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FOR IMMEDIATE RELEASE

America's Mutual Banks Calls for Focusing Banking Regulators on the Reasons for the Absence of Minority Mutual Formation

(Washington, DC) August 25, 2021 – In a letter to Congressman Auchincloss (D. MA-4), author of H.R. 4590, which seeks to address the dearth of de novo mutual MDIs, America's Mutual Banks (AMB) called for the inclusion of chartering provisions, and changes to capital requirements for de novo MDI mutual institutions.

AMB's Washington D.C.-based Director, Douglas Faucette, noted that "the federal government has abandoned its statutory mandate to charter and insure the deposits of de novo mutuals", adding, "No new mutual has been chartered in over half a century." Mutuals, and MDIs have historically played a preeminent role in serving, lower income, rural, and minority communities. These institutions are community-owned, and mission-driven; and are best positioned to help local communities.

Although H.R. 4590 calls for an interagency study into the lack of de novos, it stops short of recommending any concrete actions to remedy existing procedural and statutory issues. For several years, AMB and its members have discussed the unique challenges de novo mutuals face, and have advocated for changes that would improve the diversity of depository institutions, strengthen the U.S. economy, and better serve our communities.

About America's Mutual Banks

AMB is an unincorporated association whose membership consists of mutually chartered FDIC insured institutions and mutual holding companies. AMB's membership consists entirely of community based institutions dedicated to serving their communities and fostering the economic growth of those communities. Community based, mutual form institutions and holding companies are historically a vital part of the fabric of many communities and their future viability must be protected and enhanced. America's Mutual Banks is headquartered at 701 8th Street NW, Suite 500, Washington, D.C. 20001. Please visit www.americasmutualbanks.com or contact Douglas Faucette, Locke Lord LLP, at 202-220-6961 with any questions or requests for additional information on America's Mutual Banks.

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