

**Congress of the United States**  
**Washington, DC 20510**

September 21, 2012

Mr. Martin J. Gruenberg  
Acting Chairman  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, D.C. 20429

Dear Acting Chairman Gruenberg:

Section 19 of the Federal Deposit Insurance Act (Deposit Act) of 1950 provides an important safeguard to ensure that employees within the banking system do not have a criminal history. In 2008, this section of the Deposit Act was expanded to include employees in the mortgage industry. This expansion encouraged states to establish a nationwide mortgage licensing system and required mortgage loan originators to certify that they had not been convicted of, or pled guilty to, a felony in a domestic, foreign, or military court.

Since this statute was signed into law, the Federal Deposit Insurance Corporation (FDIC) has issued regulations interpreting this statute, which have since been applied by financial institutions across the country. In one particular case, an Iowa resident, Mr. Richard Eggers, was discharged by Wells Fargo as a result of a 1963 conviction for inserting a cardboard dime into a washing machine. In addition to Mr. Eggers, other constituents have written with similar stories.

While Section 19 of the Deposit Act requires a complete and thorough background check, the guidance issued to financial institutions and the construction of the waiver process is at the discretion of the FDIC. Banks are allegedly not receiving clear guidance on what specific crimes constitute covered offenses under Section 19. As a result, the waiver process is slow and overly cumbersome.

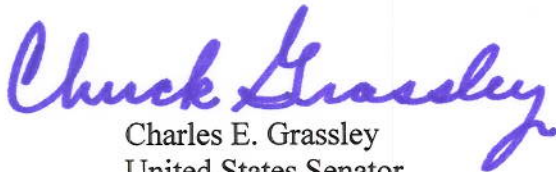
Accordingly, please provide the following information:

1. All guidance provided to banks on the extension of Section 19 of the Deposit Act.
2. All guidance and information that was provided to FDIC personnel processing Section 19 waiver applications.
3. The total number of applications for waivers from Section 19 for each year from 2008 to the present.

4. The total number of waivers which were granted and denied from Section 19 for each year from 2008 to the present.
5. The average amount of time it took the FDIC to process each waiver application for each year from 2008 to the present.
6. The total number of FDIC employees assigned to process Section 19 waivers for each year from 2008 to the present.
7. A list of all documents prospective applicants for Section 19 waivers must provide to the FDIC.

Thank you for your cooperation and attention in this matter. We would appreciate a response by October 5, 2012. If you have any questions, please do not hesitate to contact Chris Lucas for Senator Grassley at (202) 224-5225 and James Carstensen for Representative Latham at (202) 225-5476.

Sincerely,



Charles E. Grassley  
United States Senator



Tom Latham  
Member of Congress