



Mutual Alert

AMB Calls for Focusing Banking Agencies on the Reasons for the Absence of Minority Mutual Formation

In an [August 20th letter](#) to Congressman Jake Auchincloss, H.R. 4590's lead sponsor, AMB recommended concrete steps to facilitate the formation of de novo mutual MDIs. H.R. 4590 "Promoting New and Diverse Depository Institutions Act", calls for an interagency study on the barriers to de novo formation for MDIs, and a strategic plan to address the findings of the study. While this is a good starting point, AMB has consistently identified several barriers to entry, including the inability of the OCC to exercise its authority to issue new charters without an effective FDIC veto and burdensome FDIC initial capital requirements. These recommendations all fall within Congressional oversight, and AMB hopes that discussions with sponsors and co-sponsors will lead to a heightened awareness of the need for Congressional encouragement of the banking agencies to revive mutual MDI formation. The letter points out the mutual charter is an ideal form to serve rural and minority communities but has been denied to new minority organizing groups for over a half a century because of agency indifference.

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