

FDIC Extends Cautious Welcome To Private Capital Investments In Failed Banks

August 31, 2009 | Client Update

At a meeting of the Board of Directors of the FDIC on August 26, 2009, the FDIC adopted a Final Statement of Policy on Qualifications for Failed Bank Acquisitions. The final policy statement establishes standards and requirements for private investors acquiring or investing in failed insured depository institutions, including through holding companies formed for that purpose. While the final policy statement is a substantial improvement over the proposed policy statement issued on July 2, 2009, it nevertheless subjects private investors to more onerous requirements than those applicable to existing banks, thrifts and their respective holding companies, which explicitly remain the FDIC's preferred buyers of failed insured depository institutions.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

John D. Amorosi

+1 212 450 4010
john.amorosi@davispolk.com

Luigi L. De Ghenghi

+1 212 450 4296
luigi.deghenghi@davispolk.com

Annette L. Nazareth

+1 202 962 7075
annette.nazareth@davispolk.com

Margaret E. Tahyar

+1 212 450 4379
margaret.tahyar@davispolk.com

William L. Taylor

+1 212 450 4133
william.taylor@davispolk.com

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