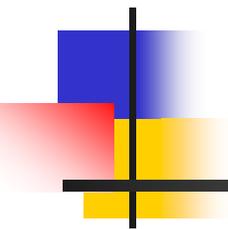


Resolutions: The Process of Bidding on Distressed Banks in the New Millennium

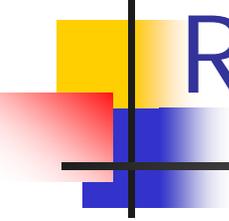


Minority Depository Institution National Conference

July 18, 2008

Robert Schwarzlose

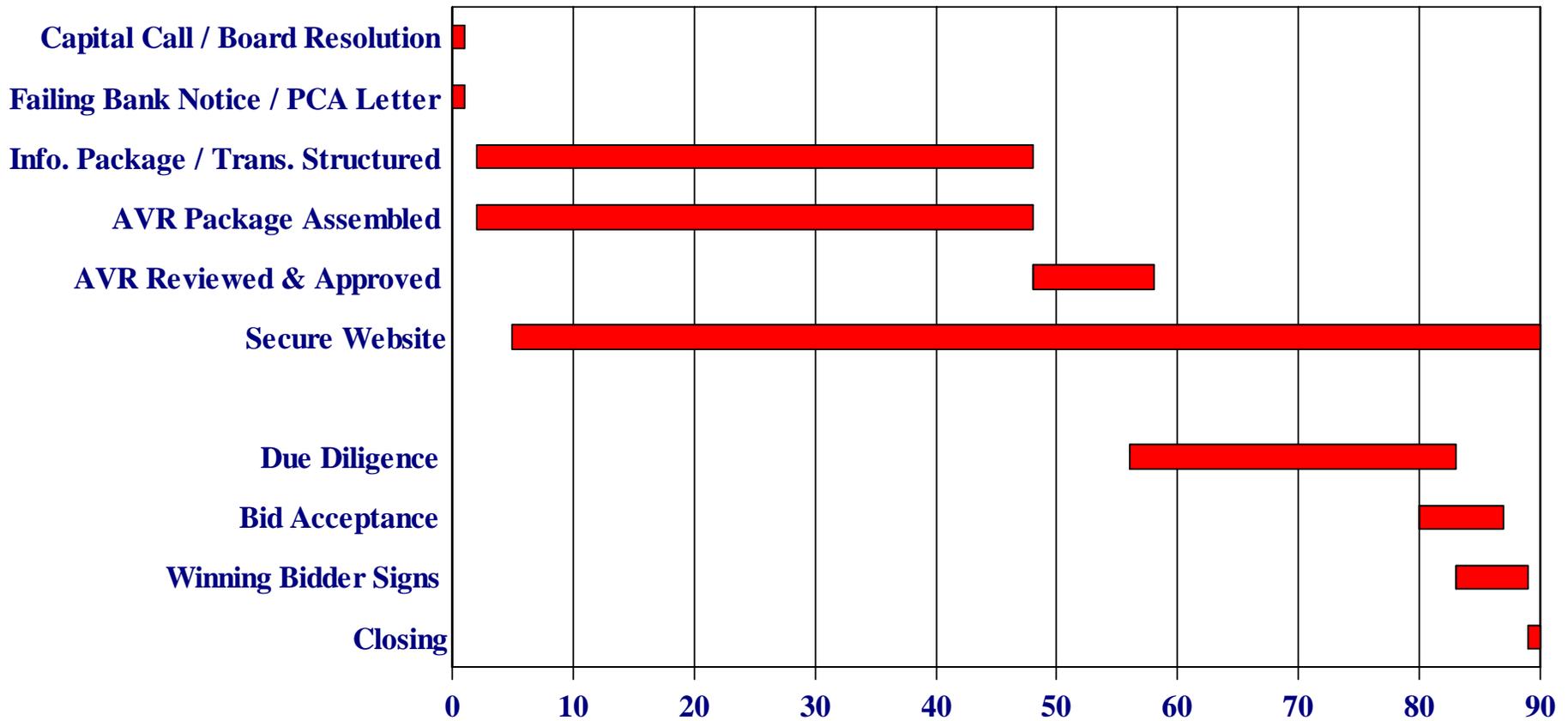
Gregory Watson



Resolution Process: Primary Goals

- Provide customers timely access to their insured funds
- Resolve failed institutions in the least costly manner
- Manage receiverships to maximize net return

Resolution Process





Contact Information & Preferences

- Two contacts
- Email addresses and phone numbers
- Geographic preference of future acquisitions
- Interest in purchasing deposit franchise
- Interest in purchasing asset portfolios

FDIC Federal Deposit Insurance Corporation


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Quick Links for Bankers

Highlights



Home Ownership Preservation Loans

April 30, 2008

FDIC proposal to Congress to assist in making loans to borrowers with unaffordable mortgages. [read more...](#)



Letter to Stakeholders

February 14, 2008

This edition highlights the FDIC's activities and year-end financial statistics for 2007. [read more...](#)

Top Picks

- [Institution Directory](#)
- [Call & Thrift Financial Reports](#)
- [FDIC Law, Regulations & Related Acts](#)
- [Uniform Bank Performance Reports](#)
- [Summary of Deposits](#)

Resources

- [FDIC connect](#)
- [Office of the Ombudsman](#)
- [Director's Corner](#)
- [Deposit Insurance Products Order Form](#)
- [Ordering & Using FDIC Signs & Logos](#)
- [Reprintable FDIC Brochures](#)
- [Forms](#)
- [Publications & Documents](#)
- [Lessons Learned from Hurricane Katrina: Preparing Your Institution for a Catastrophic Event](#)
- [Appeals of Material Supervisory Determinations: Guidelines & Decisions](#)
- [Bank Examinations](#)
- [Minority Depository Institutions Program](#)

Research & Analysis

- [FDIC Quarterly](#)

Deposit Insurance

- [Electronic Deposit Insurance Estimator \(EDIE\) - Banker's Version](#)
- [Financial Institution Employee's Guide to Deposit Insurance](#)
- [One-time Assessment Credit Report](#)
- [Assessment Rate Calculator](#)
- [Deposit Insurance Assessments](#)
- [Your Insured Deposits](#)
- [Videos on Deposit Insurance Coverage](#)
- [Insuring Your Deposits](#)
- [Deposit Insurance Assessment Appeals: Guidelines & Decisions](#)

Policy & Legislation

- [Home Ownership Preservation Loans](#)
- [FDIC Law, Regulations & Related Acts](#)
- [Financial Institution Letters](#)
- [FDIC Federal Register Citations](#)

FDICconnect Business Center

The FDICconnect Business Center is the secure Internet channel for FDIC-insured institutions to conduct business and exchange information with the FDIC.

[Access Pre-Exam File Exchange Administration System \(EFEADM\)](#)
FDIC Examiners to access File Exchange Administration System (EFEADM).



[Sign In](#)
If you already have a User ID, sign in.

[Register](#)
Register for access to the FDICconnect Business Center. Only bank employees or their representatives should register. Prior to registering, please verify that your financial institution has designated a coordinator for FDICconnect and submitted the Designated Coordinator form. This form was mailed to FDIC-insured institutions as an attachment to [FIL 53-2004](#) and [FIL 93-2003](#). If your institution needs another copy of the form, please email us at FDICconnect@fdic.gov.

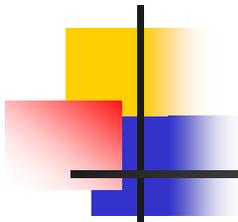
[Summary of Deposits](#)
FDICconnect registration is not required to submit the Summary of Deposits. Please see the survey invitation sent to your bank for more information.

[Forgot Password](#)
If you have forgotten your password, you can reset it here.

[Registration Overview](#)
General information on the Business Center registration process.

[FAQ](#)
View the FDICconnect list of Frequently Asked Questions (FAQ).

[Security Notice](#)
View the FDICconnect Security Notice.



Connect to www2.fdicconnect.gov



The server www2.fdicconnect.gov at www2.fdicconnect.gov requires a username and password.

User name:

Password:

OK Cancel

FIRST INTEGRITY BANK, NATIONAL ASSOCIATION Coordinator

Institution Access: **CLOSED** ? Approved Users: 0 ? Pending Users: 0 ? Unassigned Transactions: 12 ?

Business Center Menu

- [Acquiring a Failing Financial Institution](#) Provide notification of interest to the FDIC on behalf of your institution
- [Coordinator Functions](#) Control online access, act on association requests, manage users, or authorize business transactions
- [User Functions](#) Maintain a profile, associate with institutions, change email or passwords, or view system messages

Content Page

Bidder Contact and Preference Information

[Help](#)

FIRST INTEGRITY BANK, NATIONAL ASSOCIATION

STAPLES , MN **FDIC Certificate Number:** 12736

Use this form to specify who the contacts in your institution should be for receiving information related to the acquisition of potentially failing financial institutions. A Primary and a Secondary Contact are required to maintain good communication with FDIC. The Other Staff identifier is not used for contacting potential bidders for acquisition opportunities.

Use the Edit Preferences option to focus on specific attributes of failing financial institutions or asset pools in which your institution would be interested. [Information on FDIC Institution Sales](#).

	Name	Position	Status	Type
<input type="radio"/>	Sam Johnson	Chief Operating Officer	Active	Other Staff
<input type="radio"/>	K Pat Kruchten	Chief Executive Officer	Active	Primary
<input type="radio"/>	NORMA E. RUSSELL	Chief Operating Officer	Active	Other Staff

Edit Contact

Edit Preferences

Add Contact

Bidder Contact and Preference Information: Edit Preferences

✓ Indicates a Required Field

[Help](#)

FIRST INTEGRITY BANK, NATIONAL ASSOCIATION
STAPLES , MN **FDIC Certificate Number:** 12736

Preferences

Leave all entries blank and you will be considered for every opportunity for which you qualify. Focus on a narrower field of opportunities by indicating preferences below

Areas of Interest for Deposits and Loan Pools

Indicate an area of geographical interest by making selections below. Select "All States" or the individual states and territories of interest. When finished, click **Save**.

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> All States | <input type="checkbox"/> Idaho | <input type="checkbox"/> Montana | <input type="checkbox"/> Puerto Rico |
| <input type="checkbox"/> Alabama | <input type="checkbox"/> Illinois | <input type="checkbox"/> Nebraska | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Alaska | <input type="checkbox"/> Indiana | <input type="checkbox"/> Nevada | <input type="checkbox"/> South Carolina |
| <input type="checkbox"/> American Samoa | <input type="checkbox"/> Iowa | <input type="checkbox"/> New Hampshire | <input type="checkbox"/> South Dakota |
| <input type="checkbox"/> Arizona | <input type="checkbox"/> Kansas | <input type="checkbox"/> New Jersey | <input type="checkbox"/> Tennessee |
| <input type="checkbox"/> Arkansas | <input type="checkbox"/> Kentucky | <input type="checkbox"/> New Mexico | <input type="checkbox"/> Texas |
| <input type="checkbox"/> California | <input type="checkbox"/> Louisiana | <input type="checkbox"/> New York | <input type="checkbox"/> Utah |
| <input type="checkbox"/> Colorado | <input type="checkbox"/> Maine | <input type="checkbox"/> North Carolina | <input type="checkbox"/> Vermont |
| <input type="checkbox"/> Connecticut | <input type="checkbox"/> Marshall Islands | <input type="checkbox"/> North Dakota | <input type="checkbox"/> Virgin Islands |
| <input type="checkbox"/> Delaware | | | |

- | | | | |
|---|--|---------------------------------------|--|
| <input type="checkbox"/> Federated States of Micronesia | <input type="checkbox"/> Massachusetts | <input type="checkbox"/> Ohio | <input type="checkbox"/> Washington |
| <input type="checkbox"/> Florida | <input type="checkbox"/> Michigan | <input type="checkbox"/> Oklahoma | <input type="checkbox"/> West Virginia |
| <input type="checkbox"/> Georgia | <input type="checkbox"/> Minnesota | <input type="checkbox"/> Oregon | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Guam | <input type="checkbox"/> Mississippi | <input type="checkbox"/> Palau | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Hawaii | <input type="checkbox"/> Missouri | <input type="checkbox"/> Pennsylvania | |

Input the minimum and maximum deposit size of the institutions of interest. When finished, click **Save**.

Minimum Deposit Size: \$,000

Maximum Deposit Size: \$,000

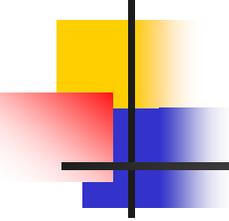
Loan Pool Types

Indicate loan pool types of interest by making selections below. Input the minimum and maximum loan pool size. When finished, click **Save**.

- | | | | |
|---------------------------------------|--|--------------------------------------|--|
| <input type="checkbox"/> Agricultural | <input type="checkbox"/> Commercial and Industrial | <input type="checkbox"/> Consumer | <input type="checkbox"/> Single Family Residential |
| <input type="checkbox"/> Automobile | <input type="checkbox"/> Commercial Real Estate | <input type="checkbox"/> Credit Card | |

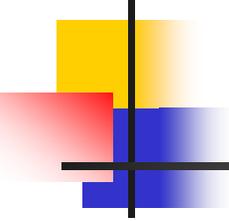
Minimum Pool Size: \$,000

Maximum Pool Size: \$,000



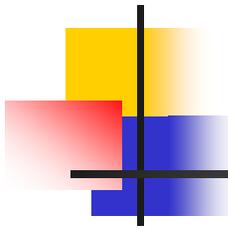
Franchise Marketing

- Information Package
 - Includes financial and operating information
- Asset Valuation Review
 - Estimate of value for all balance sheet assets
 - Based on discounted cash flow analysis
 - A key component in the “least cost test”
- Marketing of failing financial institutions

The logo graphic consists of a vertical black line on the left, a horizontal black line at the bottom, and three overlapping squares: a yellow one at the top left, a red one at the middle left, and a blue one at the bottom left. The word "IntraLinks" is written in a blue, sans-serif font to the right of the vertical line.

IntraLinks

- Market the institution via a secure website
- All financial, legal and regulatory information is uploaded and available 24/7
- Loan pools and deposit trial balances are also available but redacted



Bidders List Regulatory Criteria

- Tier 1 Leverage Capital: at least 4%
- CAMELS composite: 1 or 2
- Management Rating: 1 or 2
- Community Reinvestment Act Rating Satisfactory or Outstanding
- Satisfactory Anti-Money Laundering Records
- Invitation to all Qualified MDIs

IntraLinks ID

Password

GO

Problems logging in?

[Get user ID/password](#)

Other questions?

Call us:
[24 x 7 global phone support](#)

Email us:
support@intralinks.com

Need training?

[Sign up here for training](#)

[Web browser support](#)

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Use subject to [End User Agreement](#)



INTRALINKS

The workspace is virtual. The trust is real.

Have document exchange for clinical trials
down to a science.

> [Click to learn more about our Life Sciences solutions](#)

Jan 07, 2008

Sheri Foster

all times GMT-04 AST, EDT

Enablement Site

go to workspace...

new publication
copy/update
folder list
export this list
print-friendly list

publications hold phase

search & filter

filter publications list

new since: unread only view:

search items

search for:

go reset

publications list

page 1 of 1

title	first posted	updated	
Offering Information			
<input type="checkbox"/> Executive Summary	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/> Frequently Asked Questions	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/> Bid Instructions and Bid Form	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/> Schedule and Important Reminders	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/> Due Diligence Information	S. Foster/FDIC	Oct 23, 07	action
Financial Information			
<input type="checkbox"/> Transaction Balance Sheet	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/> General Ledger	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/> Securities	S. Foster/FDIC	Oct 23, 07	action



Jan 07, 2008

Sheri Foster

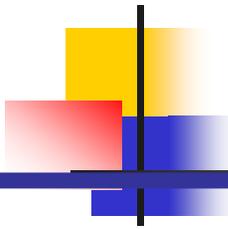
all times GMT-04 AST, EDT

Enablement Site

go to workspace...

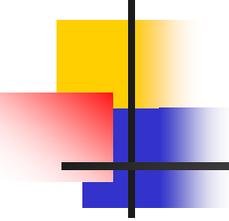
<input type="checkbox"/>	Branch Information	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	EDP Overview	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	Photos	S. Foster/FDIC	Oct 23, 07	action
Legal Documents				
<input type="checkbox"/>	Legal Document Overview	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	Confidentiality Agreement	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	Purchase and Assumption Agreement	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	Loan Sale Agreement	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	Escrow Agreement	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	Purchaser Eligibility Certification	S. Foster/FDIC	Oct 23, 07	action
Regulatory Application Information				
<input type="checkbox"/>	Regulatory Contact Sheet	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	DSC Application Information	S. Foster/FDIC	Oct 23, 07	action
	Federal Reserve Bank Applications	S. Foster/FDIC	Oct 23, 07	action
	OCC Applications	S. Foster/FDIC	Oct 23, 07	action
	OTS Applications	S. Foster/FDIC	Oct 23, 07	action
	State of Texas Regulatory Applications	S. Foster/FDIC	Oct 23, 07	action
Confidential Information				
<input type="checkbox"/>	Interested Bidder List	S. Foster/FDIC	Oct 23, 07	action
<input type="checkbox"/>	Due Diligence Status Report	S. Foster/FDIC	Oct 23, 07	action





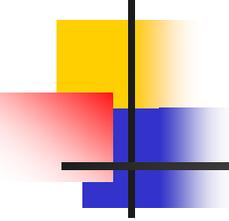
Transaction Structures

- Purchase and Assumption (P&A) with optional loan pools
- Whole Bank Transaction
- Insured Deposit Transfer



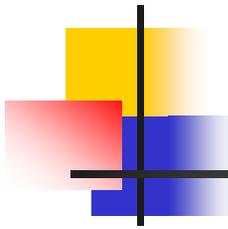
Due Diligence

- DRR representative on-site
- Controlled process
- Bidders have equal access to information



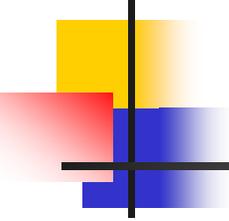
Bid Acceptance

- Receive bids by eFax and hard copy
- Confirm bids are conforming
- Run the Least Cost Test Model
- Clear bids with Regulators
- Notify Bidders & Sign Documents



Douglas National Bank

- Douglas National Bank, Kansas City, Missouri -1/25/08
- Bidders contacted 688, 126 MDIs
- Full 90 day process
- Liberty Bank and Trust Company, New Orleans, LA winning bidder
- Whole Bank – All Deposit Transaction



How Banks Can Contact FDIC if Interested in Bidding

- FDIC *connect*, Acquiring a Failed Financial Institution
- Email – institutionsales@fdic.gov
- Call Debra Harrell at 1-800-568-9161 Ext. 2598 or DHarrell@fdic.gov;
Robert Schwarzlose Ext. 2425 or RSchwarzlose@fdic.gov