

LEARN MORE ABOUT

MINORITY DEPOSITORY INSTITUTIONS



Minority Depository Institutions (MDIs) are banks in minority communities, in which minorities own at least 51% of the voting stock and/or make up a majority of the board of directors. These banks serve low-and moderate-income (LMI), unbanked, and underbanked communities at higher rates than mainstream banks compared to their size.



MDI branches are located in areas with a higher average share of minorities relative to all FDIC-insured banks (31%).



MDIs originate a higher share of their small business loans to LMI communities (30%) relative to community banks (20%) and larger banks (24%).



Almost half of all MDI branches are located in counties deemed socially vulnerable by the CDC, compared to only 18% of non-MDIs.



Over a third (37%) of mortgages loans from MDIs go to minority borrowers, compared to only 13% from non-MDIs.



There are approximately

145

MDIs located in 28 states, plus DC, Puerto Rico, and Guam.



Every dollar invested in MDIs can increase lending by

10x

in minority communities.



MDIs represent

1.4%

of the \$23 trillion in the overall banking sector.

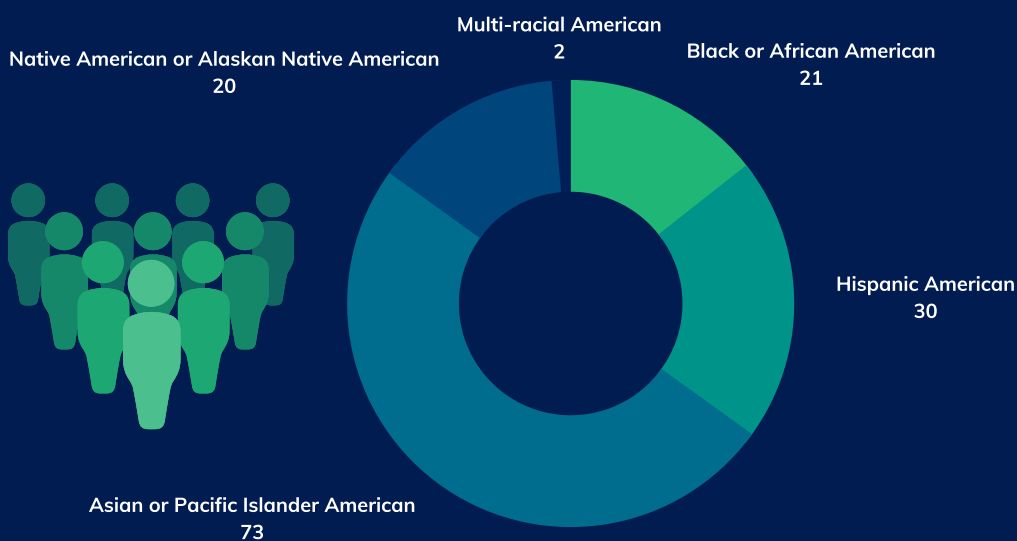


MDIs represent

\$330B

in total assets.

The make-up of MDIs by minority group



While MDIs are mission-driven, they are still profitable.

In fact, MDIs have a similar loan mix as non-MDI community banks, but have slightly higher returns on their average assets.

1.17% vs 1.13%

Sources: The Federal Reserve Bank of Dallas, Minority depository institutions have vital role serving vulnerable communities (2022)
Milken Institute, Minority-Owned Depository Institutions: A Market Overview (2019)
The Federal Deposit Insurance Corporation (FDIC) (2019)



National Bankers Association

Since 1927, the National Bankers Association has served as the leading trade association for minority depository institutions (MDIs). Our members are Black, Hispanic, Asian, Pacific Islander, Native American, and women-owned and -operated banks across the country, all working to help low- and moderate-income communities who are underserved by traditional banks and financial service providers.

Go to nationalbankers.org for more on how our banks are on the front lines of closing the racial wealth gap.