2019 Annual Report to Congress on Preserving Minority Depository Institutions

June 25, 2020
This report to Congress is submitted in accordance with Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and Section 367 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and is available on the agency’s website.
Minority Depository Institutions

- A federally insured credit union can qualify as an MDI if 50 percent or more of its board members, current members, and eligible potential members combined with current members are minorities.

- A “minority” is defined as any “Black American, Asian American, Hispanic American, or Native American,” according to Section 308 of FIRREA.
MDI Financial Performance in 2019

• 514 credit unions had the MDI designation in 2019, or approximately 10 percent of all federally insured credit unions.

• MDI credit unions served more than 3.9 million members and had assets of $40.5 billion.

• In 2018, there were 529 MDI credit unions with total assets of $38.5 billion and nearly 3.9 million members.
MDI Members by State

Total Number of Minority Depository Institution Members

Members
- Less than 1,000
- 1,000 to 50,000
- 50,001 to 300,000
- 300,001 to 1 million
- More than 1 million

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Aggregate MDI Assets by State

Total Minority Depository Institution Assets

- Texas: More than $10 billion
- Other states color-coded according to total assets:
  - Not Applicable
  - Less than $100 million
  - $100 million to $5 billion
  - $5 billion to $10 billion
  - More than $10 billion

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MDI Preservation

• Under FIRREA, the NCUA has a statutory obligation to preserve existing and promote the formation of new MDIs.

• Through the NCUA, MDI credit unions have access to grants and loans, as eligible, training, technical assistance, and guidance from examiners.
• 20 MDIs merged into other credit unions during 2019, six of the continuing credit unions were MDIs.
  – MDI mergers represented approximately 14 percent of all merger approvals
• NCUA chartered one new MDI federal credit union in 2019, the Otoe-Missouria Federal Credit Union in Red Rock, Oklahoma.
Technical Assistance Grants

• Awarded $738,000 in technical assistance grants to 58 MDI credit unions.
• Three MDIs received $75,000 as part of the MDI Mentoring Pilot Initiative.

2019 Grants to MDIs By Funding Initiative

- Underserved Outreach: 61%
- Counselor Certification: 16%
- Digital Services & Security: 15%
- Training: 8%
Looking Forward Into 2020

• Co-sponsored the Freedman’s Bank Forum.
• Hosted a two-day MDI Forum.
• Made $125,000 in funding available through the MDI Mentoring grant.

Following his remarks, Chairman Rodney E. Hood moderated a panel discussion on the importance of MDI preservation that featured Joseph Otting, Comptroller of the Currency; Bimel Patel, Assistant Secretary for Financial Institutions at the U.S. Department of the Treasury; Jelena McWilliams, Chairman of the Federal Deposit Insurance Corporation and Michelle Bowman, Governor, Board of Governors of the Federal Reserve System.
Contact NCUA’s Office Credit Union Resources and Expansion with questions or comments.

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