



REPORT TO CONGRESS

Preserving and Promoting Minority Depository Institutions Annual Report 2022



December 2023

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



The Federal Reserve System is the central bank of the United States. It performs five key functions to promote the effective operation of the U.S. economy and, more generally, the public interest.

The Federal Reserve

- **conducts the nation's monetary policy** to promote maximum employment and stable prices in the U.S. economy;
- **promotes the stability of the financial system** and seeks to minimize and contain systemic risks through active monitoring and engagement in the U.S. and abroad;
- **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
- **promotes consumer protection and community development** through consumer-focused supervision and examination, research and analysis of emerging consumer issues and trends, community economic development activities, and administration of consumer laws and regulations.

To learn more about us, visit www.federalreserve.gov/aboutthefed.htm.

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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 ([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 responsibility relative to MDIs, the System’s Partnership for Progress (PFP) initiatives, the Board’s research efforts, and other System efforts and initiatives in 2022.

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

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
NPR	Notice of proposed rulemaking
PFP	Partnership for Progress
WDI	Women's depository institution

Executive Summary

The Federal Reserve has an interest in promoting a vibrant economy with resilient families and communities. One important aspect of such an economy is promoting access to credit to build a secure financial foundation. Low-wage individuals and minority communities often have fewer options to access such credit, and MDIs, which serve minority communities, are important institutions in helping to address disparities in credit access.

This report, which covers calendar-year 2022, looks at four areas of the Board's efforts in preserving and promoting MDIs:

1. [State Member MDIs](#) looks at the System's supervisory responsibility for the 14 state member MDIs.
2. [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.
3. [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.
4. [Efforts and Initiatives](#) looks at ways the Federal Reserve continued to dedicate resources for proactive outreach and technical assistance activities.

State Member MDIs

The Board had primary supervisory responsibility for 14 state member MDIs in 2022,² which are mostly community banks with total assets of \$10 billion or less (table 1).³ 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.

There were two changes to the portfolio in 2022:

1. United Bank El Paso del Norte in El Paso, Texas, was acquired and merged with a non-MDI bank and therefore was no longer considered an MDI.
2. In December 2022, Anchor Bank in Palm Beach Gardens, Florida, was designated as a new state member MDI by the Board and Federal Reserve Bank of Atlanta.

Geographic Dispersion

In 2022, state member MDIs were located in six of the 12 Federal Reserve Bank Districts, with assets concentrated in the New York and San Francisco Districts (table 2).⁴ 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

Table 1. Asset distribution of state member MDIs as of December 31, 2022

Asset size	Number of banks	Percentage of total*
\$250 million or less	1	7
\$250 million to \$500 million	5	36
Over \$500 million to \$1 billion	4	29
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, 2022

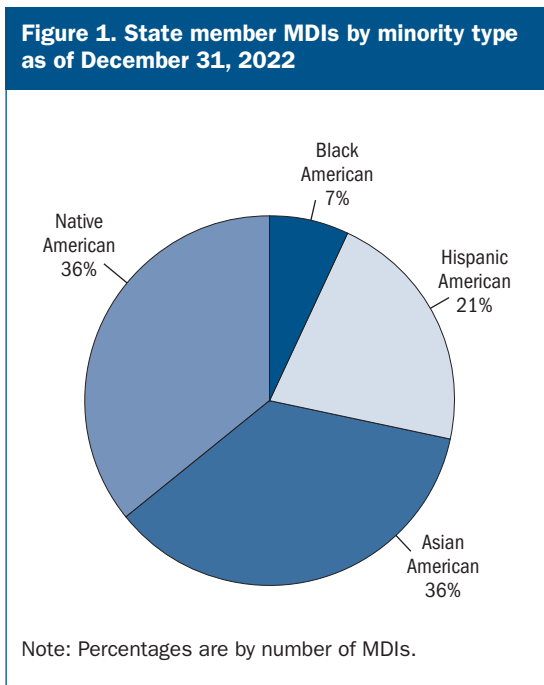
Federal Reserve Bank District	Number of MDIs	Total assets (thousands of dollars)	Percentage of total assets*
Atlanta	2	1,106,988	0.80
Chicago	1	285,368	0.21
Kansas City	4	1,414,931	1.02
New York	2	67,606,290	48.92
Philadelphia	1	451,784	0.33
San Francisco	4	67,332,741	48.72
Total	14	138,198,102	100.00

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

² The term "state member" refers to state-chartered banks that are members of the Federal Reserve System.

³ 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 2018–22, see table B.1 in [appendix B](#).

⁴ 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.



concentration of state member MDIs in the Kansas City District. All four of the banks in this District are located in Oklahoma and are Native American MDIs.

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 2022, 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 (figure 1).

Partnership for Progress Programming

The Board and the Federal Reserve Banks (FRBs) support MDIs primarily through the Partnership for Progress (PFP) program. The PFP is the System's national MDI outreach program created to support the System's federal mandate to preserve and promote MDIs. The PFP includes a national outreach effort to help MDIs address 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 Division of Supervision and Regulation (S&R) and the Community Development section of the Division of Consumer and Community Affairs (DCCA). This multidivisional arrangement leverages the community development expertise and external network of the community development program in DCCA with the institutional focus and regulatory expertise of community and regional banking in S&R. 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, there is a program manager at the Federal Reserve Bank of Philadelphia, and 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.

Overview of the outreach provided by PFP:

- **Technical assistance:** Providing direct consultative support to MDIs on a variety of regulatory topics as requested or through outreach events.
- **Research:** Publishing research on topics impacting MDIs and the customers they serve.
- **Conferences and convenings:** Leveraging the System's resources as the central bank of the United States to support MDIs by
 - attending and presenting at MDI-related convenings;
 - holding MDI-focused conferences and convenings to foster information exchange, promote the importance of MDIs, and strengthen partnerships to support the MDI sector; and
 - strengthening communication between MDIs, with System and interagency supervisors, and other key regulatory stakeholders.
- **Outreach:** Providing MDIs information, guidance, and support regarding
 - current and emerging regulatory updates and issues,
 - applications,
 - de novo bank and MDI designation issues, and
 - key information on the PFP's website.

The PFP seeks to achieve the program’s goals outlined above through

- holding periodic meetings with the Board’s PFP Executive Oversight Committee, program manager, and District coordinators to collaborate on MDI outreach efforts;
- offering outreach and technical training sessions to MDIs and Federal Reserve examiners;
- providing targeted information regarding the System’s supervisory and application processes and making research available through the PFP website; and
- producing research, convening stakeholders, and promoting MDIs through speeches and other publications.

As noted above, the congressional mandate in section 308 of the FIRREA to preserve and promote MDIs is carried out through supervisory actions as well as other activities. 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.

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. Federal Reserve leadership, including Board members and Federal Reserve Bank presidents, have used their public platforms to speak about the importance and positive impact of MDIs on underserved communities. 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.

In 2022, 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.

Conferences and Convenings

Throughout 2022, the Federal Reserve conducted a number of programs specific to MDIs, including the following:

Banking and the Economy: A Forum for Minorities in Banking, September 27–28, 2022

The System hosted the seventh annual “Banking and the Economy: A Forum for Minorities in Banking” at the Federal Reserve Bank of Atlanta. This hybrid event attracted 85 in-person attendees and 150 participants virtually from 65 organizations in 25 states. The forum had been held virtually the previous two years due to the pandemic, however, in-person participation was

resumed in 2022. The forum provides senior level and high-potential middle-management leaders with industry knowledge, leadership skills, and professional development that will enhance their careers and networks. The forum delivered over 10 hours of programming focused on leadership, professional development, banking/economic updates, and diversity and inclusion.

Listening Sessions

Federal Reserve leadership, including governors, meet often with bankers to learn about their banks and the communities they serve. Several such meetings with MDI and CDFI bank leaders occurred in 2022.

Additionally, the Board, along with the Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC), held a virtual listening session series for MDIs and Community Development Financial Institution (CDFI) banks in September and October 2022. The theme was “Bridging the Gap: Assessing the Evolving Needs of Mission-Driven Banks,” and during the sessions, insights were shared on the current state of the economic recovery, what uncertainties remain, and how the regulators can better support MDIs and CDFI banks.

Community Reinvestment Act

In May 2022, the Board, FDIC, and OCC jointly issued a notice of proposed rulemaking (NPR) to strengthen and modernize regulations implementing the Community Reinvestment Act (CRA) to better achieve the purposes of the act. The NPR put forth proposals and asked for feedback on clarifying and strengthening existing CRA provisions to recognize the unique role played by MDIs, women’s depository institutions (WDIs), low-income credit unions (LICUs), and CDFIs in meeting community credit needs. Specifically, the NPR contained three proposals specific to MDIs and CDFIs.

1. Eligible community development activities conducted by, or in coordination with, MDIs, WDIs, LICUs, and CDFIs would be clarified.
 - The agencies proposed that loans, investments, or services by any bank undertaken in connection with a certified CDFI would be presumed to qualify for CRA credit.
 - The agencies also proposed providing CRA consideration for investments, loan participations, and other ventures undertaken by any bank, including by MDIs and WDIs, in cooperation with other MDIs, other WDIs, or LICUs.
2. Community development activities conducted by, or in coordination with, MDIs, WDIs, LICUs, and CDFIs certified by the U.S. Department of the Treasury (Treasury) would be considered as an impact review factor when assessing the impact and responsiveness of a bank’s community development activities.

3. Retail lending-focused partnerships with MDIs, WDIs, LICUs, and Treasury-certified CDFIs would be considered when assessing the responsiveness of a bank's credit products, offered in a safe and sound manner, in meeting the needs of low- and moderate-income (LMI) communities.

The comment period closed in August 2022, and the agencies received hundreds of comment letters, many of which provided feedback on the MDI and CDFI provisions in the NPR. The agencies reviewed all comments carefully and consulted with staff from the PFP team in order to develop policies for the final rule.⁵

Collaboration with Trade Groups and Other Partners

Throughout 2022, the PFP consulted closely with the National Bankers Association (NBA), the trade group for minority banks.

- In February, the PFP organized a call between Board staff and the NBA's Keepers Fund to discuss rules for investing in banks under the Change in Bank Control Act and the Bank Holding Company Act.⁶ PFP continued to consult with the NBA throughout 2022.
- Also in February, PFP staff and Board staff held a call with the NBA and Community Development Bankers Association regarding the Treasury's Emergency Capital Investment Program (ECIP).

Speeches

In the fall of 2022, two Federal Reserve governors attended MDI conferences and gave public remarks:

- Governor Lisa D. Cook spoke at the National Bankers Association annual meeting in October 2022 in Washington, D.C.
- Governor Michelle Bowman participated in a panel at the "Future of Minority Depository Institutions: MDI ConnectTech Initiative" in November 2022 in Washington, D.C.

⁵ On October 24, 2023, the Board, the FDIC, and the OCC issued a final rule amending the agencies' CRA regulations (see <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-final-rule.htm>). The final rule reflects substantial feedback from stakeholders, including feedback received in response to the Board's advance notice of proposed rulemaking issued in October 2020 and the notice of proposed rulemaking issued by the three agencies in May 2022 (see <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-advanced-notice-proposed-rulemaking.htm> and <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-proposed-rulemaking.htm>). One of the key goals of the final rule is to encourage banks to expand access to credit, investment, and banking services in LMI communities (see <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/fact-sheet-cra-20231024.pdf>). Under the final rule, the agencies will evaluate bank performance across the varied activities they conduct and communities in which they operate so that the CRA continues to be a strong and effective tool to address inequities in access to credit and financial services. The rule promotes financial inclusion by supporting bank activities with minority depository institutions and community development financial institutions and in Native land areas, persistent poverty areas, and other high-need areas.

⁶ The Keepers Fund is a national MDI capital fund that primarily lends or facilitates lending to small businesses in low- and moderate-income (LMI) areas or to LMI individuals to promote community and economic development and generate job growth.

Research on MDIs and Low- and Moderate-Income Communities

In 2022, System staff published a book and multiple articles that explored the history and lending patterns of MDIs. The Federal Reserve Bank of Kansas City released a second book on the history of Black banks in America. System researchers also reviewed the demographic makeup/population of MDI loan recipients as well as the impact of MDI loan activity in minority communities. The research intends to further the public's understanding of the history, importance, and role of MDIs in their local market areas.

The following list highlights some of the research published during 2022:

- **A Great Moral and Social Force: A History of Black Banks:** This book is a historical reference on Black community banks. This particular history references banks in Richmond, Virginia; Boley, Oklahoma; Chicago, Illinois; Memphis, Tennessee; and Detroit, Michigan, as entities that provided a valuable service to their communities. Rather than presenting a comprehensive history of Black banking, the goal of *A Great Moral and Social Force* is to move across eras and examine some of the communities where banks played a dual role in establishing both economic opportunity and social equality. See <https://www.kansascityfed.org/about-us/a-great-moral-and-social-force/>.
- **The Effect of Minority Bank Ownership on Minority Credit:** This paper studies the effect of racial minority bank ownership on minority credit access. Using new data for 87 million minority borrowers, it presents four primary findings:
 1. Minority-owned banks specialize in same-race mortgage lending. Over 70 percent of their mortgages go to borrowers of the same race as the bank owners.
 2. The effect of minority bank ownership on minority credit is significant and exceeds that of minority loan officers. It finds that minority borrowers applying for mortgages in banks whose owners are of the same minority group are 9 percentage points more likely to be approved than minority borrowers in non-minority banks. This effect is over six times that of a minority loan officer.
 3. The default rate of minority banks' same-race borrowers is much lower than that of otherwise-identical borrowers of other races, and Asian banks drive this difference.
 4. Evidence from bank collapses suggests that the effect of minority bank ownership might reflect an expansion rather than a reallocation of credit. For example, mortgage approvals for Asian customers declined by 30 percentage points per year over four years after the collapse

of an Asian bank but were unaffected after the failure of a non-minority bank. See https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4590142.

- **“Let Us Put Our Moneys Together:” Minority-Owned Banks and Resilience to Crises:** The mission of minority-owned banks is to promote economic well-being in their communities. They benefit from relationship-based lending, which yields an advantage in serving community needs through times of financial and economic crises. To test these propositions, this research paper analyzes individual banks in their local market context from 2006–20. Results suggest that minority-owned banks improved economic resilience in their communities during the Global Financial Crisis (GFC) and the pandemic through increased small business and household lending, but fewer benefits are found during other phases of the business cycle. The research paper results imply that if all U.S. banks had behaved in a manner consistent with minority-owned banks through the GFC, at least 1.9 million more minority jobs would have been maintained and at least \$50 billion more in credit would have been available to small businesses on an annual basis. These findings are consistent with predictions of the economic resilience literature. See <https://www.philadelphiafed.org/the-economy/banking-and-financial-markets/let-us-put-our-moneys-together-minority-owned-banks-and-resilience-to-crises>.
- **Mission-Oriented Banks in Texas and Underserved Businesses: Lessons from the Paycheck Protection Program:** When controlling for other factors, this brief finds that a Paycheck Protection Program (PPP) loan is more likely to be originated through a CDFI if the borrower was in the leisure and hospitality industry, the loan size was less than \$150,000, or the firm was located in ZIP codes with higher shares of residents of color. While MDIs were less likely to originate loans to micro-firms and start-ups (defined as businesses open two years or less), CDFIs were more likely to originate these loans. CDFIs were also more likely to make loans later on in the PPP timeline. MDIs, however, were more likely to lend to firms in rural neighborhoods. Contrary to an earlier finding, CDFIs now appear less likely than non-CDFIs to reach LMI neighborhoods. This change is driven by the inclusion of the variable representing the share of residents of color within a given ZIP code. See <https://www.dallasfed.org/cd/pubs/2022/mdi-cdfi-ppp>.

Efforts and Initiatives

Preserving the Character and Number of MDIs

To preserve the character and prevalence 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 and on a quarterly basis, PFP staff provide the FDIC 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 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 2022, PFP staff engaged with several groups seeking guidance from the regulatory agencies on navigating the de novo process for establishing new MDIs and WDIs. Staff of the PFP and relevant FRBs answered questions, provided resources, and offered assistance on navigating the de novo applications process.

Emergency Capital Investment Program

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 CDFIs. The Federal Reserve's PFP staff supported the Treasury's efforts to implement the ECIP, with the ultimate goal of supporting the economic recovery for the communities they serve. On September 21, 2022, the Treasury announced that it had invested over \$8.28 billion in

162 community financial institutions through the ECIP from the first round of applications. Ten state member banks received ECIP funds totaling \$894.8 million, while an additional 57 holding companies that the Federal Reserve supervises received ECIP funds totaling \$3.8 billion.

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 2022 included the ECIP, multifamily lending, capital rules, the 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 notice of proposed rulemaking.

Partnership for Progress Website

The PFP website is currently undergoing a substantial update with the goals of modernizing the website, sharing timely information, increasing stakeholder engagement, and improving the accessibility of information.⁷ The website is in the final production stage with an anticipated launch date of 2024.

The website will continue to serve as one of the primary vehicles for distributing educational materials relevant to MDIs and WDIs and will provide industry specific information about new regulations and their impact on community banking organizations. The website will also post regulatory and agency events relevant to MDIs and share information focused on market conditions and economic data related to areas typically served by MDIs.

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.

⁷ Partnership for Progress, <https://www.fedpartnership.gov>.

The System's *Community Banking Connections* publication serves to⁸

- 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.

The System's *Consumer Compliance Outlook* publication focuses on compliance with federal consumer protection laws and regulations for financial services and serves to⁹

- 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.

"Outlook Live" is a webinar series dedicated to consumer compliance.¹⁰ 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, bank and thrift holding companies, state bank commissioners, and state banking associations.¹¹ "Ask the Fed" consists of periodic conference calls/webinars that feature presentations by Federal Reserve experts and guest speakers on current critical banking questions with time at the end for questions and comments.

⁸ *Community Banking Connections* is a registered trademark of the Federal Reserve Bank of Philadelphia, <https://www.communitybankingconnections.org>.

⁹ *Consumer Compliance Outlook* is a registered trademark of the Federal Reserve Bank of Philadelphia, <https://www.consumercomplianceoutlook.org>.

¹⁰ The Outlook Live webinars can be seen at <https://www.consumercomplianceoutlook.org/outlook-live/>.

¹¹ 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.¹²

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.

¹² Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 (1989).

Appendix B: MDI Figures and Tables

Figure B.1. Proportion of MDIs that are state member banks, 2018–22

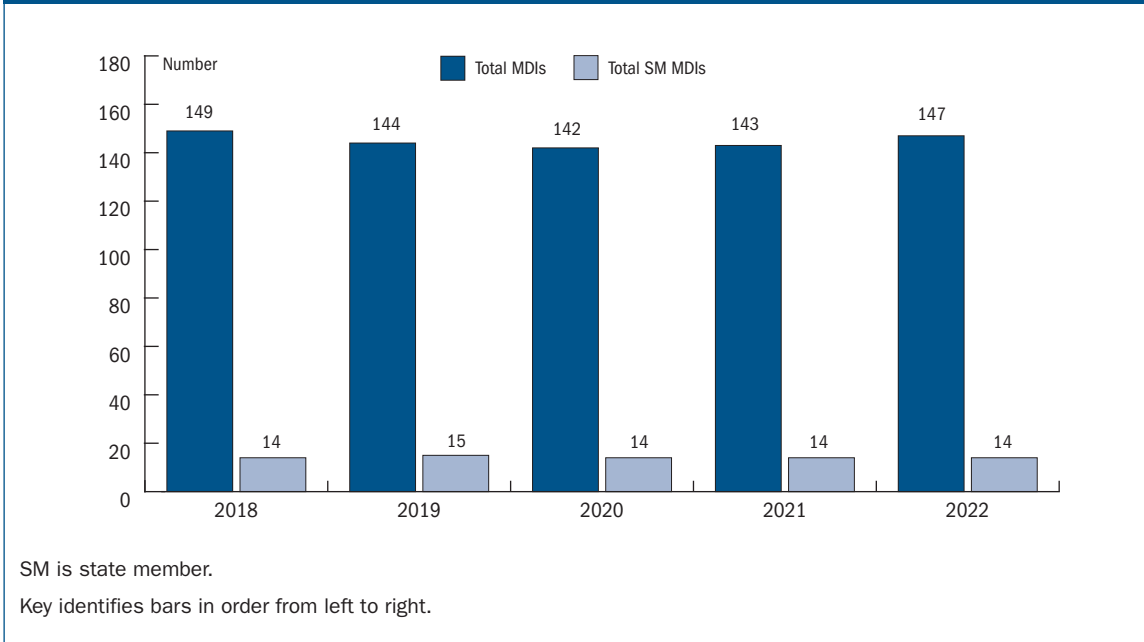


Figure B.2. Assets by type of MDI, 2018–22

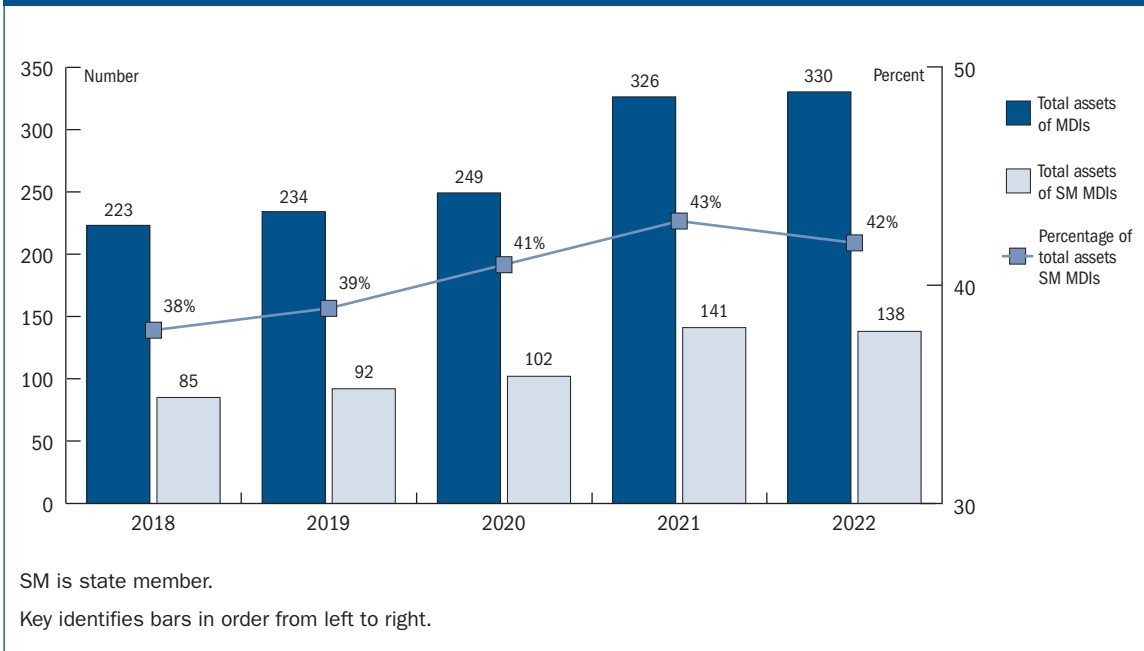
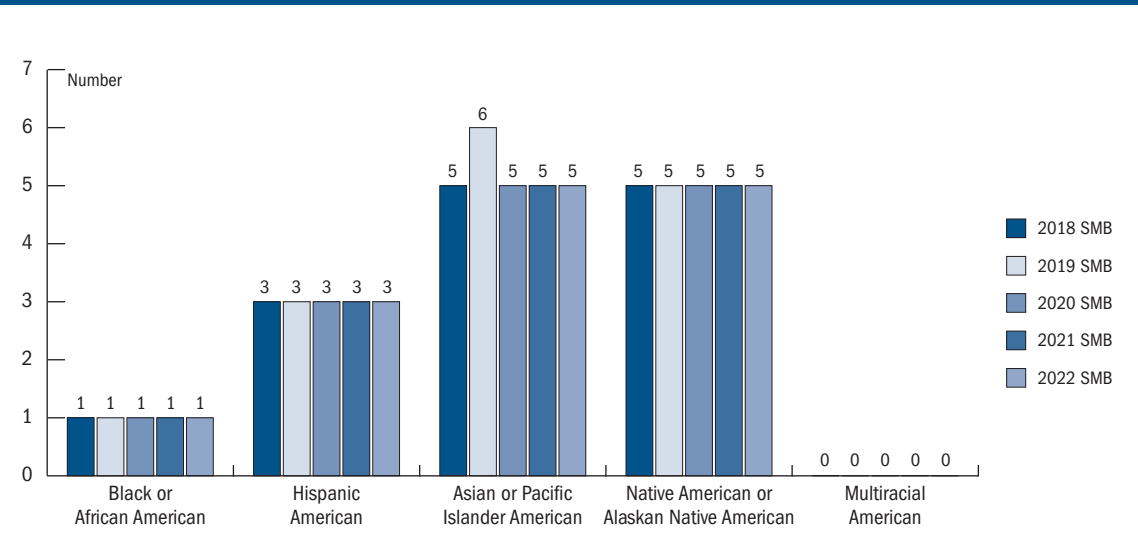


Figure B.3. Number of state member MDIs by type of minority, 2018–22



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, 2022

ID RSSD	Institution name	State	Federal Reserve Bank District	Minority status*	Assets (thousands of dollars)
146056	AllNations Bank	OK	Kansas City	N	51,484
3342671	Anchor Bank	FL	Atlanta	H	300,187
2785477	Asian Bank	PA	Philadelphia	A	451,784
940311	Banco Popular de Puerto Rico	PR	New York	H	56,050,000
815754	Bank of Cherokee County	OK	Kansas City	N	295,070
777366	Bank of the Orient	CA	San Francisco	A	845,747
64552	Chickasaw Community Bank	OK	Kansas City	N	479,101
680130	Citizens Trust Bank	GA	Atlanta	B	806,801
3337097	Commonwealth Business Bank	CA	San Francisco	A	1,812,448
197478	East West Bank	CA	San Francisco	A	64,087,895
296456	FirstBank	OK	Kansas City	N	589,276
365745	Pinnacle Bank	IA	Chicago	N	285,368
2736291	Popular Bank	NY	New York	H	11,556,290
3487947	Unibank	WA	San Francisco	A	586,651
Number of institutions:	14		Total assets		138,198,102
* 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, 2022

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	15,784
Commonwealth National Bank	Mobile	AL	19760219	N	OCC	B	61,329
BanESCO USA	Coral Gables	FL	20060110	NM	FDIC	H	2,994,822
U.S. Century Bank	Doral	FL	20021028	NM	FDIC	H	2,085,834
Interamerican Bank, A FSB	Miami	FL	19760823	SB	OCC	H	262,016
International Finance Bank	Miami	FL	19831130	NM	FDIC	H	944,447
Ocean Bank	Miami	FL	19821209	NM	FDIC	H	5,916,905
Plus International Bank	Miami	FL	20010914	NM	FDIC	H	59,341
Sunstate Bank	Miami	FL	19990315	NM	FDIC	H	465,916
Anchor Bank	Palm Beach Gardens	OK	20050322	SM	FED	H	300,187
Central Bank	Tampa	FL	20070226	NM	FDIC	A	255,465
Touchmark National Bank	Alpharetta	GA	20080128	N	OCC	A	341,242
Citizens Trust Bank	Atlanta	FL	19210618	SM	FED	B	806,801
First IC Bank	Doraville	GA	20000131	NM	FDIC	A	1,028,049
Metro City Bank	Doraville	GA	20060404	NM	FDIC	A	3,443,765

(continued)

Table B.2—continued							
Name	City of industry	State	Est. date	Class ¹	Regulator	Minority status alpha ²	Total assets (thousands of dollars)
PromiseOne Bank	Duluth	GA	20081106	NM	FDIC	A	700,124
Loyal Trust Bank	Johns Creek	GA	20191118	NM	FDIC	A	135,640
Embassy National Bank	Lawrenceville	GA	20070305	N	OCC	A	111,370
Carver State Bank	Savannah	GA	19270101	NM	FDIC	B	84,015
Quantum National Bank	Suwanee	GA	19951227	N	OCC	A	663,593
Mechanics & Farmers Bank	Durham	NC	19080301	NM	FDIC	B	429,685
Lumbee Guaranty Bank	Pembroke	NC	19711222	NM	FDIC	N	484,339
Optus Bank	Columbia	SC	19990326	NM	FDIC	B	405,324
Citizens Bank of Chatsworth	Chatsworth	IL	19031207	NM	FDIC	A	39,396
American Metro Bank	Chicago	IL	19970129	NM	FDIC	A	81,652
GN Bank	Chicago	IL	19340101	SB	OCC	B	71,844
International Bank of Chicago	Chicago	IL	19921026	NM	FDIC	A	963,828
Millennium Bank	Des Plaines	IL	20070702	NM	FDIC	A	343,376
First Independence Bank	Detroit	MI	19700514	NM	FDIC	B	468,425
Bay Bank	Green Bay	WI	19950821	NM	FDIC	N	212,280
Columbia Savings & Loan Association	Milwaukee	WI	19240101	SL	FDIC	B	24,537
Native American Bank, National Association	Denver	CO	19870727	N	OCC	N	227,206
Liberty Bank & Trust Company	New Orleans	LA	19721116	NM	FDIC	B	1,086,331
Grand Bank for Savings, FSB	Milwaukee	MS	19680101	SB	OCC	B	116,006
Community 1st Bank Las Vegas	Las Vegas	NM	19491123	NM	FDIC	H	174,580
Centinel Bank of Taos	Taos	NM	19690301	NM	FDIC	H	388,302
FirstBank	Antlers	PA	19010101	SM	FED	N	589,276
AllNations Bank	Calumet	PR	19010101	SM	FED	N	51,484
F&M Bank	Edmond	OK	19020101	NM	FDIC	N	647,283
Bank of Grand Lake	Grove	OK	20050609	NM	FDIC	H	233,881
Bank of Cherokee County	Hulbert	OK	19081201	SM	FED	N	295,070
Gateway First Bank	Jenks	OK	19350302	NM	FDIC	N	2,037,606
Chickasaw Community Bank	Oklahoma City	CA	19030101	SM	FED	N	479,101
First Security Bank & Trust Company	Oklahoma City	OK	19510406	NM	FDIC	B	79,084
The Pauls Valley National Bank	Pauls Valley	OK	19050101	N	OCC	N	304,845
First National Bank & Trust Company	Shawnee	OK	19841029	N	OCC	N	814,463
Carson Community Bank	Stilwell	OK	19030203	NM	FDIC	N	159,374
Security State Bank of Oklahoma	Wewoka	OK	19111205	NM	FDIC	N	332,437
Citizens Savings Bank & Trust Company	Nashville	TN	19040104	NM	FDIC	B	150,072
The First State Bank	Abernathy	TX	19090101	NM	FDIC	N	82,463
Freedom Bank	Alamo	TX	19580712	NM	FDIC	H	145,647
International Bank of Commerce	Brownsville	TX	19841009	NM	FDIC	H	3,892,731

(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 Bank, National Association	Dallas	TX	19740502	N	OCC	A	372,209
One World Bank	Dallas	TX	20050404	NM	FDIC	A	147,775
State Bank of Texas	Dallas	TX	19871019	NM	FDIC	A	2,054,921
Spectra Bank	Fort Worth	TX	19860630	NM	FDIC	A	83,210
American First National Bank	Houston	TX	19980518	N	OCC	A	2,489,041
Golden Bank, National Association	Houston	TX	19850503	N	OCC	A	1,530,912
Southwestern National Bank	Houston	TX	19971103	N	OCC	A	972,145
Unity National Bank of Houston	Houston	TX	19850801	N	OCC	B	206,417
Commerce Bank	Laredo	TX	19820331	NM	FDIC	H	644,949
Falcon International Bank	Laredo	TX	19861210	NM	FDIC	H	1,920,444
International Bank of Commerce	Laredo	TX	19660902	NM	FDIC	H	8,748,621
Bank of South Texas	Mcallen	TX	19860708	NM	FDIC	H	155,610
Rio Bank	Mcallen	TX	19850211	NM	FDIC	H	820,297
Texas National Bank	Mercedes	TX	19201126	N	OCC	H	679,005
Lone Star National Bank	Pharr	TX	19830124	N	OCC	H	3,060,712
Citizens State Bank	Roma	TX	19780515	NM	FDIC	H	86,106
First State Bank	Shallowater	TX	19601008	NM	FDIC	A	139,666
Wallis Bank	Wallis	TX	19721028	NM	FDIC	A	1,062,134
International Bank of Commerce	Zapata	TX	19840206	NM	FDIC	H	449,571
Zapata National Bank	Zapata	TX	19611116	N	OCC	H	87,183
Pinnacle Bank	Marshalltown	OK	19270505	SM	FED	N	285,368
CBW Bank	Weir	KS	18920101	NM	FDIC	A	78,714
Woodlands National Bank	Hinckley	MN	19081001	N	OCC	N	336,404
People's Bank of Seneca	Seneca	MO	19960315	NM	FDIC	N	384,036
Turtle Mountain State Bank	Belcourt	ND	20071203	NM	FDIC	N	183,214
City First Bank, National Association	Washington	DC	19981124	N	OCC	B	1,183,734
Industrial Bank	Washington	DC	19340818	NM	FDIC	B	722,995
Leader Bank, National Association	Arlington	MA	20020508	N	OCC	A	3,907,635
The Harbor Bank of Maryland	Baltimore	MD	19820913	NM	FDIC	B	362,596
Keb Hana Bank USA, National Association	Fort Lee	NJ	19860916	N	OCC	A	385,677
New Millennium Bank	Fort Lee	NJ	19990719	NM	FDIC	A	774,320
Ponce Bank	Bronx	NY	19600331	SB	OCC	H	2,300,787
Amerasia Bank	Flushing	NY	19880620	NM	FDIC	A	778,489
NewBank	Flushing	NY	20060929	NM	FDIC	A	591,676
Abacus Federal Savings Bank	New York	NY	19841129	SB	OCC	A	310,557
Carver Federal Savings Bank	New York	NY	19480101	SB	OCC	B	712,939
Eastbank, National Association	New York	NY	19841126	N	OCC	A	151,014
Global Bank	New York	NY	20070312	NM	FDIC	A	251,155

(continued)

Table B.2—continued							
Name	City of industry	State	Est. date	Class ¹	Regulator	Minority status alpha ²	Total assets (thousands of dollars)
Piermont Bank	New York	NY	20190701	NM	FDIC	M	467,080
Popular Bank	New York	GA	19990102	SM	FED	H	11,556,290
Shinhan Bank America	New York	NY	19901018	NM	FDIC	A	1,910,220
United Orient Bank	New York	NY	19810409	NM	FDIC	A	105,857
Woori America Bank	New York	NY	19840127	NM	FDIC	A	3,104,798
Noah Bank	Elkins Park	PA	20060717	NM	FDIC	A	266,220
Asian Bank	Philadelphia	CA	19990609	SM	FED	A	451,784
Tioga-Franklin Savings Bank	Philadelphia	PA	20000701	SI	FDIC	B	66,257
United Bank of Philadelphia	Philadelphia	PA	19920323	NM	FDIC	B	59,416
Banco Popular de Puerto Rico	San Juan	CA	19990102	SM	FED	H	56,050,000
Oriental Bank	San Juan	PR	19650325	NM	FDIC	H	9,709,667
Firstbank Puerto Rico	Santurce	PR	19490117	NM	FDIC	H	18,626,645
Canyon Community Bank, National Association	Tucson	AZ	20001010	N	OCC	A	197,648
First Commercial Bank (USA)	Alhambra	CA	19970520	NM	FDIC	A	852,776
New Omni Bank, National Association	Alhambra	CA	19800212	N	OCC	A	549,989
American Plus Bank, N.A.	Arcadia	CA	20070808	N	OCC	A	642,608
American Continental Bank	City Of Industry	CA	20031006	NM	FDIC	A	339,087
United Pacific Bank	City Of Industry	CA	19820511	NM	FDIC	A	148,675
Community Commerce Bank	Claremont	CA	19761001	NM	FDIC	H	330,991
US Metro Bank	Garden Grove	CA	20060915	NM	FDIC	A	1,121,394
Bank Irvine	Irvine	CA	20221018	NM	FDIC	M	39,216
California Business Bank	Irvine	CA	20051101	NM	FDIC	A	114,127
Commercial Bank of California	Irvine	CA	20030515	NM	FDIC	H	2,129,841
Bank of Hope	Los Angeles	CA	19860318	NM	FDIC	A	19,159,409
Cathay Bank	Los Angeles	CA	19620419	NM	FDIC	A	21,974,243
Commonwealth Business Bank	Los Angeles	OK	20050303	SM	FED	A	1,812,448
CTBC Bank Corp. (USA)	Los Angeles	CA	19650427	NM	FDIC	A	4,942,746
Eastern International Bank	Los Angeles	CA	19850226	NM	FDIC	A	122,046
Hanmi Bank	Los Angeles	CA	19821215	NM	FDIC	A	7,348,419
Open Bank	Los Angeles	CA	20050610	NM	FDIC	A	2,094,001
Pacific City Bank	Los Angeles	CA	20030918	NM	FDIC	A	2,419,997
Preferred Bank	Los Angeles	CA	19911223	NM	FDIC	A	6,422,497
Royal Business Bank	Los Angeles	CA	20081118	NM	FDIC	A	3,915,530
Legacy Bank	Murrieta	CA	20220610	NM	FDIC	N	30,861
Genesis Bank	Newport Beach	CA	20210802	NM	FDIC	M	166,528
Gateway Bank, F.S.B.	Oakland	CA	19900608	SB	OCC	A	181,369
Metropolitan Bank	Oakland	CA	19830901	NM	FDIC	A	227,141
East West Bank	Pasadena	IA	19720101	SM	FED	A	64,087,895

(continued)

Table B.2—continued

Name	City of industry	State	Est. date	Class ¹	Regulator	Minority status alpha ²	Total assets (thousands of dollars)
Evertrust Bank	Pasadena	CA	19950503	NM	FDIC	A	839,512
First General Bank	Rowland Heights	CA	20051013	NM	FDIC	A	1,175,415
Bank of the Orient	San Francisco	NY	19710317	SM	FED	A	845,747
California Pacific Bank	San Francisco	CA	19801016	NM	FDIC	A	82,288
Mission National Bank	San Francisco	CA	19820216	N	OCC	A	186,374
Asian Pacific National Bank	San Gabriel	CA	19900725	N	OCC	A	57,366
Mega Bank	San Gabriel	CA	20080205	NM	FDIC	A	473,379
Pacific Alliance Bank	San Gabriel	CA	20061227	NM	FDIC	A	390,790
Universal Bank	West Covina	CA	19541117	SB	OCC	A	334,499
California International Bank, N.A.	Westminster	CA	20051130	N	OCC	A	55,256
Bank of Whittier, National Association	Whittier	CA	19821220	N	OCC	A	181,083
Anz Guam, Inc.	Hagatna	GU	19910111	NM	FDIC	A	150,100
Bank of Guam	Hagatna	GU	19721211	NM	FDIC	A	2,537,627
Bankpacific, Ltd	Hagatna	GU	19530101	SL	FDIC	A	204,607
Finance Factors, Ltd.	Honolulu	HI	19520514	NM	FDIC	A	596,976
Hawaii National Bank	Honolulu	HI	19600916	N	OCC	A	846,991
OneUnited Bank	Boston	MA	19820802	NM	FDIC	B	743,590
Eagle Bank	Polson	MT	20060725	NM	FDIC	N	119,574
Unibank	Lynnwood	WA	20061101	SM	FED	A	586,651
Total: 147							\$330,054,352
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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