



REPORT TO CONGRESS

# Preserving and Promoting Minority Depository Institutions Annual Report 2023



April 2025

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.

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# Contents

<b>Preface</b> .....	iii
<b>Abbreviations</b> .....	v
<b>Executive Summary</b> .....	1
<b>State Member MDIs</b> .....	3
Geographic Dispersion .....	3
Minority Ownership Type .....	4
Women's Depository Institutions .....	4
<b>Partnership for Progress Programming</b> .....	5
Conferences and Convenings .....	6
Collaboration with Trade Groups and Other Partners .....	7
Speeches and Remarks .....	8
<b>Research on MDIs and Low- and Moderate-Income Communities</b> .....	11
<b>Efforts and Initiatives</b> .....	13
Preserving the Character and Number of MDIs .....	13
Promoting MDIs .....	13
Training, Technical Assistance, and Educational Programs .....	13
Partnership for Progress Website .....	14
Publications and Webinars .....	14
Community Reinvestment Act .....	15
<b>Appendix A: Section 308 of FIRREA</b> .....	17
<b>Appendix B: MDI Figures and Tables</b> .....	19



# 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 2023.

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.<sup>1</sup>

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<sup>1</sup> 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>.



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## Abbreviations

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



# Executive Summary

In today's financial landscape, access to credit and banking services plays a pivotal role in fostering economic growth and promoting a vibrant economy. The Federal Reserve understands that MDIs are uniquely positioned to play an important role in providing much-needed banking services to their communities. In accordance with the Board's statutory mandate, this report details the actions taken in 2023, including through the Partnership for Progress (PFP) program, in support of preserving and promoting these institutions.

This report looks at the four main areas of the Board's efforts in preserving and promoting MDIs:

1. [State Member MDIs](#) looks at the System's supervisory responsibility for the 16 state member MDIs.
2. [Partnership for Progress Programming](#) 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 opportunities and 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 16 state member MDIs in 2023,<sup>2</sup> an increase of two institutions from 2022. The majority of these MDIs are community banks with total assets of \$10 billion or less ([table 1](#)).<sup>3</sup> 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.

**Table 1. Asset distribution of state member MDIs as of December 31, 2023**

Asset size	Number of banks	Percentage of total*
\$250 million or less	2	13
\$250 million to \$500 million	4	25
Over \$500 million to \$1 billion	6	38
Over \$1 billion to \$10 billion	1	6
Greater than \$10 billion	3	19
<b>Total</b>	<b>16</b>	<b>100</b>
* Because of rounding, the sum of values in this column may not equal the total.		

There were two changes to the portfolio in 2023:

1. Sovereign Bank (formerly known as First National Bank and Trust Company), Shawnee, Oklahoma, a \$913 million Native American institution, changed their primary regulator from the Office of the Comptroller of the Currency (OCC) to the Federal Reserve and became a state member institution as of May 23, 2023. During this process, the institution also changed its name.
2. Nave Bank, San Juan, Puerto Rico, a \$100 million de novo state member institution supervised by the Federal Reserve, was established on September 18, 2023. The majority of the institution's board are Hispanic American and the bank serves predominately minority communities.

## Geographic Dispersion

In 2023, 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](#)).<sup>4</sup> State member MDIs in these two Districts accounted for 97 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 five of the MDIs in this District are located in Oklahoma and are Native American MDIs.

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

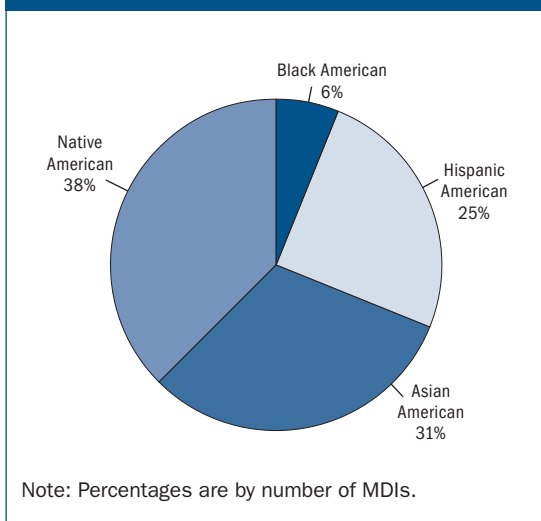
<sup>3</sup> For more details on the 16 state member MDIs discussed in this report as well as a comparison of the number, assets, and demographics of state member MDIs, see table B.1 in [appendix B](#).

<sup>4</sup> 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.

**Table 2. State member MDI distribution by Federal Reserve District as of December 31, 2023**

Federal Reserve Bank District	Number of MDIs	Total assets (thousands of dollars)	Percentage of total assets*
Atlanta	2	1,061,245	0.72
Chicago	1	307,135	0.21
Kansas City	5	2,390,266	1.62
New York	3	70,796,685	47.90
Philadelphia	1	512,940	0.35
San Francisco	4	72,746,885	49.21
<b>Total</b>	<b>16</b>	<b>147,815,156</b>	<b>100.00</b>

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

**Figure 1. State member MDIs by minority type as of December 31, 2023**

## Minority Ownership Type

The Board's MDI portfolio includes banks representing all minority ownership categories as defined by FIRREA ([appendix A](#)). As of year-end 2023, five state member MDIs were classified under Asian American minority status, six were classified under Native American minority status, four were classified under Hispanic American minority status, and one was classified under Black/African American minority status ([figure 1](#)).

## Women's Depository Institutions

The Federal Reserve defines women's depository institutions (WDIs) separately from MDIs. In March 2021, the Board issued a Supervision and Regulation letter—"Highlighting the Federal Reserve System's Partnership for Progress Program for Minority Depository Institutions and Women's Depository Institutions"—to clarify the distinction between WDIs and MDIs and to include WDIs in the PFP program.<sup>5</sup> The System's definition of WDI 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.<sup>6</sup> As of year-end 2023, there were three banks classified as state member WDIs.<sup>7</sup>

<sup>5</sup> See SR letter 21-6/CA 21-4 at <https://www.federalreserve.gov/supervisionreg/srletters/SR2106.htm>.

<sup>6</sup> 12 U.S.C. 2907(b)(2).

<sup>7</sup> For a list of state member WDIs, see table B.2 in [appendix B](#).

# Partnership for Progress Programming

The Board and the Federal Reserve Banks (FRBs) support MDIs primarily through the 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 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 who communicates regularly with the MDIs in their District (where applicable) 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 formation and MDI designation, and
  - key information on the PFP's website.

As noted above, the congressional mandate in section 308 of 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 federal regulatory agencies with section 308 responsibilities to ensure a coordinated approach to supporting all MDIs.

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 around the Federal Reserve System;
- 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.

## Conferences and Convenings

Throughout 2023, the Federal Reserve conducted a number of programs specific to MDIs, including the following:

### **Minorities in Banking Forum, September 27–28, 2023**

The System hosted the eighth annual "Minorities in Banking Forum" at the Federal Reserve Bank of Dallas. This in-person forum had 105 attendees from 23 states, representing 70 organizations. The forum, which is designed for mid-level and senior leaders in the financial services industry, featured over 10 hours of programming focused on leadership, professional development, banking/economic updates, and networking opportunities. Panelists included senior-level management from small and large banking institutions, and other industry experts on workplace topics. Governor Lisa D. Cook gave (recorded) closing remarks for the forum.<sup>8</sup>

### **2023 Interagency Minority Depository Institution and CDFI Bank Conference November 15–16, 2023**

The Federal Reserve, along with the Federal Deposit Insurance Corporation (FDIC) and OCC, hosted the in-person biennial interagency conference for MDIs and Community Development Financial Institution (CDFI) banks in November 2023, at the Federal Reserve Bank of Dallas. The conference theme was, "MDI and CDFI Bank Partnership Exchange," and focused on collaboration, part-

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<sup>8</sup> See <https://www.federalreserve.gov/newsevents/speech/cook20230928a.htm>.

nerships, and promoting the mission of MDIs and CDFIs among leaders at these institutions. Governor Michelle W. Bowman gave (recorded) opening remarks.

The first day of the conference focused on providing information and resources for the MDI and CDFI participants. Panels covered topics ranging from regulatory changes and CRA updates to federal programs and initiatives that support MDIs and CDFIs. Bankers were also able to meet directly with regulatory subject matter experts, connect with exhibitors, and network with their mission-driven bank colleagues.

Day two of the conference centered on the newest addition to the conference format, networking roundtables. The aim of the roundtables was to foster collaboration between the MDI and CDFI bank participants and representatives from large and regional banks. MDI and CDFI bankers met one-on-one with a wide range of large and regional banks seeking to expand on CRA and community impact initiatives. This event created the opportunity for MDIs and CDFI banks to discuss ways they can forge new connections and build partnerships.

The conference attracted over 250 attendees from 38 states and territories, representing 108 MDIs and CDFIs and 73 large and regional banks. The conference was also attended by representatives of government agencies and private entities that have programs supporting MDIs and CDFIs.

## **Collaboration with Trade Groups and Other Partners**

Throughout 2023, the PFP consulted closely with the National Bankers Association (NBA). The NBA is a trade organization for minority- and women-owned financial institutions that serves as an advocate for the nation's MDIs on legislative and regulatory matters concerning and affecting its members and the communities they serve.

The Federal Reserve also collaborates regularly with other federal banking agencies, such as the OCC and the FDIC. The agencies discuss various collaboration opportunities to identify ways they can work together to support MDIs consistent with the statutory mandate.

Other outreach engagements in 2023 included the following:

- In February, Board staff represented PFP at the American Bankers Association and the NBA MDI Partnerships Summit in Orlando, Florida. The meeting was focused on MDIs and attended by representatives from the FDIC, OCC, and Federal Reserve. The summit stressed the importance of partnerships between regional banks and MDIs.

- In March, the PFP, along with the FDIC and OCC, hosted an Emergency Capital Investment Program (ECIP) Interagency Webinar to provide MDIs technical assistance on supervisory expectations of companies that received ECIP funds.<sup>9</sup>
- In October, the PFP organized a call with representatives from the Alliance for Innovative Regulation (AIR). AIR aims to help MDIs modernize their technology and scale up digital solutions. The group met with regulators during the year to highlight challenges CDFIs and MDIs face relating to technology, compliance, and access to capital. Discussions included ways to make the financial system more inclusive, fair, and resilient through responsible use of new technology.
- In October, Board and Reserve Bank staff represented PFP at the NBA Conference in Washington, D.C. The conference focused on building partnerships, technology, capital, and deposits. PFP representatives participated in panel discussions that included questions on CRA, Basel III implementation, and the interest rate environment.
- In October, the PFP, along with the FDIC and OCC, met with the MDI Keepers Fund to determine the treatment of capital investments from the MDI Keepers Fund as it pertains to an institution's MDI designation.

## Speeches and Remarks

In 2023, Federal Reserve Board members gave the following public remarks on topics relevant to the MDI and WDI industry:

- In February, Vice Chair for Supervision Michael S. Barr gave remarks at the “Banking on Financial Inclusion” Conference in Jackson, Mississippi. The remarks are available here: <https://www.federalreserve.gov/newsevents/speech/barr20230207a.htm>.
- In March, Governor Michelle W. Bowman gave a speech on “The Innovation Imperative: Modernizing Traditional Banking” in Honolulu, Hawaii. The speech is available here: <https://www.federalreserve.gov/newsevents/speech/bowman20230314a.htm>.
- In September, Governor Michelle W. Bowman was on a panel at the 2023 Symposium on Indigenous Inclusion, in Auckland, New Zealand. The panel remarks are available here: <https://www.federalreserve.gov/newsevents/speech/bowman20230927a.htm>.
- In September, Governor Lisa D. Cook gave closing remarks at the Minorities in Banking Forum in Dallas, Texas. The remarks are available here: <https://www.federalreserve.gov/newsevents/speech/cook20230928a.htm>.
- In November, Vice Chair for Supervision Michael S. Barr gave a speech on “Serving Indian Country with the Modernized Community Reinvestment Act” in Minneapolis, Minnesota. The

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<sup>9</sup> 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.

speech is available here: <https://www.federalreserve.gov/newsevents/speech/barr20231128a.htm>.

- In December, Governor Michelle W. Bowman gave a speech on “Building a More Inclusive Financial System through Collaboration and Action” in Washington, D.C. The speech is available here: <https://www.federalreserve.gov/newsevents/speech/bowman20231205a.htm>.



## Research on MDIs and Low- and Moderate-Income Communities

Throughout 2023, the System produced several pieces of research that were relevant to MDIs and CDFIs.<sup>10</sup> These articles and data tools provide helpful information to the industry as they relate to the MDI business model and reflect the impact of MDIs and CDFIs on the communities they serve.

The following list highlights data tools and research published during 2023:

- **Native Community Data Profiles:** For more information on this data tool, see <https://www.minneapolisfed.org/indiancountry/resources/native-community-data-profiles>.
- **Native American Funding and Finance Atlas:** For more information on this data tool, see <https://www.minneapolisfed.org/indiancountry/resources/native-american-funding-and-finance-atlas>.
- **Banking Deserts Dashboard:** For more information on this data tool, see <https://fedcommunities.org/data/banking-deserts-dashboard/>.
- **Minority Owned Banks and Banking Access in Minority Communities:** For more information on this virtual event, see <https://www.chicagofed.org/events/2023/minority-owned-banks>.
- **Preserving Minority Depository Institutions: Understanding Their Challenges and What Is Being Done to Support Them:** For more information on this paper, see <https://www.chicagofed.org/research/content-areas/mobility/policy-brief-preserving-minority-depository-institutions>.
- **Sizing the CDFI Market: Understanding Industry Growth:** For more information on this report, see [https://www.newyorkfed.org/medialibrary/media/newsevents/news/regional\\_outreach/2023/sizing-the-cdfi-market-understanding-industry-growth](https://www.newyorkfed.org/medialibrary/media/newsevents/news/regional_outreach/2023/sizing-the-cdfi-market-understanding-industry-growth).
- **Stakeholders' Aversion to Inequality and Bank Lending to Minorities:** For more information on this report, see [https://www.newyorkfed.org/medialibrary/media/research/staff\\_reports/sr1079.pdf](https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr1079.pdf).
- **Which Types of Unbanked Households Are More (or Less) Likely to Open a Bank Account?:** For more information on this working paper, see <https://www.kansascityfed.org/Research%20Working%20Papers/documents/9595/rwp23-08hayashirouthtoh.pdf>.

<sup>10</sup> Staff papers and research represent the views of the authors and do not necessarily reflect those of the Federal Reserve Board or the Reserve Banks.



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## Efforts and Initiatives

### Preserving the Character and Number of MDIs

To preserve the character and prevalence of state member MDIs, in accordance with the Board's statutory mandate, 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. 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, in the rare instance where an MDI is in troubled condition, 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.

### Promoting MDIs

In accordance with the Board's statutory mandate, the Federal Reserve strives to promote 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 examination teams, and collect feedback from MDIs on observations and how the PFP can provide additional assistance.

In September 2023, the Board and Federal Reserve Bank of New York recognized a new MDI, Nave Bank in San Juan, Puerto Rico. During 2023, 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.

### 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 2023 included capital rules, CRA, and HMDA. As an example, a state member MDI reached out to a District coordinator for technical assistance related to HMDA filings. The PFP coordinated a subject matter expert to help the MDI understand the reporting and submission requirements of the HMDA regulation.

During 2023, the PFP provided MDIs with several training and educational programs, including an “Ask the Fed” session on the Bank Term Funding Program and an internal training on supervisory expectations for ECIP recipients.

## 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.<sup>11</sup> The website is in the final production stage with an anticipated launch date of late 2025.

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.

The System’s *Community Banking Connections* publication serves to<sup>12</sup>

- 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.

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<sup>11</sup> Partnership for Progress, <https://www.fedpartnership.gov>.

<sup>12</sup> *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 to<sup>13</sup>

- 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.<sup>14</sup> The 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 the Federal Reserve's premier program for communicating important and timely supervisory, regulatory, banking policy, and economic information. "Ask the Fed" is a webinar program open to supervised financial institutions, state bank regulators, state/national banking associations, and other relevant groups.<sup>15</sup> "Ask the Fed" consists of periodic 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.

## Community Reinvestment Act

The Community Reinvestment Act, or CRA, was signed into law in 1977 and is a seminal piece of legislation to address inequities in access to credit for low- and moderate-income individuals and communities. Under the statute and CRA regulations, banks can receive CRA credit for capital investment, loan participation, and other ventures undertaken in cooperation with MDIs, WDIs, and low-income credit unions (LICUs), in certain circumstances.<sup>16</sup> These activities must help meet the credit needs of local communities in which the MDIs, WDIs, or LICUs are chartered. In addition, certain bank activities with CDFIs can qualify as community development under the CRA regulations and guidance.<sup>17</sup>

<sup>13</sup> *Consumer Compliance Outlook* is a registered trademark of the Federal Reserve Bank of Philadelphia, <https://www.consumercomplianceoutlook.org>.

<sup>14</sup> The Outlook Live webinars can be seen at <https://www.consumercomplianceoutlook.org/outlook-live/>.

<sup>15</sup> To register for "Ask the Fed," visit the site at <https://bsr.stlouisfed.org/askthefed/Auth/Logon>.

<sup>16</sup> 12 U.S.C. §2903(b) and the current CRA regulations (12 CFR 228.21(f)) use the term "minority-owned financial institution," rather than "minority depository institution."

<sup>17</sup> On October 24, 2023, the Board, the FDIC, and the OCC jointly issued a CRA final rule that included several provisions to amend the legacy CRA regulations. Certain trade associations challenged the final rule in the U.S. District Court for the Northern District of Texas seeking declaratory and injunctive relief, and on March 29, 2024, the District Court stayed the final rule. On March 28, 2025, the agencies announced their intention to issue a proposal to both rescind the final rule and formally reinstate the legacy CRA framework that existed prior to the final rule. In the interim, the agencies continue to assess banks' CRA performance under the legacy CRA regulations. 60 Fed. Reg. 22,156 (May 4, 1995); 70 Fed. Reg. 44,256 (August 2, 2005).



## 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.<sup>18</sup>

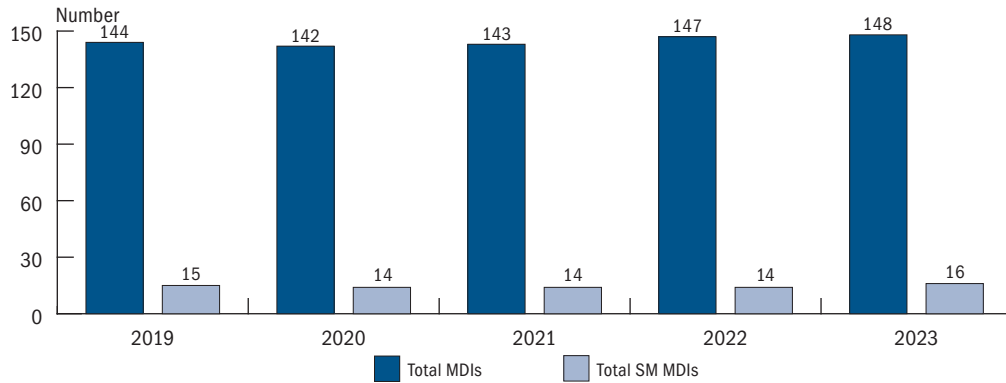
In addition, section 367 of the Dodd-Frank Act amended FIRREA to require the supervisory agencies to submit an annual report to the Congress containing a description of actions taken to carry out FIRREA section 308.

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<sup>18</sup> Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 (1989).

## Appendix B: MDI Figures and Tables

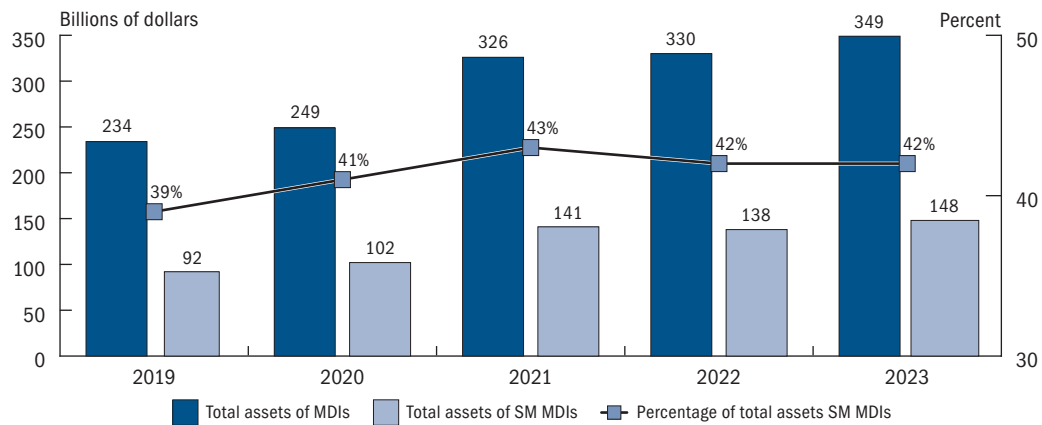
**Figure B.1. Proportion of MDIs that are state member banks, 2019–23**



SM is state member.

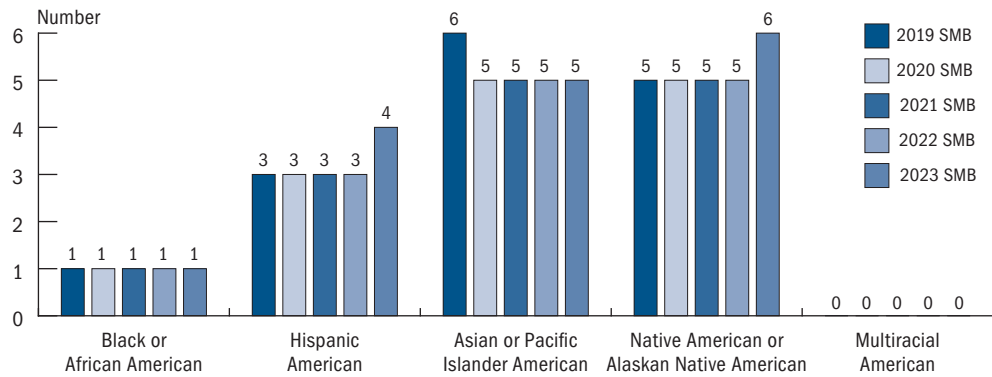
Key identifies bars in order from left to right.

**Figure B.2. Assets by type of MDI, 2019–23**



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, 2019–23**

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, 2023**

ID RSSD	Institution name <sup>1</sup>	State	Federal Reserve Bank District	Minority status <sup>2</sup>	Assets (thousands of dollars)
146056	AllNations Bank	OK	Kansas City	N	54,330
3342671	Anchor Bank	FL	Atlanta	H	319,832
2785477	Asian Bank	PA	Philadelphia	A	512,940
940311	Banco Popular de Puerto Rico	PR	New York	H	56,876,000
777366	Bank of the Orient	CA	San Francisco	A	885,240
64552	Chickasaw Community Bank	OK	Kansas City	N	447,038
680130	Citizens Trust Bank	GA	Atlanta	B	741,413
3337097	Commonwealth Business Bank	CA	San Francisco	A	1,760,375
197478	East West Bank	CA	San Francisco	A	69,478,848
296456	FirstBank	OK	Kansas City	N	588,108
815754	Local Bank	OK	Kansas City	N	338,007
5686089	Nave Bank	PR	New York	H	109,165
365745	Pinnacle Bank	IA	Chicago	N	307,135
2736291	Popular Bank	NY	New York	H	13,811,520
396253	Sovereign Bank	OK	Kansas City	N	962,783
3487947	Unibank	WA	San Francisco	A	622,422
<b>Total assets</b>					<b>147,815,156</b>
<sup>1</sup> Number of institutions: 16. <sup>2</sup> 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. State member WDIs as of December 31, 2023**

ID RSSD	Institution name*	State	Federal Reserve Bank District	Assets (thousands of dollars)
172457	Citizens Bank of Edmond	OK	Kansas City	383,726
2735137	Freedom Financial Bank	IA	Chicago	271,169
269049	VisionBank of Iowa	IA	Chicago	827,685
<b>Total assets</b>				<b>1,482,580</b>
* Number of institutions: 3.				

**Table B.3. List of MDIs as of December 31, 2023**

Name <sup>1</sup>	City of industry	State	Est. date	Class <sup>2</sup>	Regulator	Minority status alpha <sup>3</sup>	Total assets (thousands of dollars)
Alamerica Bank	Birmingham	AL	01/28/2000	NM	FDIC	B	17,282
Commonwealth National Bank	Mobile	AL	02/19/1976	N	OCC	B	66,944
American Continental Bank	City Of Industry	CA	10/06/2003	NM	FDIC	A	350,626
American Plus Bank, N.A.	Arcadia	CA	08/08/2007	N	OCC	A	673,257
Asian Pacific National Bank	San Gabriel	CA	07/25/1990	N	OCC	A	56,953
Bank Irvine	Irvine	CA	10/18/2022	NM	FDIC	M	199,420
Bank of Hope	Los Angeles	CA	03/18/1986	NM	FDIC	A	19,126,316
Bank of the Orient	San Francisco	CA	03/17/1971	SM	FED	A	885,240
Bank of Whittier, National Association	Whittier	CA	12/20/1982	N	OCC	A	175,831
California Business Bank	Irvine	CA	11/01/2005	NM	FDIC	A	100,589
California International Bank, N.A.	Westminster	CA	11/30/2005	N	OCC	A	56,042
California Pacific Bank	San Francisco	CA	10/16/1980	NM	FDIC	A	86,502
Cathay Bank	Los Angeles	CA	04/19/1962	NM	FDIC	A	23,056,487
Commercial Bank of California	Irvine	CA	05/15/2003	NM	FDIC	H	2,425,518
Commonwealth Business Bank	Los Angeles	CA	03/03/2005	SM	FED	A	1,760,375
Community Commerce Bank	Claremont	CA	10/01/1976	NM	FDIC	H	378,011
CTBC Bank Corp. (USA)	Los Angeles	CA	04/27/1965	NM	FDIC	A	5,277,406
East West Bank	Pasadena	CA	01/01/1972	SM	FED	A	69,478,848
Eastern International Bank	Los Angeles	CA	02/26/1985	NM	FDIC	A	115,335
EverTrust Bank	City Of Industry	CA	05/03/1995	NM	FDIC	A	871,052
First Commercial Bank (USA)	Alhambra	CA	05/20/1997	NM	FDIC	A	862,889
First General Bank	Rowland Heights	CA	10/13/2005	NM	FDIC	A	1,149,802
Gateway Bank FSB	Oakland	CA	06/08/1990	SB	OCC	A	197,665
Genesis Bank	Newport Beach	CA	08/02/2021	NM	FDIC	M	198,670
Hanmi Bank	Los Angeles	CA	12/15/1982	NM	FDIC	A	7,534,939
Legacy Bank	Murrieta	CA	06/10/2022	NM	FDIC	N	62,155
Mega Bank	San Gabriel	CA	02/05/2008	NM	FDIC	A	492,376
Metropolitan Bank	Oakland	CA	09/01/1983	NM	FDIC	A	222,389
Mission National Bank	San Francisco	CA	02/16/1982	N	OCC	A	201,297
New Omni Bank, National Association	Alhambra	CA	02/12/1980	N	OCC	A	538,454
Open Bank	Los Angeles	CA	06/10/2005	NM	FDIC	A	2,147,667
Pacific Alliance Bank	San Gabriel	CA	12/27/2006	NM	FDIC	A	394,118
PCB Bank	Los Angeles	CA	09/18/2003	NM	FDIC	A	2,789,471
Preferred Bank	Los Angeles	CA	12/23/1991	NM	FDIC	A	6,659,765
Royal Business Bank	Los Angeles	CA	11/18/2008	NM	FDIC	A	4,019,691
United Pacific Bank	City Of Industry	CA	05/11/1982	NM	FDIC	A	151,042
Universal Bank	West Covina	CA	11/17/1954	SB	OCC	A	370,662
US Metro Bank	Garden Grove	CA	09/15/2006	NM	FDIC	A	1,225,106
Native American Bank, National Association	Denver	CO	07/27/1987	N	OCC	N	288,297

(continued)

Table B.3—continued

Name <sup>1</sup>	City of industry	State	Est. date	Class <sup>2</sup>	Regulator	Minority status alpha <sup>3</sup>	Total assets (thousands of dollars)
City First Bank, National Association	Washington	DC	11/24/1998	N	OCC	B	1,377,778
Industrial Bank	Washington	DC	08/18/1934	NM	FDIC	B	739,181
Anchor Bank	Palm Beach Gardens	FL	03/22/2005	SM	FED	H	319,832
Banescor USA	Miami	FL	01/10/2006	NM	FDIC	H	3,808,125
Central Bank	Tampa	FL	02/26/2007	NM	FDIC	A	297,999
Interamerican Bank, A FSB	Miami	FL	08/23/1976	SB	OCC	H	249,325
International Finance Bank	Miami	FL	11/30/1983	NM	FDIC	H	1,049,917
Ocean Bank	Miami	FL	12/09/1982	NM	FDIC	H	6,444,352
Sunstate Bank	Miami	FL	03/15/1999	NM	FDIC	H	470,521
U. S. Century Bank	Doral	FL	10/28/2002	NM	FDIC	H	2,338,378
Carver State Bank	Savannah	GA	01/01/1927	NM	FDIC	B	81,906
Citizens Trust Bank	Atlanta	GA	06/18/1921	SM	FED	B	741,413
Embassy National Bank	Lawrenceville	GA	03/05/2007	N	OCC	A	142,856
First IC Bank	Doraville	GA	01/31/2000	NM	FDIC	A	1,155,557
Loyal Trust Bank	Johns Creek	GA	11/18/2019	NM	FDIC	A	198,661
Metro City Bank	Doraville	GA	04/04/2006	NM	FDIC	A	3,482,906
PromiseOne Bank	Duluth	GA	11/06/2008	NM	FDIC	A	715,272
Touchmark National Bank	Alpharetta	GA	01/28/2008	N	OCC	A	528,314
Anz Guam, Inc.	Hagatna	GU	01/11/1991	NM	FDIC	A	37,424
Bank of Guam	Hagatna	GU	12/11/1972	NM	FDIC	A	2,542,708
BankPacific, Ltd	Hagatna	GU	01/01/1953	NM	FDIC	A	188,154
Finance Factors, Ltd.	Honolulu	HI	05/14/1952	NM	FDIC	A	674,138
Hawaii National Bank	Honolulu	HI	09/16/1960	N	OCC	A	797,347
Pinnacle Bank	Marshalltown	IA	05/05/1927	SM	FED	N	307,135
American Metro Bank	Chicago	IL	01/29/1997	NM	FDIC	A	92,548
Citizens Bank of Chatsworth	Chatsworth	IL	12/07/1903	NM	FDIC	A	38,746
GN Bank	Chicago	IL	01/01/1934	SB	OCC	B	63,898
International Bank of Chicago	Chicago	IL	10/26/1992	NM	FDIC	A	939,301
Millennium Bank	Des Plaines	IL	07/02/2007	NM	FDIC	A	485,451
CBW Bank	Weir	KS	01/01/1892	NM	FDIC	A	91,687
Liberty Bank and Trust Company	New Orleans	LA	11/16/1972	NM	FDIC	B	1,048,899
Leader Bank, National Association	Arlington	MA	05/08/2002	N	OCC	A	4,434,341
OneUnited Bank	Boston	MA	08/02/1982	NM	FDIC	B	755,706
The Harbor Bank of Maryland	Baltimore	MD	09/13/1982	NM	FDIC	B	377,946
First Independence Bank	Detroit	MI	05/14/1970	NM	FDIC	B	607,167
Woodlands National Bank	Hinckley	MN	10/01/1908	N	OCC	N	327,784
Paramount Bank	Hazelwood	MO	12/30/2004	NM	FDIC	M	94,248
People's Bank of Seneca	Seneca	MO	03/15/1996	NM	FDIC	N	427,842
Grand Bank for Savings, FSB	Hattiesburg	MS	01/01/1968	SB	OCC	B	161,125

(continued)

Name <sup>1</sup>	City of industry	State	Est. date	Class <sup>2</sup>	Regulator	Minority status alpha <sup>3</sup>	Total assets (thousands of dollars)
Eagle Bank	Polson	MT	07/25/2006	NM	FDIC	N	133,437
Lumbee Guaranty Bank	Pembroke	NC	12/22/1971	NM	FDIC	N	519,650
Mechanics & Farmers Bank	Durham	NC	03/01/1908	NM	FDIC	B	429,605
Turtle Mountain State Bank	Belcourt	ND	12/03/2007	NM	FDIC	N	160,393
KEB Hana Bank USA, National Association	Fort Lee	NJ	09/16/1986	N	OCC	A	430,106
New Millennium Bank	Fort Lee	NJ	07/19/1999	NM	FDIC	A	783,832
Centinel Bank of Taos	Taos	NM	03/01/1969	NM	FDIC	H	414,563
Community 1st Bank Las Vegas	Las Vegas	NM	11/23/1949	NM	FDIC	H	198,963
Abacus Federal Savings Bank	New York	NY	11/29/1984	SB	OCC	A	322,380
Amerasia Bank	Flushing	NY	06/20/1988	NM	FDIC	A	825,595
Carver Federal Savings Bank	New York	NY	01/01/1948	SB	OCC	B	776,913
Eastbank, National Association	New York	NY	11/26/1984	N	OCC	A	159,576
Global Bank	New York	NY	03/12/2007	NM	FDIC	A	247,575
NewBank	Flushing	NY	09/29/2006	NM	FDIC	A	649,281
Piermont Bank	New York	NY	07/01/2019	NM	FDIC	M	578,346
Ponce Bank	Bronx	NY	03/31/1960	SB	OCC	H	2,736,531
Popular Bank	New York	NY	01/02/1999	SM	FED	H	13,811,520
Shinhan Bank America	New York	NY	10/18/1990	NM	FDIC	A	1,750,849
United Orient Bank	New York	NY	04/09/1981	NM	FDIC	A	98,241
Woori America Bank	New York	NY	01/27/1984	NM	FDIC	A	3,391,054
Adelphi Bank	Columbus	OH	01/18/2023	NM	FDIC	B	43,945
Warsaw Federal Savings and Loan Association	Cincinnati	OH	08/09/1989	SB	OCC	B	96,974
AllNations Bank	Calumet	OK	01/01/1901	SM	FED	N	54,330
Bank of Grand Lake	Grove	OK	06/09/2005	NM	FDIC	H	240,951
Carson Community Bank	Stilwell	OK	02/03/1903	NM	FDIC	N	165,817
Chickasaw Community Bank	Oklahoma City	OK	01/01/1903	SM	FED	N	447,038
F & M Bank	Edmond	OK	01/01/1902	NM	FDIC	N	737,969
First Security Bank and Trust Company	Oklahoma City	OK	04/06/1951	NM	FDIC	B	119,349
FirstBank	Antlers	OK	01/01/1901	SM	FED	N	588,108
Gateway First Bank	Jenks	OK	03/02/1935	NM	FDIC	N	2,114,715
Local Bank	Hulbert	OK	12/01/1908	SM	FED	N	338,007
Security State Bank of Oklahoma	Wewoka	OK	12/05/1911	NM	FDIC	N	370,782
Sovereign Bank	Shawnee	OK	10/29/1984	SM	FED	N	962,783
The Pauls Valley National Bank	Pauls Valley	OK	01/01/1905	N	OCC	N	317,682
Asian Bank	Philadelphia	PA	06/09/1999	SM	FED	A	512,940
Tioga-Franklin Savings Bank	Philadelphia	PA	03/31/1873	SI	FDIC	B	73,000
United Bank of Philadelphia	Philadelphia	PA	03/23/1992	NM	FDIC	B	55,719

(continued)

Table B.3—continued

Name <sup>1</sup>	City of industry	State	Est. date	Class <sup>2</sup>	Regulator	Minority status alpha <sup>3</sup>	Total assets (thousands of dollars)
Banco Popular de Puerto Rico	San Juan	PR	01/02/1999	SM	FED	H	56,876,000
FirstBank Puerto Rico	Santurce	PR	01/17/1949	NM	FDIC	H	18,901,836
Nave Bank	San Juan	PR	09/18/2023	SM	FED	H	109,165
Oriental Bank	San Juan	PR	03/25/1965	NM	FDIC	H	11,232,529
Optus Bank	Columbia	SC	03/26/1999	NM	FDIC	B	524,934
Citizens Savings Bank and Trust Company	Nashville	TN	01/04/1904	NM	FDIC	B	176,277
American Bank, National Association	Dallas	TX	05/02/1974	N	OCC	A	451,309
American First National Bank	Houston	TX	05/18/1998	N	OCC	A	2,588,150
Bank of South Texas	McAllen	TX	07/08/1986	NM	FDIC	H	169,830
Citizens State Bank	Roma	TX	05/15/1978	NM	FDIC	H	82,478
Commerce Bank	Laredo	TX	03/31/1982	NM	FDIC	H	643,245
Falcon International Bank	Laredo	TX	12/10/1986	NM	FDIC	H	1,913,349
First State Bank	Shallowater	TX	10/08/1960	NM	FDIC	A	129,757
Freedom Bank	Alamo	TX	07/12/1958	NM	FDIC	H	197,015
Global One Bank	Chappell Hill	TX	01/01/1907	NM	FDIC	A	119,213
Golden Bank, National Association	Houston	TX	05/03/1985	N	OCC	A	1,768,297
International Bank of Commerce	Brownsville	TX	10/09/1984	NM	FDIC	H	3,917,989
International Bank of Commerce	Laredo	TX	09/02/1966	NM	FDIC	H	8,979,372
International Bank of Commerce	Zapata	TX	02/06/1984	NM	FDIC	H	464,333
Lone Star National Bank	Pharr	TX	01/24/1983	N	OCC	H	2,942,962
One World Bank	Dallas	TX	04/04/2005	NM	FDIC	A	219,005
Rio Bank	McAllen	TX	02/11/1985	NM	FDIC	H	802,811
Southwestern National Bank	Houston	TX	11/03/1997	N	OCC	A	1,109,185
Spectra Bank	Fort Worth	TX	06/30/1986	NM	FDIC	A	84,128
State Bank of Texas	Dallas	TX	10/19/1987	NM	FDIC	A	2,569,549
Texas National Bank	Mercedes	TX	11/26/1920	N	OCC	H	830,269
The First State Bank	Abernathy	TX	01/01/1909	NM	FDIC	N	100,013
Unity National Bank of Houston	Houston	TX	08/01/1985	N	OCC	B	209,014
Wallis Bank	Wallis	TX	10/28/1972	NM	FDIC	A	1,215,508
Zapata National Bank	Zapata	TX	11/16/1961	N	OCC	H	88,752
UniBank	Lynnwood	WA	11/01/2006	SM	FED	A	622,422
Bay Bank	Green Bay	WI	08/21/1995	NM	FDIC	N	249,416
Columbia Savings and Loan Association	Milwaukee	WI	01/01/1924	SL	FDIC	B	27,374
<b>Total assets:</b>							<b>349,274,382</b>

<sup>1</sup> Number of institutions: 148.

<sup>2</sup> 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.

<sup>3</sup> 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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