

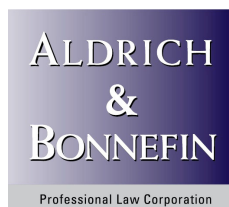
Corporate Governance Update

APRIL 2021

FDIC'S REVISED BROKERED DEPOSITS REGULATION IS IN EFFECT

On April 1, 2021, the FDIC's 21st century update to its brokered deposits regulation took effect (Brokered Deposits FR or final rule). The FDIC announced the final rule in the December 2020 Financial Institution Letter FIL-113-2020, and it was published in the Federal Register on January 22, 2021 at 86 FR 6742. The Brokered Deposits FR establishes a new framework for analyzing the primary purpose exception (PPE) that includes a notice process for certain designated exceptions and an application process for entities that wish to invoke the PPE but do not meet one of the designated exceptions.

To facilitate the implementation of the Brokered Deposits FR, the FDIC added a "Brokered Deposits" webpage to its Banker Resource Center: <https://www.fdic.gov/resources/bankers/brokered-deposits/>. The webpage was available on the date the Brokered Deposits FR took effect and provides information about the regulation, including filing instructions for the notice and application processes. The full compliance date of the Brokered Deposits FR is January 1, 2022. Refer to the BCG Handout #21-3A, "FDIC Revises Brokered Deposit Regulations" (March 2021) for information. Contact Keith Forrester at KForrester@ABLawyers.com with questions.



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