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PRESS RELEASES

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Washington, D.C. – Today, at a Women in Housing and Finance event, FDIC Vice Chairman Travis Hill commented on the agency's corporate governance proposal, raising concerns and noting that the FDIC is continuing its work on the guidelines.

"There is simply no rationale for the FDIC to proceed with this proposal," said CSBS President and CEO Brandon Milhorn. "The corporate governance guidelines were ill-conceived from the start. The rule would preempt a century of state fiduciary laws and conflate the role of board and management with little justification and based on flimsy statutory authority. Releasing it was a mistake, but finalizing it on this administrative record without fundamental changes would be outrageous."

The proposed requirements would create an unlevel playing field for covered banks, as institutions supervised by the Federal Reserve and Office of the Comptroller of the Currency would not be subject to similarly strict mandates.

"Sound corporate governance is vital to the effective operation of our nation's banks. Unfortunately, the FDIC's onerous, one-size-fits-all mandates would undermine effective management and ignore well-settled governance standards already in state law," said CSBS Board Chair Charlie Clark. "If finalized, the guidelines could severely hinder efforts to recruit qualified board members, and in some smaller institutions, might seriously impede critical succession management efforts."

Approximately 60 state-chartered banks would be explicitly subject to the guidelines, which would apply to FDIC-supervised, state-chartered banks with more than $10 billion in assets. The FDIC, however, could also extend the guidelines to smaller banks if it deems them to be "highly complex or present a heightened risk." The FDIC shares supervisory responsibility with state regulators for state-chartered banks that are not members of the Federal Reserve System.

More than 90% of the comment letters written to the FDIC by banks, government officials, trade organizations, advocacy groups, and academics expressed substantial concerns with the flawed guidelines and opposed finalization.

Background information:

- [CSBS Comment Letter Release](#)

- CSBS Comment Letter
- CSBS Blog
- CSBS Statement on Senate Letter

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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.

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