI) individuals and communities. Stakeholders supported a stronger emphasis on community development financing and services that support these institutions, including equity investments, long-term debt financing, technical assistance, and contributions to nonprofit affiliates. Some stakeholders suggested the need to increase certainty surrounding the treatment of activities in partnership with MDIs, WDIs, LICUs, and CDFIs.

Informed by stakeholder feedback, the MDI/CDFI working group recommended criteria and standards that could be used to determine qualifying activities with MDIs, women-owned financial institutions, and LICUs, as well as criteria to determine what activities with these institutions could be considered especially impactful. These recommendations were sent to the CRA team.

Collaboration with Trade Groups and Other Partners

Throughout 2021, PFP consulted closely with the National Bankers Association (NBA), the trade group for minority banks.

⁹ See FRB St. Louis, “Ask the Fed,” <https://bsr.stlouisfed.org/askthefed/>.

- In February, PFP organized a call between Board staff and the NBA's Keepers Fund to discuss Change in Control and Bank Holding Company Act rules for investing in banks. PFP continued to consult with the NBA throughout 2021 on their Keepers Fund.
- Also in February, PFP staff and Board staff held a call with the NBA and Community Development Bankers Association regarding the Treasury's ECIP.

Speeches

Another way the Federal Reserve promotes MDIs is through public speeches from its leadership. For example, in October, Governor Brainard delivered a speech entitled “Financial Inclusion and Economic Challenges in the Shadow of the Pandemic: A Conversation with Tribal Leaders” at *Fed Listens: Roundtable with Oklahoma Tribal Leaders*. The remarks centered on barriers to financial inclusion in Indian Country.¹⁰

¹⁰ The speech is available at <https://www.federalreserve.gov/newsevents/speech/brainard20211013a.htm>.

Research on MDIs and Low- and Moderate-Income Communities

Research on MDIs

Continuing with the Federal Reserve's commitment to understanding the challenges minority banking institutions face and their local market areas, the Board has commissioned research on MDIs. All past research is available on the PFP website.¹¹

Articles and Surveys

Throughout 2021, Board staff published articles and surveys that both evaluated conditions in LMI communities and described efforts to support them, including efforts by MDIs and community banks. Much of the research was focused on the impact of the COVID-19 pandemic on low-income and minority communities, the same communities served by MDIs. The community development function at the Board and FRBs spearheaded most of this work. Because the success of MDIs is often dependent on the health of the communities they serve, these articles and surveys are particularly relevant to the MDI business model. In addition, several articles noted the difficulty minority and LMI populations have in accessing credit from mainstream financial institutions, including small business credit. The articles intend to provide service providers, policymakers, and others with a way to assess the needs of these communities and to evaluate changes in the economic conditions of these populations.

The following list highlights some of the articles and surveys published during 2021:

- **Minority Banks during the COVID-19 Pandemic:** The COVID-19 pandemic disproportionately affected the health and financial well-being of minority communities. Over the past year, minority banks that specialize in providing financial services to underserved communities and minority borrowers have also performed significantly worse than other banks of similar size. Minority banks projected higher loan losses and had lower profits than non-minority banks. See <https://www.frbsf.org/economic-research/wp-content/uploads/sites/4/el2021-20.pdf>.
- **Black-Owned Banks and the Communities They Serve:** Black-owned banks are uniquely positioned to assist the economic recovery in majority-Black communities where they operate. The COVID-19 pandemic had a disproportionate impact on Black-owned businesses and areas, while Paycheck Protection Program loans were slow to arrive. The number of Black-owned banks has

¹¹ Full research papers can be found at <https://www.fedpartnership.gov/federal-reserve-resources>.

been declining, but recently they have attracted greater support, and some Black-owned banks have reported an uptick in deposits. See <https://www.stlouisfed.org/publications/regional-economist/first-quarter-2021/black-owned-banks-communities-they-serve>.

- **Understanding Community Development Financial Institutions and their Impact in Low- and Moderate-Income Neighborhoods - Volume 15, Issue 1:** CDFIs are mission-driven lenders that create economic opportunity for low-income communities and individuals throughout the United States. The history of CDFIs dates back to the 1970s. There are currently over 1,100 operating as banks, credit unions, nonprofit loan funds, and venture capital funds. CDFI financing leads to the creation of jobs, affordable housing, community facilities and more. This issue of the *Community Development Innovation Review* is a collection of research papers designed to expand our understanding of CDFIs and their impact in vulnerable communities across the country. See <https://www.frbsf.org/community-development/publications/community-development-investment-review/2021/may/community-development-financial-institutions-impact-low-moderate-income-neighborhoods/>.
- **Which Lenders Are More Likely to Reach Out to Underserved Consumers: Banks versus Fintechs versus Other Nonbanks?:** There has been a great deal of interest recently in understanding the potential role of fintech firms in expanding credit access to the underbanked and credit-constrained consumers. This paper explores the supply side of fintech credit, focusing on unsecured personal loans and mortgage loans. In addition, this paper investigates whether fintech firms are more likely than other lenders to reach out to “underserved consumers,” such as minorities; those with low income, low credit scores, or thin credit histories; or those who have a history of being denied for credit. Using a rich data set of credit offers from Mintel, in conjunction with credit information from TransUnion and other consumer credit data from the FRB New York/Equifax Consumer Credit Panel, this paper compares similar credit offers that were made by banks, fintech firms, and other nonbank lenders. Fintech firms are more likely than banks to offer mortgage credit to consumers with lower income, lower-credit scores, and those who have been denied credit in the recent past. Fintechs are also more likely than banks to offer personal loans to consumers who had filed for bankruptcy (thus also more likely to receive credit card offers overall) and those who had recently been denied credit. For both personal loans and mortgage loans, fintech firms are more likely than other lenders to reach out and offer credit to nonprime consumers. See <https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2021/wp21-17.pdf>.

Efforts and Initiatives

Preserving the Character and Number of MDIs

To preserve the character and number of state member MDIs, staff from the Board's mergers and acquisitions function coordinate with the FDIC to help identify healthy minority banking organizations capable of acquiring or merging with state member MDIs that are in troubled condition. To this end, PFP staff provide the FDIC quarterly with a list of all MDIs under Board supervision. The Federal Reserve's mergers and acquisitions function continues to offer a pre-filing option for banking proposals, which provides critical feedback on potential issues and potentially shortens the review period for many formal proposals. Finally, whenever Federal Reserve staff receive a proposal involving an MDI, every effort is made to ensure that the institution's MDI status is preserved and that its future prospects are enhanced.

Promoting the Creation of MDIs

The Federal Reserve strives to promote the creation of new MDIs by providing guidance via public websites about regulatory procedures for minority bank ownership, informing MDIs of advantageous federally sponsored programs, and promoting community development. These web posts also provide guidance about financial institution development, including information about the process of starting a bank, managing a bank through the de novo period, and growing shareholder value while ensuring safe and sound operations. Further, coordinators from each FRB periodically discuss emerging issues, attend conferences, serve on local exam teams during examinations, and collect feedback from MDIs on what they are seeing and how the PFP can provide additional assistance.

During 2021, PFP staff engaged with three groups seeking guidance from the regulatory agencies on navigating the de novo process for establishing new MDIs. Staff of the PFP and relevant FRB answered questions, provided resources, and offered assistance on navigating the de novo applications process.

Training, Technical Assistance, and Educational Programs

Coordinators from each FRB meet as needed with MDI management to discuss emerging issues and provide technical assistance, especially to those in troubled condition, to explain supervisory guidance, discuss challenges, and respond to management concerns. Trending topics discussed throughout 2021 included the ECIP program, multifamily lending, capital rules, CRA, and the Bank

Secrecy Act. The goals of these conversations are to help MDIs through technical complexities; provide the PFP with valuable insight and feedback on challenges facing MDIs; and gather MDI feedback on regulatory reform proposals, such as the CRA ANPR.

Partnership for Progress Website

Consistent with past years, one of the primary vehicles for distributing educational materials relevant to MDIs continues to be the System's PFP website.¹²

The website provides information about new regulations and their impact on community banking organizations, advertises regulatory and agency events relevant to MDIs, and shares information focused on market conditions and economic data related to areas typically served by MDIs.

Starting in 2021, the PFP team engaged an external consultant to begin the process of substantially updating the PFP website for the first time since its inception. The goals of the website revision are to modernize the website, increase stakeholder engagement, and improve the accessibility of information. Work will continue through 2022, with an anticipated launch date of 2023.

Publications and Webinars

The Federal Reserve continues to support enhanced communications with community banks, including MDIs. To this end, the staff disseminates important information about regulatory matters through the publications and programs listed below, most of which are accessible through links on the PFP website.

The System's *Community Banking Connections* publication serves to¹³

- clarify key supervisory guidance,
- highlight new regulations,
- provide perspectives from bank examiners and System staff, and
- address challenges and concerns facing community banks and provide resources to assist them.

¹² Partnership for Progress, <https://www.fedpartnership.gov>.

¹³ Community Banking Connections is a registered trademark of the Federal Reserve Bank of Philadelphia, <https://www.communitybankingconnections.org>.

The System's *Consumer Compliance Outlook* publication focuses on compliance with federal consumer protection laws and regulations for financial services and serves to¹⁴

- clarify key supervisory guidance,
- explain new and existing regulatory compliance requirements,
- provide perspectives from bank examiners and System staff,
- address challenges and concerns facing community banks and provide resources to assist them, and
- discuss emerging compliance issues such as lenders' use of alternative data in credit decisions.

"Outlook Live" is a webinar series dedicated to consumer compliance.¹⁵ The "Outlook Live" webinars involve a variety of presenters from both the System and the other federal financial regulatory agencies, focusing on key emerging issues in the industry.

"Ask the Fed" is a Federal Reserve program for officials of state member banks and other insured depository institutions, bank and thrift holding companies, state bank commissioners, and state banking associations.¹⁶ "Ask the Fed" consists of periodic conference calls/webinars that feature Federal Reserve experts and guest speakers on top banking questions of the day with time at the end for questions and comments.

¹⁴ Consumer Compliance Outlook is a registered trademark of the Federal Reserve Bank of Philadelphia, <https://consumercomplianceoutlook.org>.

¹⁵ The outlook live webinars can be seen at <https://consumercomplianceoutlook.org/outlook-live/>.

¹⁶ To register for "Ask the Fed," visit the site at <https://bsr.stlouisfed.org/askthefed/Auth/Logon>.

Appendix A: Section 308 of FIRREA

Section 308 of FIRREA, as amended by the Dodd-Frank Act, requires

1. CONSULTATION ON METHODS.—The Secretary of the Treasury shall consult with the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Chairman of the National Credit Union Administration, and the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation on methods for best achieving the following:
 - a. Preserving the present number of minority depository institutions.
 - b. Preserving their minority character in cases involving mergers or acquisition of a minority depository institution by using general preference guidelines in the following order:
 - i. Same type of minority depository institution in the same city.
 - ii. Same type of minority depository institution in the same State.
 - iii. Same type of minority depository institution nationwide.
 - iv. Any type of minority depository institution in the same city.
 - v. Any type of minority depository institution in the same State.
 - vi. Any type of minority depository institution nationwide.
 - vii. Any other bidders.
 - c. Providing technical assistance to prevent insolvency of institutions not now insolvent.
 - d. Promoting and encouraging creation of new minority depository institutions.
 - e. Providing for training, technical assistance, and educational programs.
2. DEFINITIONS.—For purposes of this section—
 - a. MINORITY FINANCIAL INSTITUTION.—The term “minority depository institution” means any depository institution that—
 - i. if a privately owned institution, 51 percent is owned by one or more socially- and economically-disadvantaged individuals;
 - ii. if publicly owned, 51 percent of the stock is owned by one or more socially- and economically-disadvantaged individuals; and
 - iii. in the case of a mutual institution, the majority of the board of directors, account holders, and the community which it services is predominantly minority.

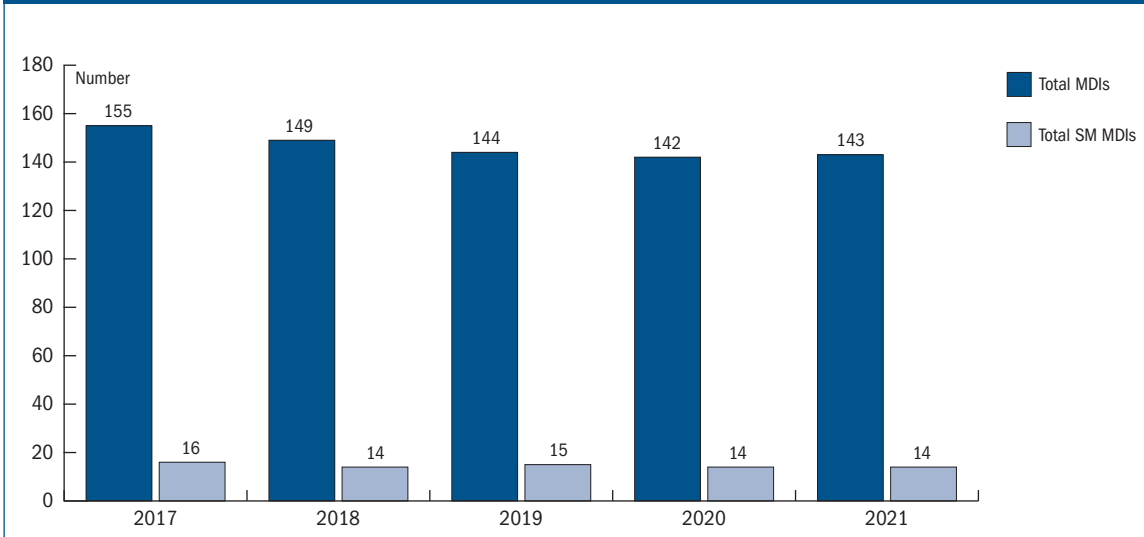
b. MINORITY.—The term “minority” means any Black American, Native American, Hispanic American, or Asian American.¹⁷

In addition, section 367 of the Dodd-Frank Act amended FIRREA to require the supervisory agencies to submit an annual report to the Congress containing a description of actions taken to carry out FIRREA section 308.

¹⁷ Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 (1989).

Appendix B: MDI Tables and Figures

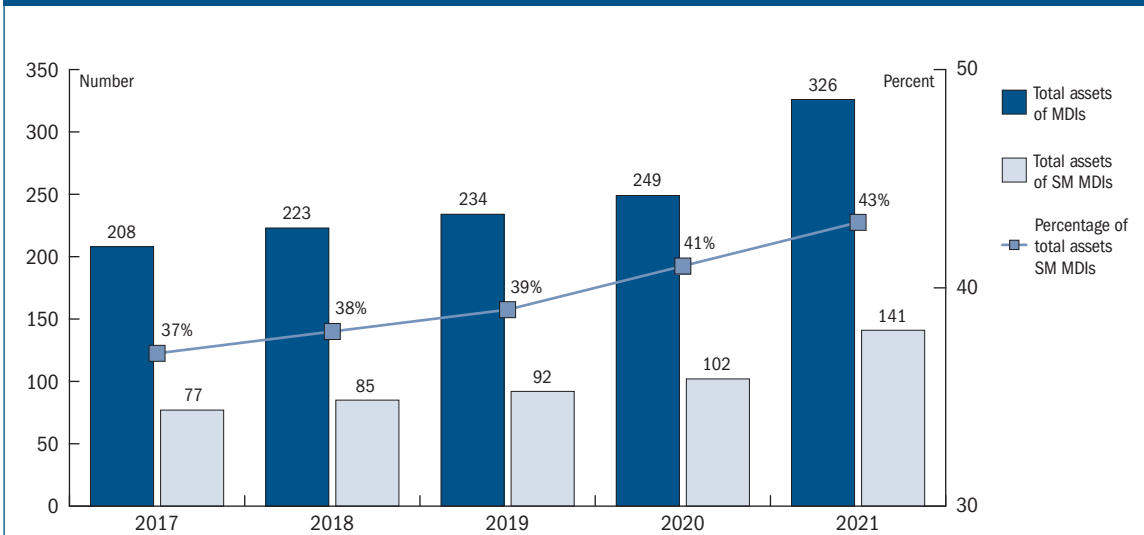
Figure B.1. Proportion of MDIs that are state member banks, 2017–21



SM is state member.

Key identifies bars in order from left to right.

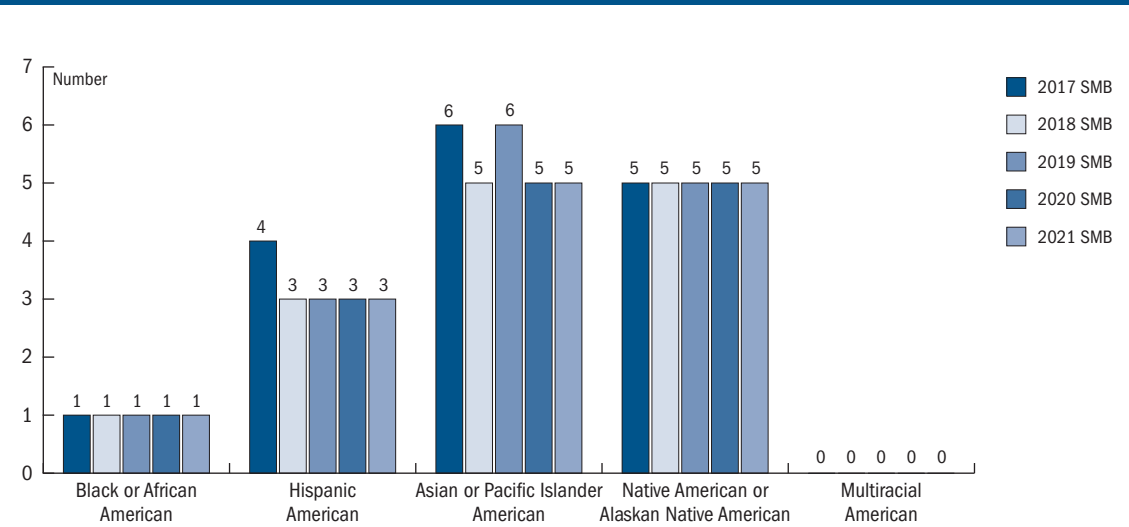
Figure B.2. Assets by type of MDI, 2017–21



SM is state member.

Key identifies bars in order from left to right.

Figure B.3. Number of state member MDIs by type of minority, 2017–21



The *minority status* of an institution is determined according to either (1) a concentration of ownership among members of a certain minority group, or (2) a concentration of Board membership among that minority group by an institution that primarily serves that minority group. To simplify the use of the historical data, these two criteria were combined in 2017 to arrive at a single data field that indicates one of five values for minority status. As a result, as of year-end 2017, no state member banks qualify as multiracial.

SMB is state member bank.

Key identifies bars in order from left to right.

Table B.1. State member MDIs as of December 31, 2021

ID RSSD	Institution name	State	Reserve Bank District	Minority status*	Assets (thousands of dollars)
146056	AllNations Bank	OK	Kansas City	N	49,528
2785477	Asian Bank	PA	Philadelphia	A	335,088
940311	Banco Popular de Puerto Rico	PR	New York	H	64,205,000
815754	Bank of Cherokee County	OK	Kansas City	N	169,405
777366	Bank of the Orient	CA	San Francisco	A	946,569
64552	Chicasaw Community Bank	OK	Kansas City	N	349,214
680130	Citizens Trust Bank	GA	Atlanta	B	668,803
3337097	CommonWealth Business Bank	CA	San Francisco	A	1,808,717
197478	East West Bank	CA	San Francisco	A	60,849,631
296456	FirstBank	OK	Kansas City	N	575,740
365745	Pinnacle Bank	IA	Chicago	N	261,044
2736291	Popular Bank	NY	New York	H	10,389,650
3487947	Unibank	CA	San Francisco	A	455,659
2942823	United Bank of El Paso del Norte	TX	Dallas	H	333,572
Number of Institutions:	14		Total Assets		141,397,620
* B is Black or African American; H is Hispanic American; A is Asian or Pacific Islander American; N is Native American or Alaskan Native American; M is multiracial American.					

Table B.2. List of MDIs as of December 31, 2021

Name	City of Industry	State	Est. date	Class ¹	Regulator	Minority status alpha ²	Total assets (thousands of dollars)
Alamerica Bank	Birmingham	AL	20000128	NM	FDIC	B	16,036
Commonwealth National Bank	Mobile	AL	19760219	N	OCC	B	56,890
BanESCO USA	Coral Gables	FL	20060110	NM	FDIC	H	2,133,551
U.S. Century Bank	Doral	FL	20021028	NM	FDIC	H	1,853,939
Interamerican Bank A FSB	Miami	FL	19760823	SB	OCC	H	270,351
International Finance Bank	Miami	FL	19831130	NM	FDIC	H	945,707
Ocean Bank	Miami	FL	19821209	NM	FDIC	H	5,325,419
Plus International Bank	Miami	FL	20010914	NM	FDIC	H	79,521
Sunstate Bank	Miami	FL	19990315	NM	FDIC	H	494,078
Apollo Bank	Miami	FL	20210922	NM	FDIC	H	1,044,185
Central Bank	Tampa	FL	20070226	NM	FDIC	A	265,134
Touchmark National Bank	Alpharetta	GA	20080128	N	OCC	A	421,736
Citizens Trust Bank	Atlanta	GA	19210618	SM	FED	B	668,803
First IC Bank	Doraville	GA	20000131	NM	FDIC	A	942,129
Metro City Bank	Doraville	GA	20060404	NM	FDIC	A	3,111,820
PromiseOne Bank	Duluth	GA	20081106	NM	FDIC	A	593,492

(continued)

Table B.2—continued

Name	City of Industry	State	Est. date	Class ¹	Regulator	Minority status alpha ²	Total assets (thousands of dollars)
Loyal Trust Bank	Johns Creek	GA	20191118	NM	FDIC	A	113,584
Embassy National Bank	Lawrenceville	GA	20070305	N	OCC	A	117,791
Carver State Bank	Savannah	GA	19270101	NM	FDIC	B	61,954
Quantum National Bank	Suwanee	GA	19951227	N	OCC	A	642,022
Mechanics & Farmers Bank	Durham	NC	19080301	NM	FDIC	B	365,178
Lumbee Guaranty Bank	Pembroke	NC	19711222	NM	FDIC	N	473,266
Optus Bank	Columbia	SC	19990326	NM	FDIC	B	315,458
Citizens Bank Of Chatsworth	Chatsworth	IL	19031207	NM	FDIC	A	42,466
American Metro Bank	Chicago	IL	19970129	NM	FDIC	A	87,804
GN Bank	Chicago	IL	19340101	SB	OCC	B	84,657
International Bank of Chicago	Chicago	IL	19921026	NM	FDIC	A	890,158
Millennium Bank	Des Plaines	IL	20070702	NM	FDIC	A	283,227
First Independence Bank	Detroit	MI	19700514	NM	FDIC	B	412,314
Bay Bank	Green Bay	WI	19950821	NM	FDIC	N	216,826
Columbia Savings & Loan Assn	Milwaukee	WI	19240101	SL	FDIC	B	26,945
Native American Bank NA	Denver	CO	19870727	N	OCC	N	192,848
Liberty Bank & Trust Co	New Orleans	LA	19721116	NM	FDIC	B	971,090
Community 1st Bank Las Vegas	Las Vegas	NM	19491123	NM	FDIC	H	169,376
Centinel Bank of Taos	Taos	NM	19690301	NM	FDIC	H	380,203
FirstBank	Antlers	OK	19010101	SM	FED	N	575,740
AllNations Bank	Calumet	OK	19010101	SM	FED	N	49,528
F&M Bank	Edmond	OK	19020101	NM	FDIC	N	639,930
Bank of Grand Lake	Grove	OK	20050609	NM	FDIC	H	239,140
Bank of Cherokee County	Hulbert	OK	19081201	SM	FED	N	169,405
Gateway First Bank	Jenks	OK	19350302	NM	FDIC	N	1,879,005
Chickasaw Community Bank	Oklahoma City	OK	19030101	SM	FED	N	349,214
First Security Bank & Trust Co	Oklahoma City	OK	19510406	NM	FDIC	B	61,252
The Pauls Valley National Bank	Pauls Valley	OK	20210701	N	OCC	N	317,781
First National Bank & Trust Co	Shawnee	OK	19841029	N	OCC	N	718,073
Carson Community Bank	Stilwell	OK	19030203	NM	FDIC	N	169,174
Citizens Savings B&T Co	Nashville	TN	19040104	NM	FDIC	B	134,538
The First State Bank	Abernathy	TX	19310101	NM	FDIC	N	55,969
International Bank of Commerce	Brownsville	TX	19841009	NM	FDIC	H	3,780,081
American Bank National Assn	Dallas	TX	19740502	N	OCC	A	204,203
One World Bank	Dallas	TX	20050404	NM	FDIC	A	138,791
State Bank of Texas	Dallas	TX	19871019	NM	FDIC	A	1,322,130
United Bank El Paso Del Norte	El Paso	TX	20010501	SM	FED	H	333,572
Spectra Bank	Fort Worth	TX	19860630	NM	FDIC	A	91,460
Freedom Bank	Freer	TX	19580712	NM	FDIC	H	94,849

(continued)

Table B.2—continued

Name	City of Industry	State	Est. date	Class ¹	Regulator	Minority status alpha ²	Total assets (thousands of dollars)
American First National Bank	Houston	TX	19980518	N	OCC	A	2,287,371
Golden Bank National Assn	Houston	TX	19850503	N	OCC	A	1,293,564
Southwestern National Bank	Houston	TX	19971103	N	OCC	A	856,490
Unity National Bank of Houston	Houston	TX	19850801	N	OCC	B	253,823
Commerce Bank	Laredo	TX	19820331	NM	FDIC	H	667,502
Falcon International Bank	Laredo	TX	19861210	NM	FDIC	H	1,844,758
International Bank of Commerce	Laredo	TX	19660902	NM	FDIC	H	9,291,812
Bank of South Texas	Mcallen	TX	19860708	NM	FDIC	H	139,198
Rio Bank	Mcallen	TX	19850211	NM	FDIC	H	745,346
Texas National Bank	Mercedes	TX	19201126	N	OCC	H	593,232
Lone Star National Bank	Pharr	TX	19830124	N	OCC	H	3,063,266
Citizens State Bank	Roma	TX	19780515	NM	FDIC	H	87,983
First State Bank	Shallowater	TX	19601008	NM	FDIC	A	125,186
Wallis Bank	Wallis	TX	19721028	NM	FDIC	A	1,111,138
International Bank of Commerce	Zapata	TX	19840206	NM	FDIC	H	474,338
Zapata National Bank	Zapata	TX	19611116	N	OCC	H	97,932
Pinnacle Bank	Marshalltown	IA	19270505	SM	FED	N	261,044
CBW Bank	Weir	KS	19340228	NM	FDIC	A	65,314
Woodlands National Bank	Hinckley	MN	19081001	N	OCC	N	350,967
Peoples Bank of Seneca	Seneca	MO	19960315	NM	FDIC	N	340,718
Turtle Mountain State Bank	Belcourt	ND	20071203	NM	FDIC	N	225,640
City First Bank, NA	Washington	DC	19981124	N	OCC	B	1,092,804
Industrial Bank	Washington	DC	19340818	NM	FDIC	B	625,437
Leader Bank National Assn	Arlington	MA	20020508	N	OCC	A	3,077,235
Harbor Bank of Maryland	Baltimore	MD	19820913	NM	FDIC	B	329,750
Keb Hana Bank USA NA	Fort Lee	NJ	19860916	N	OCC	A	293,014
New Millennium Bank	Fort Lee	NJ	19990719	NM	FDIC	A	540,808
Ponce Bank	Bronx	NY	19600331	SB	OCC	H	1,642,212
Amerasia Bank	Flushing	NY	19880620	NM	FDIC	A	886,830
NewBank	Flushing	NY	20060929	NM	FDIC	A	554,530
Abacus Federal Savings Bank	New York	NY	19841129	SB	OCC	A	336,780
Carver Federal Savings Bank	New York	NY	19480101	SB	OCC	B	723,256
Eastbank National Assn	New York	NY	19841126	N	OCC	A	160,262
Global Bank	New York	NY	20070312	NM	FDIC	A	231,976
Piermont Bank	New York	NY	20190701	NM	FDIC	M	364,162
Popular Bank	New York	NY	19990102	SM	FED	H	10,389,650
Shinhan Bank America	New York	NY	19901018	NM	FDIC	A	1,919,589
United Orient Bank	New York	NY	19810409	NM	FDIC	A	94,906
Woori America Bank	New York	NY	19840127	NM	FDIC	A	2,969,506

(continued)

Table B.2—continued

Name	City of Industry	State	Est. date	Class ¹	Regulator	Minority status alpha ²	Total assets (thousands of dollars)
Noah Bank	Elkins Park	PA	20060717	NM	FDIC	A	316,881
Asian Bank	Philadelphia	PA	19990609	SM	FED	A	335,088
United Bank of Philadelphia	Philadelphia	PA	19920323	NM	FDIC	B	64,379
Banco Popular De Puerto Rico	San Juan	PR	19990102	SM	FED	H	64,205,000
Oriental Bank	San Juan	PR	19650325	NM	FDIC	H	9,805,742
Firstbank Puerto Rico	Santurce	PR	19490117	NM	FDIC	H	20,778,081
Canyon Community Bank, NA	Tucson	AZ	20001010	N	OCC	A	160,310
First Commercial Bank USA	Alhambra	CA	19970520	NM	FDIC	A	814,543
New Omni Bank National Assn	Alhambra	CA	19800212	N	OCC	A	559,016
American Plus Bank NA	Arcadia	CA	20070808	N	OCC	A	591,059
American Continental Bank	City Of Industry	CA	20031006	NM	FDIC	A	336,086
United Pacific Bank	City Of Industry	CA	19820511	NM	FDIC	A	174,584
Community Commerce Bank	Claremont	CA	19761001	NM	FDIC	H	315,202
US Metro Bank	Garden Grove	CA	20060915	NM	FDIC	A	967,099
California Business Bank	Irvine	CA	20051101	NM	FDIC	A	121,611
Commercial Bank of Ca	Irvine	CA	20030515	NM	FDIC	H	2,027,942
Bank of Hope	Los Angeles	CA	19860318	NM	FDIC	A	17,883,792
Cathay Bank	Los Angeles	CA	19620419	NM	FDIC	A	20,872,611
Commonwealth Business Bank	Los Angeles	CA	20050303	SM	FED	A	1,808,717
CTBC Bank Corp USA	Los Angeles	CA	19650427	NM	FDIC	A	4,329,500
Eastern International Bank	Los Angeles	CA	19850226	NM	FDIC	A	138,688
Hanmi Bank	Los Angeles	CA	19821215	NM	FDIC	A	6,855,957
Open Bank	Los Angeles	CA	20050610	NM	FDIC	A	1,726,548
Pacific City Bank	Los Angeles	CA	20030918	NM	FDIC	A	2,149,703
Preferred Bank	Los Angeles	CA	19911223	NM	FDIC	A	6,045,825
Royal Business Bank	Los Angeles	CA	20081118	NM	FDIC	A	4,222,275
Genesis Bank	Newport Beach	CA	20210908	NM	FDIC	M	85,797
Gateway Bank FSB	Oakland	CA	19900608	SB	OCC	A	175,343
Metropolitan Bank	Oakland	CA	19830901	NM	FDIC	A	211,376
East West Bank	Pasadena	CA	19720101	SM	FED	A	60,849,631
Evertrust Bank	Pasadena	CA	19950503	NM	FDIC	A	995,389
Pacific Alliance Bank	Rosemead	CA	20061227	NM	FDIC	A	372,293
First General Bank	Rowland Heights	CA	20051013	NM	FDIC	A	1,246,519
Bank of the Orient	San Francisco	CA	19710317	SM	FED	A	946,569
California Pacific Bank	San Francisco	CA	19801016	NM	FDIC	A	83,414
Mission National Bank	San Francisco	CA	19820216	N	OCC	A	220,687
Asian Pacific National Bank	San Gabriel	CA	19900725	N	OCC	A	59,523
Mega Bank	San Gabriel	CA	20080205	NM	FDIC	A	456,116
Universal Bank	West Covina	CA	19541117	SB	OCC	A	377,350

(continued)

Table B.2—continued

Name	City of Industry	State	Est. date	Class ¹	Regulator	Minority status alpha ²	Total assets (thousands of dollars)
California Intl Bank NA	Westminster	CA	20051130	N	OCC	A	89,932
Bank of Whittier NA	Whittier	CA	19821220	N	OCC	A	164,678
Anz Guam Inc	Hagatna	GU	19910111	NM	FDIC	A	437,930
Bank of Guam	Hagatna	GU	19721211	NM	FDIC	A	2,763,606
Bankpacific Ltd	Hagatna	GU	19530101	SL	FDIC	A	192,265
Finance Factors Ltd	Honolulu	HI	19520514	NM	FDIC	A	578,059
Hawaii National Bank	Honolulu	HI	19600916	N	OCC	A	891,460
OneUnited Bank	Boston	MA	19820802	NM	FDIC	B	643,447
Eagle Bank	Polson	MT	20060725	NM	FDIC	N	97,517
Unibank	Lynnwood	WA	20061101	SM	FED	A	455,659
Total: 143							\$325,803,921
¹ NM is state bank, not a member of the Federal Reserve (FED); SM is state bank, member of the FED; N is national bank; SL is state or federal savings and loan association; SB is state or federal savings bank. ² B is Black or African American; H is Hispanic American; A is Asian or Pacific Islander American; N is Native American or Alaskan Native American; M is multiracial American.							

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