

Aldrich & Bonnefin, PLC

CORPORATE GOVERNANCE UPDATE

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FDIC ISSUES MANUAL FOR PROCESSING DEPOSIT INSURANCE APPLICATIONS; REQUESTS COMMENTS ON SAME

In order for an institution's deposits to be federally insured, the institution must submit an application to the FDIC. Recently, the FDIC issued a "Deposit Insurance Applications Procedures Manual" that provides guidance on each stage of the federal deposit insurance (FDI) application process.

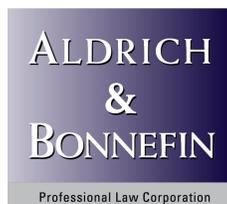
The Manual is broken down into six sections: (i) general FDI application matters; (ii) pre-filing activities; (iii) application receipt, review and acceptance; (iv) application processing; (v) pre-opening activities; and (vi) post-opening considerations. According to the FDIC, it is important a *de novo* institution (a newly organized insured depository institution) reviews and follows the post-opening considerations once the institution begins to operate. The FDIC notes that these institutions have no established record as insured depository institutions. As such, the success of the institution will largely depend on the qualifications of the management team and board of directors, the adequacy of capital, and the soundness of the business plan. The Manual discusses each of these aspects in depth.

The FDIC expects to be able to process FDI applications within four to six months of receiving a substantially complete application. It notes, however, that processing times can vary depending on the specific characteristics of the organization submitting the application.

The FDIC is requesting bank organizers that use the Manual to comment on whether it assists as intended - that is, in understanding the FDIC's application process. The FDIC is requesting comments until September 8, 2017.

A copy of the FDIC's Deposit Insurance Applications Procedures Manual can be downloaded from the FDIC's website at www.fdic.gov/regulations/applications/procmanual.pdf.

For questions or for assistance with forming a new banking organization, contact Mark Aldrich at MAldrich@ABLawyers.com.



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