[FDIC Needs Clearer, More Transparent Bank Merger Policy Proposal](#)

PRESS RELEASES

FDIC Needs Clearer, More Transparent Bank Merger Policy Proposal

June 17, 2024
|
Download PDF

Washington, D.C.: The FDIC's proposed bank merger policy would create more challenges than benefits for the banking industry, especially for community banks, state regulators said in a comment letter today.

New charters and beneficial mergers are crucial components of a dynamic and competitive banking system. However, the FDIC's proposed merger policy would add uncertainty, cost, and burden to an already complex and lengthy merger application process.

"The FDIC should get back to basics – the specific requirements of the Bank Merger Act – and establish an unbiased and objective policy that promotes healthy mergers," said CSBS President and CEO Brandon Milhorn. "Sound merger policy, and additional support for de novo charter activity, are essential for consumers and a vibrant financial system."

Mergers are an important business option for banks seeking to enter new markets, invest in new technology, and keep up with evolving market and economic conditions. Discouraging mergers could threaten the stability of individual banks and the broader financial system, especially with rising costs and federal regulatory burdens. For some community banks, particularly in rural and underserved areas, a merger may be the key to survival.

The FDIC should establish clear and transparent standards for merger and de novo applications to encourage bank growth and investment in local communities.

For more about CSBS, visit www.csbs.org.

Contact: Susanna Barnett, 202-407-7156, sbarnett@csbs.org

X: @CSBSNews

The Conference of State Bank Supervisors (CSBS) is the national organization of financial regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico and U.S. Virgin Islands. State regulators supervise 79% of all U.S. banks and a variety of non-depository financial services. CSBS, on behalf of state regulators, also operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance and debt industries.

Related Topics
FDIC, Bank Merger Policy

Related Posts