



## MUTUAL ALERT

### **Walden Mutual Becomes First Mutual In Over a Half A Century to Receive FDIC Approval to Open As a FDIC Insured Bank**

On October 5th, 2022, Walden Mutual Bank, Concord, New Hampshire, a new sustainable farm and food-focused digital bank, announced it received final approvals from both the FDIC and New Hampshire State Banking Department today to open for business as a FDIC insured mutual bank. It announced it will be opening its doors in the coming weeks to “anyone interested in supporting a more sustainable and equitable local food ecosystem...”. Deposit accounts will be available to all and Walden Mutual reports it has built a lending pipeline of over \$50 million. Perhaps as impressive as scaling what many naysayers saw as impossible regulatory hurdles, the new bank raised \$24 million in Special Deposit Shares. These shares are peculiar to New Hampshire banking law but similar to mutual capital certificates. Their acceptance as Tier One capital by the FDIC are a significant precedent for groups seeking to capitalize new mutual banks with unique mutual instruments with the attributes of the New Hampshire Special Deposits. What is not fully appreciated is that, while the FDIC was the only agency with federal jurisdiction over the application, the OCC and FRB played a role in consideration of what many staff considered a change in interagency policy. Suffice to say there was some resistance to changing the one size fits all mindset. Thus, this action has an impact on all three agencies’ approach to mutual instruments qualifying as Tier One capital. A copy of the press released is attached. AMB congratulates our newest member and is pleased to see our persistent efforts to break the moratorium on new mutuals have borne fruit.

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