



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

DIVISION OF BANKING
SUPERVISION AND REGULATION

DIVISION OF CONSUMER AND
COMMUNITY AFFAIRS

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August 5, 2013

**TO THE OFFICER IN CHARGE OF SUPERVISION
AT EACH FEDERAL RESERVE BANK**

SUBJECT: Federal Reserve Resources for Minority Depository Institutions

Applicability to Community Banking Organizations: This guidance applies to all banking organizations supervised by the Federal Reserve that are designated minority depository institutions, including those with total consolidated assets of \$10 billion or less.

The purpose of this letter is to reaffirm the Federal Reserve's ongoing commitment to preserving the existence of minority depository institutions¹ (MDIs), consistent with statutory mandates, and to highlight the Federal Reserve's resources available to MDIs. The Federal Reserve's efforts to support MDIs are coordinated by staff in the Board's Division of Banking Supervision and Regulation and Division of Consumer and Community Affairs and have been implemented through the Partnership for Progress (PFP) program.² As evidence of the Federal Reserve's commitment to meeting the mandates, Maryann Hunter, Deputy Director of the Division of Banking Supervision and Regulation, serves as National Coordinator of the PFP program, and district coordinators for MDIs at each Federal Reserve Bank carry out the program's objectives.

¹ Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Title III, section 367(4), 12 U.S.C. 1463 note (2001 and Supplement 2013) defines a "minority depository institution" as any depository institution (either privately or publicly owned) where 51 percent or more of the voting stock is owned by one or more socially and economically disadvantaged individuals, and in the case of a mutual institution where the majority of the board of directors, account holders, and the community which it services is predominantly minority. Further, FIRREA states that the term "minority" means any black American, Native American, Hispanic American, or Asian American. In addition to institutions that meet the ownership test, the Federal Reserve will consider an institution to be a minority depository institution if a majority of its board of directors is minority and the community that the institution serves is predominantly minority.

² For details on the PFP program and the range of resources that are available, see <http://www.fedpartnership.gov/>. The resources in the PFP program are also available to women-owned institutions.

The PFP program is a national outreach program with a mission to provide MDIs with resources to assist them in operating in a safe-and-sound manner and meeting the Board's supervisory standards. The PFP program was recently streamlined and is now overseen by the community banking organization supervision function at the Board with assistance from district coordinators at each Reserve Bank. As part of this outreach program, the Federal Reserve will continue to utilize the PFP website as a primary resource for providing updates to MDIs and Federal Reserve supervisory staff on the program and any enhancements. In addition to the resources offered through the PFP program, training and outreach sessions applicable to MDIs are available through *Ask the Fed*³.

MDIs that wish to receive more information about the PFP program or that have specific questions about the Federal Reserve's supervision framework, the applicability of the program to their bank, or information on minority institution outreach should contact the district coordinators in their Federal Reserve district. A listing of the coordinators is provided on the PFP website.⁴

Reserve Banks are asked to distribute this letter to MDIs in their district and to appropriate supervisory staff. Questions regarding this letter may be directed to:

Division of Banking Supervision and Regulation: Vitus Ukwuoma, Manager, Supervisory Oversight, Community Banking Organizations, at (202) 452-3163; or Erica Tholmer, Supervisory Financial Analyst, Community Banking Organizations, at (202) 452-6471.

Division of Consumer and Community Affairs: Tracy Anderson, Manager, Holding Company and Large and Regional Financial Institutions, at (202) 736-1921; or Rachelle Hunt, Senior Supervisory Consumer Financial Services Analyst, at (202) 452-2938.

In addition, questions may be sent via the Board's public website.⁵

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³ Ask the Fed[®] sessions are only available to senior officials of state member banks, bank and savings and loan holding companies (and their financial institution subsidiaries), and state bank commissioners. For those interested in participating in upcoming Ask the Fed[®] sessions or viewing past sessions, see <http://www.askthefed.org>.

⁴ See <http://www.fedpartnership.gov/contacts/>.

⁵ See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>.