



AMERICA'S MUTUAL BANKS

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MUTUAL ALERT

FDIC WITHDRAWS AMB OPPOSED PROPOSALS; BATTLE LINES BEGIN TO FORM ON ADMINISTRATION REGULATORY RESTRUCTURING PROPOSALS

The FDIC withdrew four regulatory proposals (attached) relating to brokered deposits, corporate governance, incentive compensation, and the bank change in control act. As we explained in alerts at the time of the proposals, three of the proposals would have exposed mutual banks to governance rules borrowed from the public company sector which are inappropriate for mutual banks. The compensation proposal would have subjected mutual executives to a new level of scrutiny and the risk of being compared unfavorably to stock banks not their peers.

Meanwhile, as we have reported previously, the CSBS has signaled its increasing concern over the impact on the dual system if a centralized federal regulator is created. At the same time big banks, who are mostly federally chartered have expressed some support for the signal federal regulator concept.

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