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**Preservation of Minority Savings Institutions  
Annual Report to Congress for 2008**

In accordance with Sections 301 and 308 of the  
Financial Institutions Reform, Recovery and  
Enforcement Act of 1989

by the

**Office of Thrift Supervision  
Washington, D.C.**

September 2009

## TABLE OF CONTENTS

<b>Executive Summary</b> .....	2
<b>Overall Condition of Minority Depository Institutions</b> .....	3
<b>OTS National Minority Depository Institutions Program</b> .....	4
✚ Overview.....	4
✚ Initiatives.....	5
✚ OTS Regional Offices.....	6
• Northeast.....	6
• Southeast.....	7
• Central.....	8
• Midwest.....	10
• West.....	10
<b>Conclusion</b> .....	11
<b>Attachment A – OTS Minority Depository Institutions</b> .....	12
<b>Attachment B – OTS Policy Statement on Minority Depository Institutions</b> .....	16
<b>Attachment C – OTS-Regulated Minority Depository Institutions Certified as Community Development Financial Institutions</b> .....	19
<b>Attachment D – OTS-Regulated Minority Depository Institutions Participating in the Treasury Department’s Minority Bank Deposit Program</b> .....	20
<b>Attachment E – OTS Minority Depository Institutions Advisory Committee</b> .....	21
<b>Charter</b> .....	21
<b>Members</b> .....	23

## **Executive Summary**

OTS recognizes the important role minority depository institutions serve in furthering the economic viability of minority and low-income communities. Minority depository institutions also provide significant assistance to regulators and other government agencies in their efforts to evaluate and address the needs of minority communities for financial services. OTS and its predecessor have had an ongoing Minority Depository Institutions Program since the 1970s.

The goals of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), section 308, reinforces OTS' commitment and forms the basis of OTS' National Minority Depository Institutions Program to preserve the present number of minority depository institutions; preserve their minority character; provide technical assistance; promote and encourage the creation of new minority depository institutions; and provide for training, technical assistance and educational programs.

The 2008 Minority Depository Institutions Report to Congress presents (1) the overall condition of OTS regulated minority depository institutions; (2) a summary of the OTS National Minority Depository Institutions Program; and (3) an overview of the initiatives taken during 2008 to support minority depository institutions.

**PRESERVATION OF MINORITY SAVINGS INSTITUTIONS BY  
THE OFFICE OF THRIFT SUPERVISION**

**Report to Congress for 2008  
Pursuant to Sections 301 and 308 of the Financial Institutions  
Reform, Recovery and Enforcement Act of 1989 (FIRREA)**

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**Overall Condition of Minority Depository Institutions**

This report to Congress summarizes activities conducted by the Office of Thrift Supervision (OTS) during 2008 in support of Sections 301 and 308 of FIRREA, Preserving Minority Ownership of Minority Financial Institutions.

OTS supervised 21 minority depository savings associations as of December 31, 2008 (see Attachment A). The distribution of minority depository savings associations by racial background and OTS Region as of 12/31/08 was:

	Northeast	Southeast	Central	Midwest	West	Total
African American	2	5	3	1	1	12
Asian American	2	0	0	0	4	6
Hispanic American	1	2	0	0	0	3
Total	5	7	3	1	5	21

(Note: Asian American includes individuals of Pacific Island descent, and Hispanic American includes individuals of Puerto Rican and/or Cuban descent.)

As of 12/31/2008, minority depository savings associations<sup>1</sup> held \$6.6 billion in total assets, an increase from \$6.0 billion at year-end 2007. Total assets of minority depository associations represented 0.6% of total assets of all OTS-regulated savings associations as of December 31, 2008. Minority depository institutions represent 2.6% of the total number of savings associations supervised by the OTS.

Based on categories established by the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), 20 of the minority depository savings associations were “well capitalized” at the end of 2008. This condition was consistent with the broader thrift industry where, as a whole, 97 percent of savings associations were “well capitalized” at year-end 2008.

As of December 31, 2008, fourteen (67 percent) of the minority depository associations had an overall CAMELS rating of 1 or 2, the highest CAMELS rating categories. Four minority depository associations (19 percent) had an overall 3 rating, one (five percent) had a 4 rating, and two (10 percent) received a 5 CAMELS rating. In comparison, 626 OTS non-minority savings associations had a CAMELS rating of 1 or 2

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<sup>1</sup> For the purposes of this report, OTS uses the terms savings associations and institutions interchangeably.

(86 percent); Seventy-five had a 3 rating (10 percent); and twenty-three were rated 4 or 5 (3 percent).

## **OTS National Minority Depository Institutions Program**

### **I. Overview**

The OTS's National Minority Depository Institutions (MDI) Program is designed to provide technical assistance and other support to minority depository savings associations to promote and preserve these associations, many of which primarily serve minority and lower income communities. The tenets of the MDI Program are described in Thrift Bulletin 80b (TB 80b). In July 2008, OTS updated TB 80b, which superseded Thrift Bulletin 80a consistent with FIRREA (see Attachment B).

The Compliance and Consumer Protection staff in Washington is primarily responsible for monitoring OTS's MDI Program and for carrying out the annual certification process for minority depository savings associations regulated by OTS. Regional supervisory staff is primarily responsible for providing technical assistance and support to individual minority depository institutions, including outreach and involvement by OTS Regional Directors and other senior staff.

Additionally, Regional Supervisory and Community Affairs staff, with support from the Washington office, conducts ongoing outreach beyond the customary examination and supervisory process. Regional staff is in periodic contact with minority institutions and provides information on initiatives and programs that may benefit minority institutions. Regional staff also informs institution management of workshops, training forums, and conferences that offer information and other resources that can contribute to building the capacity and strength of minority institutions.

OTS also encourages minority depository savings associations to become involved in government programs that can enhance their ability to serve the needs of their communities, while strengthening their operational capacity. The Department of the Treasury's Community Development Financial Institutions Fund (CDFI) Program and its Minority Bank Deposit Program are two examples.

Three OTS-regulated minority depository savings associations have successfully received CDFI certification as Community Development Financial Institutions (see Attachment C). CDFI certification allows these institutions to apply for funding and technical assistance from the CDFI Fund, including the receipt of monetary awards.

The Department of Treasury's Minority Bank Deposit Program (MBDP) is a voluntary program that encourages federal agencies, state and local governments, and the private sector to use MBDP participants as depositories and financial agents. Qualified MBDP participants are certified by the Financial Management Service, a bureau of the Department of the Treasury, and included on a program roster distributed nationally to federal program agencies, contractors, and other public and private sector organizations. Of the 21 minority depository savings associations regulated by OTS, 9 are MBDP certified and receive deposits and/or serve as financial agents (see Attachment D).

### **II. Initiatives Supporting Minority Depository Institutions**

#### A. OTS Minority Depository Institutions Advisory Committee (MDIAC)

OTS established the OTS Minority Depository Institutions Advisory Committee (MDIAC) in July 2008 in accordance with the Federal Advisory Committee Act<sup>2</sup> and in response to the October 2006 Government Accountability Office report, *Minority Banks: Regulators Need to Better Assess Effectiveness of Support Efforts*, which recommended that regulators regularly survey minority banks and establish outcome-oriented performance measures.

Minority depository institutions frequently provide financial services to low- and moderate income and minority communities. The MDIAC will provide advice to the Director on meeting the goals established by section 308 of FIRREA to preserve the present number of minority institutions, preserve the minority character of minority owned institutions in cases involving mergers or acquisitions, provide technical assistance, and encourage the creation of new minority depository institutions. (See Attachment E)

In establishing the MDIAC, OTS acted to ensure that diverse views would be represented, including the views of directors and officers of minority depository institutions, non-governmental entities, community groups, and others with an interest in minority depository institutions. Accordingly, OTS sought a diverse group of organizations and leaders in structuring the Committee.

#### B. Web-based Training

To promote the goal of providing technical assistance OTS invited OTS supervised minority institutions to the following OTS sponsored web-based training sessions:

1. In June 2008, OTS and the CDFI Fund partnered to sponsor a session that encouraged OTS supervised MDIs to obtain CDFI certification. Certification enables institutions to participate in CDFI programs including technical assistance and tax credit programs. The OTS participated along with the Director and Donna Gambrell, CDFI Fund Director.
2. In October 2008 OTS sponsored a session for OTS MDIs to learn how to become certified and participate in the Minority Bank Deposit Program. For institutions already certified, this session provided information about opportunities available to certified institutions and also provided a forum to ask questions. Mary Bailey, Bank Management Team Leader, Bank Policy and Oversight Division, U.S. Department of the Treasury, was the speaker. This session was requested by MDIs during the OTS CEO dinner with the OTS Director.

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<sup>2</sup> The Federal Advisory Committee Act was enacted in 1972 (Public Law 92-463, as amended, 5 U.S.C. App.2), to ensure that advice by the various advisory committees formed over the years is objective and accessible to the public.

### C. Interagency Minority Depository Institutions National Conference

OTS encouraged minority institutions to participate in the Interagency Minority Depository Institutions National Conference held in Chicago, Illinois. A total of 255 people attended the conference. Eight OTS regulated minority institutions were represented by fourteen employees, which included seven Chief Executive Officers. OTS continues to serve as a member of the federal banking agency Interagency Minority Depository Institutions Planning Group. OTS staff actively participated on the planning committee to develop a robust agenda, exchange information about federal banking agency programs to support minority institutions, and to plan upcoming events that could benefit minority depository institutions.

For the second year, the Director of the OTS hosted a private dinner for Chief Executive Officers of OTS supervised minority institutions, providing a unique opportunity for minority institutions to discuss with the Director issues that impact their operations. This information shapes the OTS Minority Depository Institutions Program. The Director also participated on a panel that featured the principals from each federal banking agency and discussed OTS's supervisory role and current policies.

### III. OTS Regional Offices

#### Northeast Region

##### A. Technical Assistance

- In August 2008, the Northeast Region (NE Region) hosted an Information Technology Seminar specifically for the five minority depository institutions in the region. Two individuals from each of the institutions were invited to the training that was held in the Jersey City office. The session was structured as a hands-on meeting that gave OTS trainers the opportunity to address questions and issues on a one-on-one basis. The topics included preparing Risk Assessments for Information Security and Privacy requirements. At the conclusion of the training, participants had experienced a complete functional risk assessment, and were equipped with tools they could adapt to suit their institution's needs. The session also featured two presentations, including planning to manage risk relating to pandemics and assessing and managing technology risks. During the session the Regional Director, Regional Deputy Director and all the Assistant Directors were invited to meet and have lunch with the training participants from the minority institutions and discuss any examination or supervisory issues of interest to the institutions.

##### B. Initiatives Supporting Minority Depository Institutions

- The Regional Director and Community Affairs Liaison met with five MDI Chief Executive Officers to discuss any major issues of concern or interest. Each year, the Region also hosts seminars for the Board of Directors of OTS institutions. The board members of the

institutions are encouraged to attend to learn new skills, receive updates on current or emerging issues, and meet with other senior officers of the region.

## Southeast Region

### A. Technical Assistance

- The Southeast Region (SE Region) has provided significant technical assistance to several institutions that are seeking merger partners or investors.
- Southeast regional staff also provided advice and services to several minority institutions which helped reduce costs associated with capital raising efforts.
- Regional Counsel provided guidance and documents to a mutual thrift, their counsel and potential investors about non-withdrawable accounts, as a capital source. The infusion of these funds provided stability to the institution and allowed it to avoid receivership after becoming significantly undercapitalized. The capital infusion also allowed a group of the minority investors to apply to acquire control of the institution.
- Regional Counsel also worked with OTS Applications staff and OTS lawyers on two separate occasions to assist a minority institution that lost a number of board members. OTS prepared all the necessary documentation for them to reduce the number of directors formally including amending the institution's bylaws and charter so that they could continue to take corporate action.
- OTS regional staff introduced a minority institution to a partner that could assist in the development and deployment of a new product, designed to serve an underbanked population.
- The Regional Accountant provided guidance to one minority institution on the new accounting rules pertaining to goodwill.
- Regional staff provided continuing assistance and counsel to one minority institution that was seeking prudent avenues to expand their operations in a safe and sound manner.
- Regional supervisory staff assigned bi-lingual examiners to two Hispanic institutions to facilitate communication for institution staff.
- Supervisory staff in the region contacted each of the minority institutions at least twice a year to invite MDIs in the region to raise questions or concerns they wished to discuss. In addition, communication with some minority institutions occurred as often as weekly when there were critical issues requiring OTS attention. Each



MDI also received an offer from the region for a face-to-face meeting at their home office if there were issues in which they needed OTS's assistance.

## B. Initiatives Supporting Minority Depository Institutions

- Many initiatives in support of minority depository institutions (MDIs) in 2008 focused on the MDI's need for additional capital. Four minority institutions in the region submitted applications for TARP funding. The region processed all requests and made the recommendations regarding such applications. Considerable time and attention was spent understanding the institutions' particular needs for additional capital. The institutions' minority status was a factor given considerable weight when forming a recommendation in recognition of the important role MDIs played in providing access to financial products and services in several underserved communities.
- In late 2008, final Questions and Answers (Q&As) to the Community Reinvestment Act were published in the Federal Register. One of the Q&As advised that majority-owned institutions could receive positive CRA credit for investing in MDIs. On many occasions, when speaking before banking audiences, SE Region staff highlighted this new Q&A. Majority-owned institutions were encouraged to consider making investments in minority institutions. Names and contact information for regional MDIs were provided to assist majority institutions in their due diligence.
- The region hosted two Financial Managers Seminars. Each of the MDIs in the region received a fax notifying them of the conference and encouraging their attendance, in addition to the more widely distributed invitations. Two MDIs attended. Finally, the Regional office hosted four Compliance and CRA workshops during December. Three regional MDIs attended three of the sessions. The home office locations of the regional minority institutions were taken into consideration when deciding locations for the workshops, which provided all participants with useful tools to ensure compliance with the federal consumer protections laws and regulations.

## Central Region

### A. Technical Assistance

- Supervisory staff offered significant technical assistance to an MDI with respect to merger partners or investors. Staff talked to numerous entities, reviewed background information on several potential investors, and made appropriate referrals.
- Regional Counsel provided technical assistance to an MDI with respect to applications processing, mutual holding company structures, and methodologies for raising capital including non-withdrawable accounts that count as capital.

- Regional Counsel worked with the applications department and with lawyers in the DC office to assist an MDI in identifying potential Board members.
- Community Affairs staff provided technical assistance to an MDI toward securing commercial loan participation opportunities with a larger financial institution.
- Community Affairs staff provided technical assistance to an MDI seeking to increase its branch network to better serve its customer base and expand its ability to serve.
- Community Affairs staff provided technical assistance to an MDI concerning compliance with BSA and the Patriot Act.
- In addition, OTS staff discussed with regional MDIs the potential capital development benefits of the Community Development Financial Institution (CDFI) program administered through the US Department of the Treasury. As a consequence, as of year end 2008, one Central Region MDI that was already a certified CDFI, though had never applied for funding through the program, had submitted an application for a Technical Assistance grant. A second MDI was evaluating the benefits of certification. (Since year-end 2008, we have learned that the application was successful.)
- Central Region staff remained in contact with a private-practice attorney who has co-chaired a broad-based task force that continues to explore the establishment of a de novo minority institution in Cincinnati, OH. That institution will focus on serving the business credit and other banking needs of Cincinnati's African American community. Central Region staff reiterated its commitment to provide ongoing assistance as the task force develops its plans.
- Community Affairs staff provided technical assistance to MDI's with respect to securing community development investments that might improve their capital positions.

#### B. Initiatives Supporting Minority Depository Institutions

- Central Region staff met with minority institution CEO's and other management through OTS Regional Director outreach meetings held during the year. The Regional staff also participated in seminars and conferences targeted to MDI's, made visits to the institutions' offices, monitored supervisory issues and scheduled examinations, and maintained ongoing contact with regional MDIs. Each MDI also had regular, ongoing access to an OTS examination caseload team.
- Regional staff also evaluated and made recommendations for three MDIs to increase capital in order to enhance their ability to provide

predominantly minority and underserved communities access to lending and other financial products and services.

- Central Region staff proactively worked to raise awareness of consideration given under the CRA to majority-owned financial institution investments in and related support of MDIs. In particular, in the course of community development meetings involving financial institution CRA Officers, every effort was undertaken to discuss and describe important aspects of CRA guidance.
- OTS Central Region staff encouraged MDI participation in several training events including a Central Region Compliance & CRA Conference in Indianapolis, a Financial Management Seminar in the Chicago area, a Community Development Roundtable in Milwaukee, and a Chief Credit Officer Forum also in the Chicago area.

#### Midwest Region

##### A. Technical Assistance

- Regional OTS staff supported efforts of an MDI to expand its branch network and service capabilities in a predominantly minority and underserved area, including minimizing costs associated with the application process.

##### B. Initiatives Supporting Minority Depository Institutions

- Regional staff encouraged the chairman and senior management of regional MDIs to attend industry financial and economic conferences in order to receive valuable information to support operational capacity. As a result, management and board members attended the Interagency Minority Depository Institutions National Conference for bankers in Chicago, Illinois. Management also participated in several MW Region sponsored events including the Compliance Workshop, CEO Outreach Meeting, Financial Management Seminar, and the New Orleans Bankers CRA Roundtable.
- Regional staff remains apprised of MDIs' financial condition through regular contact with its management, receipt of quarterly reports, off-site monitoring and on-site examination and field visits.

#### West Region

##### A. Technical Assistance

- A wide-range of technical assistance was provided to minority-owned thrifts through on-site examinations and visits and other regular contacts. A majority of the technical assistance provided to minority thrifts pertained to the Troubled Asset Relief Program (TARP), regulatory capital requirements, compliance with the CRA regulation,

community development activities, qualified investments, intermediate small savings institutions, programs for unbanked and under-banked populations, and foreclosure prevention strategies.

- Regional management also provided technical assistance to a minority institution following an examination to help management assess and implement recommendations related to interest rate management and executive compensation.
- On-site visits were also conducted at two minority institutions to discuss ways to strengthen the OTS Minority Depository Institutions Program, in concert with GAO recommendations noted previously.
- During one visit and subsequent meetings regional staff arranged, in coordination with other federal banking agencies, a discussion and proposal led by a regional MDI to develop a public service announcement campaign to help inform distressed homeowners about community resources and programs to prevent foreclosures.

#### B. Initiatives Supporting Minority Depository Institutions

- Three of five West Region minority institutions participated in the Interagency Minority Depository Institutions National Conference in Chicago. Invitations were also extended to West Region minority institutions to attend other training events such as the 2008 National Interagency Community Reinvestment Conference, CRA and Compliance Hot Topics workshops, Chief Lending Officers and Chief Credit Officers' Seminars, Directors' Forum, and local town meetings.

### **Conclusion**

OTS and its predecessor have had an ongoing minority technical assistance program since the 1970s. This program preceded the goals identified in FIRREA in 1989 to promote and encourage the formation of new minority depository institutions and to preserve and support minority depository financial institutions through technical assistance, training and outreach programs. OTS remains committed to these goals and recognizes the important role minority depository institutions continue to play in fostering economic vitality and access to capital, particularly in minority, low income and underserved communities.

OTS continues to actively explore initiatives that will help meet our commitment to preserve existing minority depository institutions and encourage the formation of new ones.

**Attachment A**

**OFFICE OF THRIFT SUPERVISION  
MINORITY DEPOSITORY INSTITUTIONS**

**As of December 31, 2008**

(Page 1 of 4)

**NATIONAL TOTAL: 21**

African American – 12

Asian/Pacific Islander American – 6

Hispanic American – 3

Multi-ethnic (African American & Asian/Pacific Islander American) -0

Native American – 0

**WEST REGION**

**Regional Total: 5**

African American – 1

Asian/Pacific Islander American – 4

**Territorial Savings and Loan Association**

Asian/Pacific

1132 Bishop Street, 22<sup>nd</sup> Floor  
Honolulu, Hawaii 96813  
(Stock)

Islander American

**BankPacifc**

151 Aspinall Ave.  
Hagatna, Guam 96910  
(Stock)

Asian/Pacific  
Islander American

**Universal Bank**

3455 Nogales St., 2<sup>nd</sup> Fl.  
West Covina, CA 91792  
(Stock)

Asian/Pacific  
Islander American

**Broadway Federal Bank, F.S.B.**

4800 Wilshire Boulevard  
Los Angeles, CA 90010  
(Stock)

African American

**Gateway Bank, FSB**

919 Clement Street  
American  
San Francisco, CA 94118  
(Stock)

Asian/Pacific  
Islander

**Attachment A**

**OFFICE OF THRIFT SUPERVISION  
MINORITY DEPOSITORY INSTITUTIONS**

**As of December 31, 2008**

(Page 2 of 4)

**MIDWEST REGION**

**Regional Total: 1**

African American – 1

**Dryades Savings Bank, FSB**

231 Carondelet St., Suite 200  
New Orleans, LA 70130-3002  
(Stock)

African American

**CENTRAL REGION**

**Regional Total: 3**

African American – 3

**Columbia Savings and Loan Association**

2000 West Fond du Lac Avenue  
Milwaukee, WI 53205-1122  
(Mutual)

African American

**Home Federal Savings Bank**

9108 Woodward Ave.  
Detroit, MI 48202-1612  
(Mutual)

African American

**Illinois Service Federal Savings & Loan Assoc.**

4619 South Martin Luther King Jr. Drive  
Chicago, IL 60653-4107  
(Mutual)

African American

**SOUTHEAST REGION**

**Regional Total: 7**

African American – 5

Hispanic American – 2

**Advance Bank**

4801 Seton Drive  
Baltimore, MD 21215  
(Mutual)

African American

**Attachment A**

**OFFICE OF THRIFT SUPERVISION  
MINORITY DEPOSITORY INSTITUTIONS**

**As of December 31, 2008**

(Page 3 of 4)

<b>FirstBank Florida</b> American (formerly Unibank) 701 Brickell Avenue Miami, FL 33131 (Stock)	Hispanic
<b>Ideal Federal Savings Bank</b> 1629 Druid Hill Ave. Baltimore, MD 21217 (Mutual)	African American
<b>Imperial Savings &amp; Loan Association</b> 211 Fayette St. Martinsville, VA 24112 (Mutual)	African American
<b>Independence Federal Savings Bank</b> 1229 Connecticut Avenue, N.W. Washington, DC 20036-2601 (Stock)	African American
<b>Interamerican Bank, FSB</b> American 9190 Coral Way Miami, FL 33165 (Stock)	Hispanic
<b>Urban Trust Bank</b> 3 Bethesda Metro Center Bethesda, MD 20814 (Stock)	African American

**Attachment A**

**OFFICE OF THRIFT SUPERVISION  
MINORITY DEPOSITORY INSTITUTIONS**

**As of December 31, 2008**

(Page 4 of 4)

**NORTHEAST REGION**

**Regional Total: 5**

African American - 2

Asian American -2

Hispanic American - 1

**Abacus Federal Savings Bank**

6 Bowery

American

New York, NY 10013-5101

(Stock)

Asian/Pacific  
Islander

**Carver Federal Savings Bank**

75 West 125<sup>th</sup> St.

New York, NY 10027

(Stock)

African American

**Chinatown Federal Savings Bank**

109 Bowery

American

New York, NY 10002

(Stock)

Asian/Pacific  
Islander

**Dwelling House Savings & Loan Association**

501 Herron Ave.

Pittsburgh, Pennsylvania 15219-4609

(Mutual)

African American

**Ponce De Leon Federal Savings Bank**

2244 Westchester Ave.

Bronx, NY 10462

(Mutual)

Hispanic American



## Attachment B



### Office of Thrift Supervision Policy Statement on Minority Depository Institutions

This statement outlines Office of Thrift Supervision (OTS) policies regarding minority depository institutions.

OTS recognizes the important role minority depository institutions play through providing financial products and services to communities and businesses across the country, including many minority and low-income communities. Minority depository institutions strengthen economic viability in many low- and moderate-income communities and can provide an important source of mainstream financial products and services. OTS and its predecessor have had an ongoing minority institution technical assistance function since the 1970s.

Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) reinforces our commitment. FIRREA identifies the following goals that form the basis of OTS's Minority Depository Institutions Program:

- Preserve the present number of minority depository institutions;
- Preserve their minority character in cases involving merger or acquisition of a minority depository institution by using general preference guidelines;
- Provide technical assistance to prevent insolvency of institutions not now insolvent;
- Promote and encourage the creation of new minority depository institutions; and
- Provide for training, technical assistance, and educational programs.

Section 308 defines the terms "minority depository institution" and "minority" for purposes of its goals. It defines "minority depository institution" based on race and social and economic disadvantage. It defines "minority" to mean Black American, Native American, Hispanic American, or Asian American.

OTS's Minority Depository Institutions Program is open to savings associations that fit any of the following categories:

1. A publicly-owned or privately-owned institution in which minorities have at least 51 percent ownership or stock ownership, as applicable;
2. A publicly-owned or privately-owned institution in which a majority of the Board of Directors is minority and the community the institution services is predominantly minority;

3. A publicly-owned or privately-owned institution in which socially and economically disadvantaged individuals have at least 51 percent ownership or stock ownership, as applicable;
4. A mutual institution in which the majority of the Board of Directors is minority and the community that it services is predominantly minority; or
5. A mutual institution in which the majority of the Board of Directors and the Chief Executive Officer are women.

### **Identification of Minority Depository Institutions**

OTS will annually verify previously identified minority depository institutions through a self-certification process by the institutions to establish their continued inclusion in the program. OTS staff will identify additional candidates for the program through the examination and application process. Additionally, OTS regulated institutions may petition the agency for inclusion in the program if their circumstances change to qualify them as a minority depository institution. Upon request, OTS will make a list of minority depository institutions available to potential investors or other parties interested in establishing business relationships with minority depository institutions. Additionally, a list of OTS supervised minority depository institutions is available at [www.ots.treas.gov](http://www.ots.treas.gov).

### **Technical Assistance**

OTS will provide technical assistance, especially in the supervision and application process, in order to preserve the number, character and financial health of minority depository institutions. Requests for technical assistance should be directed to the Community Affairs Liaison in the appropriate OTS regional office, who will coordinate with regional supervisory staff. OTS will also monitor the financial condition of minority depository institutions on an ongoing basis and will share compilations of non-confidential financial data with minority depository institutions to help them monitor their performance. Through this process, OTS will identify those minority depository institutions that might benefit from a program of increased support and technical assistance, such as mentoring arrangements with other thrifts. Minority depository institutions that are in a generally sound condition, but that may be experiencing operating difficulties in one or more areas, would fall into this category. Participation in the program, by both minority depository institutions and potential mentors, is voluntary. For those minority depository institutions experiencing more serious operating problems, appropriate OTS regional staff, such as the Field Manager and/or Assistant Regional Director, will consult and work with executive management of the institution to determine and implement a course of corrective action.

### **Resolution of Supervisory Cases**

In resolving supervisory cases involving minority depository institutions, OTS will consider and evaluate possible solutions that would, consistent with the safety and soundness of the institution, maintain the institution's minority identity. In evaluating solutions, OTS will also consider the composition and service to the community being served by the institution.

## **Outreach to Minority Depository Institutions**

Whenever possible, OTS staff will participate in seminars, conferences, and workshops directed to minority depository institution audiences. Requests for such participation should be directed to the Community Affairs Liaisons in the regional offices. Additionally, OTS will maintain contact with minority depository institutions outside the customary examination and supervision process. At a minimum, the Regional Director will offer to meet with each institution's Board of Directors, at least annually, to discuss issues of mutual interest, such as economic trends, regulatory or legislative developments, and types of assistance that OTS can provide to minority depository institutions.

OTS will support minority depository institutions in their efforts to offer products and services to their minority and non-minority customers. To support minority depository institutions in providing credit and other needed financial services to their communities, OTS will work with appropriate parties to measure and track performance. In addition, the regional Community Affairs Liaisons will contact each minority depository thrift, at least annually, to discuss community development activities and opportunities.

## **Potential Investors**

The agency will also offer technical assistance to minority groups or individuals considering investment in the thrift industry, in order to strengthen existing institutions, create new minority depository institutions, or help to service minority communities. OTS encourages such interest and will work with minority organizations to provide information and to identify potential minority investors. If minority investors are interested in acquiring thrift institutions held by the Federal Deposit Insurance Corporation as conservator or receiver, OTS will work with them to expeditiously process the preliminary regulatory approval that is required prior to submission of a bid.

## **Attachment C**

### **OTS-Regulated Minority Depository Institutions Certified as Community Development Financial Institutions (CDFI)**

#### **Advance Bank**

4801 Seton Drive  
Baltimore, MD 21215

#### **Carver Federal Savings Bank**

75 West 125<sup>th</sup> Street  
New York, NY 10027

#### **Illinois Service Federal Savings and Loan Association**

4619 South Martin Luther King, Jr. Drive  
Chicago, IL 60653-4107

## Attachment D

### OTS-Regulated Minority Depository Institutions Participating in the Treasury Department's Minority Bank Deposit Program

#### West Region

BankPacific, Ltd.

Territorial Savings Bank

Hagatna, Guam

Honolulu, HI

#### Central Region

Home Federal Savings Bank

Illinois Service Federal Savings & Loan Assoc.

Detroit, MI

Chicago, IL

#### Southeast Region

Advance Bank

Ideal Federal Savings Bank

Imperial Savings & Loan Association

Interamerican Bank, FSB

Urban Trust Bank

Baltimore, MD

Baltimore, MD

Martinsville, VA

Miami, FL

Bethesda, MD

**Attachment E**  
**OTS Minority Depository Institutions Advisory Committee**  
(Page 1 of 3)

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**CHARTER OF THE**  
**OTS MINORITY DEPOSITORY INSTITUTIONS ADVISORY COMMITTEE**

This charter is prepared and filed in accordance with the Federal Advisory Committee Act, Public Law 92-463, as amended, 5 U.S.C. App. 2 ("the Act").

(1) Official title.

OTS Minority Depository Institutions Advisory Committee (MDIAC).

(2) Objectives and scope.

The MDIAC will provide advice to the Department of the Treasury, Office of Thrift Supervision (OTS) on meeting the goals established by section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Pub. L. No. 101-73, Title III, 103 Stat. 353, 12 U.S.C. § 1463 note, to preserve the present number of minority institutions, preserve the minority character of minority owned institutions in cases involving mergers or acquisitions, provide technical assistance, and encourage the creation of new minority depository institutions.

The scope of the Committee's work will include an assessment of the current condition of minority depository institutions, what regulatory changes or other steps OTS may be able to take to fulfill the mandate of section 308, and other issues of concern to OTS-supervised minority depository institutions.

(3) Membership. The Committee shall consist of no more than 12 members serving for one two-year term. Each member shall serve as a representative of his or her institution, industry, trade group, or other organization or group.

The OTS shall ensure that diverse views are represented, including the views of officers and directors of minority depository institutions, investors in minority depository institutions, non-governmental entities, community groups, and others with an interest in minority depository institutions.

(4) Time necessary to carry out the Committee's purposes.

Two years.

(5) Reports.

The Committee reports to the Managing Director for Compliance and Consumer Protection, OTS. The Director of OTS shall be solely responsible for any action taken with respect to the Committee's advice and recommendations.

(6) Support.

**Attachment E**  
**OTS Minority Depository Institutions Advisory Committee**  
(Page 2 of 3)

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OTS shall provide all necessary support to the Committee.

(7) Duties. The Committee shall meet to discuss issues of importance to minority depository institutions and provide advice and recommendations to OTS. No non-advisory functions shall be performed.


(8) Costs. \$200,000, including the equivalent of one staff year over the two-year period. The costs include travel, staff salary, and other operating expenses. Committee members shall be reimbursed for their travel-related expenses to attend meetings in accordance with 5 U.S.C. § 5703.

(9) Number and frequency of meetings. One meeting approximately every 6 months.

(10) Termination date. The second anniversary of the date the charter is filed.

(11) Filing date. The charter of the Committee is filed with the appropriate committees of Congress, the General Services Administration, and the Library of Congress on: AUG 13 2008.

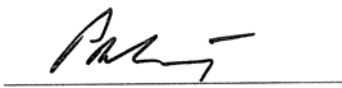
Submitted by: \_\_\_\_\_

  
John M. Reich  
Director  
Office of Thrift Supervision

Date

7/2/2008

Approved by: \_\_\_\_\_

  
Peter B. McCarthy  
Assistant Secretary for Management  
and Chief Financial Officer  
Department of the Treasury

Date

7/16/08

**Attachment E**  
**OTS Minority Depository Institutions Advisory Committee (Members)**  
(Page 3 of 3)

Faith Bautista  
President and Chief Executive Officer  
Mabuhay Alliance, Inc.  
San Diego, California

Theodora (Dory) Rand  
President  
Woodstock Institute  
Chicago, Illinois

John Hamilton  
President and Chief Executive Officer  
Advance Bank  
Baltimore, Maryland

Denise Scott  
Managing Director  
Local Initiatives Support Corporation  
New York, New York

Paul Hudson  
Chairman and Chief Executive Officer  
Broadway Federal Bank, f.s.b.  
Los Angeles, California

John Taylor  
President and Chief Executive Officer  
National Community Reinvestment  
Coalition  
Washington, DC

Judith Kennedy  
President and Chief Executive Officer  
National Association of Affordable  
Housing Lenders  
Washington, District of Columbia

Norman Williams  
Chairman and Chief Executive Officer  
Illinois Service Federal Savings and Loan  
Association  
Chicago, Illinois

Kimberly Lee  
President and Chief Executive Officer  
Dryades Savings Bank, FSB  
New Orleans, Louisiana

Deborah Wright  
Chairman and Chief Executive Officer  
Carver Federal Savings Bank  
New York, New York

Saurabh Narain  
Chief Fund Advisor  
National Community Investment Fund  
Chicago, Illinois