

**Topics for Discussions
at the FDIC Listening Sessions to Understand Investment Needs of Mission-Driven Banks for Design of Mission-Driven Bank Fund**

PRA Burden Statement

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The FDIC has engaged a financial services advisory firm to assist in developing the framework, structure, and concept of operations for the Mission-Driven Bank Fund. The fund is envisioned to provide a variety of forms of support to mission-driven banks, including equity investments, loan participations, loss-share arrangements, structured transactions for performing or troubled assets, and loan facilities. The fund will be designed to target a minimal rate of return on investments of approximately 1 percent to 3 percent.

As part of the design of the fund, the financial services advisor retained by the FDIC will need to define the fund’s principal investment criteria and strategies to achieve its strategic investment objectives while remaining within tolerable risk limits. This will result in the development of an investment screening matrix that is broadly expected to include:

- Eligible Investments/Issuers/Instruments. Which mission-driven banks are permitted investments within the fund?
- Investment Criteria. What financial risk-return profiles are considered appropriate for fund investments?
- Impact Criteria. How is it determined that the investments achieve the fund’s strategic investment objectives in a specific and measurable way?
- Exposure and Risk Constraints. What portfolio level exposure and risk limits should be established to ensure risk profile is in line with industry best practice, fund disclosures, and investor expectations?

The intention of the FDIC’s financial services advisor is to conduct three to five meetings with each attended by five to seven mission-driven bankers. The FDIC will seek volunteers from banker advisory committees and bank trade associations that represent mission-driven banks. At these listening sessions, the financial services advisor will seek to understand the variety of

business models and investment needs of mission-driven banks, and outline the process used to define the Mission-Driven Bank Fund's principal investment criteria and strategies to achieve its strategic investment objectives while remaining within tolerable risk limits. The financial services advisor will pose questions to facilitate greater understanding of the potential components of the investment screening matrix broadly outlined above.