

Silicon Valley Bank – Advisory Information

OVERVIEW

This page includes resources focused on the fast-moving developments related to the recent closure of Silicon Valley Bank (SVB). SVB was closed by the California Department of Financial Protection & Innovation on March 10, 2023, with the Federal Deposit Insurance Corporation (FDIC) appointed as receiver. Subsequently, on March 12, 2023, Signature Bank of New York, New York, was closed by the New York State Department of Financial Services, with the FDIC appointed as receiver.

We are closely monitoring the situation, reviewing information issued by government agencies and other trusted authorities, and advising our clients about how their businesses may be affected and key legal considerations. Please consult with your Wilson Sonsini contact for guidance on these matters, as even seemingly simple questions could raise complex issues under these circumstances.

Latest Updates

- [First Republic Bank, website, “A Message to First Republic Clients from JPMorgan Chase” \(May 1, 2023\)](#)
- [FDIC, press release, JPMorgan Chase Bank, National Association, Columbus, Ohio Assumes All the Deposits of First Republic Bank, San Francisco, California \(May 1, 2023\)](#)
- [FDIC, press release, FDIC Releases Report Detailing Supervision of the Former Signature Bank, New York, New York \(April 28, 2023\)](#)
- [First Citizens Bank, website, Silicon Valley Bank is now a division of First Citizens Bank \(April 2023\)](#)
- [FDIC, press release, FDIC Announces Retention of Financial Advisor to Assist with the Liquidation of Securities of the Former Signature Bank, New York, NY, and Silicon Valley Bank, Santa Clara, CA \(April 5, 2023\)](#)
- [FDIC, press release, FDIC Announces Upcoming Sale of the Loan Portfolio from the Former Signature Bank, New York, New York \(April 3, 2023\)](#)
- [FDIC, website, Silicon Valley Bridge Bank N.A. - Santa Clara, California - Frequently Asked Questions \(updated March 30, 2023\)](#)
- [Silicon Valley Bank, website, Silicon Valley Bank is now a division of First Citizens Bank \(updated March 28, 2023\)](#)
- [FDIC, press release, First-Citizens Bank & Trust Company, Raleigh, NC, to Assume All Deposits and Loans of Silicon Valley Bridge Bank, N.A. \(March 26, 2023\), which:](#)
 - announces that “[d]epositors of Silicon Valley Bridge Bank, National Association, will automatically become depositors of First-Citizens Bank & Trust Company. All deposits assumed by First-Citizens Bank & Trust Company will continue to be insured by the FDIC up to the insurance limit,” and
 - notes that “the FDIC and First-Citizens Bank & Trust Company entered into a loss-share transaction on the commercial loans it purchased of the former Silicon Valley Bridge Bank, National Association. The loss-share transaction is projected to maximize recoveries on the assets by keeping them in the private sector. The transaction is also expected to minimize disruptions for loan customers,” and
 - notes that “the FDIC estimates the cost of the failure of Silicon Valley Bank to its Deposit Insurance Fund (DIF) to be approximately \$20 billion. The exact cost will be determined when the FDIC terminates the receivership.”
- [First Citizens Bank, press release, First Citizens Bank Enters into Whole Bank Purchase of Silicon Valley Bridge Bank, N.A. \(March 27, 2023\), which:](#)
 - notes that “there will be no immediate change to customers’ current accounts, and they will be able to continue to access their accounts as they do today — through their current websites, mobile apps and branch locations. They can continue to use their checks and cards and will still have ATM and online access to their accounts. Loan customers should continue making loan payments as usual. Customers will be notified of any future account changes in advance.”

- **First Citizens Bank, Silicon Valley Bank Customer FAQs**, which:
 - includes this Q&A: “Does this acquisition affect my FDIC insurance coverage? Your deposits will continue to be insured by the FDIC up to the maximum amount allowed by law. This maximum amount is \$250,000 per depositor, per insured bank, for each account ownership category.”
- **FDIC, website, Signature Bank - New York, New York - Frequently Asked Questions** (updated March 22, 2023)
- **New York Community Bancorp, Inc., press release, New York Community Bancorp, Inc. Through Its Bank Subsidiary, Flagstar Bank, N.A., Acquires Certain Assets and Assumes Certain Liabilities of Signature Bridge Bank from the FDIC** (March 20, 2023)
- **FDIC, press release, FDIC Extends Bid Window For Silicon Valley Bridge Bank, N.A.** (March 20, 2023)
- **Signature Bridge Bank, N.A., website, An Important Note to Our Clients**
- **FDIC, press release, Subsidiary of New York Community Bancorp, Inc. to Assume Deposits of Signature Bridge Bank, N.A. From the FDIC** (March 19, 2023), which:
 - notes that “Depositors of Signature Bridge Bank, N.A., other than depositors related to the digital banking business, will automatically become depositors of the assuming institution. All deposits assumed by Flagstar Bank, N.A., will continue to be insured by the FDIC up to the insurance limit. Flagstar Bank’s bid did not include approximately \$4 billion of deposits related to the former Signature Bank’s digital banking business. The FDIC will provide these deposits directly to customers whose accounts are associated with the digital banking business.”

Alerts

- **Wilson Sonsini Alert: Bipartisan Calls for Congressional Investigations in the Wake of Silicon Valley Bank Collapse** (March 14, 2023)
- **Wilson Sonsini Alert: SVB Is Now a Full-Service “Bridge Bank”: Key Legal Considerations for Companies Considering Whether to Transfer Funds from SVB** (March 13, 2023)
- **Wilson Sonsini Alert: Important Tips When Establishing New Bank Accounts and Updating Wire Transfer Information** (March 13, 2023)
- **Wilson Sonsini Alert: Extraordinary Announcement from the Treasury, Fed, and FDIC Following the Silicon Valley Bank Closure** (March 12, 2023)
- **Wilson Sonsini Alert: Addressing Legal Issues Related to the Silicon Valley Bank Closure** (March 11, 2023)

PREVIOUS UPDATES

SVB Financial Group, press release, SVB Financial Group Commences Chapter 11 Proceeding to Preserve Value (March 17, 2023), which:

- specifically notes that “SVB Financial Group is no longer affiliated with Silicon Valley Bank, N.A., or the bank’s private banking and wealth management business, SVB Private” and that “the bank’s successor, Silicon Valley Bridge Bank, N.A., is operating under the jurisdiction of the Federal Deposit Insurance Corporation (“FDIC”) and is not included in the Chapter 11 filing.”

FDIC, letter, Financial Institutions are Required to Meet Contractual Obligations with Bridge Banks (March 14, 2023)

Silicon Valley Bridge Bank, N.A., announcement, Details for Counterparties (March 14, 2023), which:

- includes statement that the bank intends to honor all existing undrawn credit agreements.

Silicon Valley Bridge Bank, N.A., announcement, Update from the CEO (March 14, 2023), which:

- announces that all existing and future deposits are fully guaranteed.

FDIC, press release, FDIC Acts to Protect All Depositors of the Former Silicon Valley Bank, Santa Clara, California (March 13, 2023), which:

- announces that FDIC “transferred all deposits—both insured and uninsured—and substantially all assets of the former Silicon Valley Bank of Santa Clara, California, to a newly created, full-service FDIC-operated ‘bridge bank’ in an action designed to protect all depositors of Silicon Valley Bank.”

HM Treasury (UK), press release, Government and Bank of England Facilitate Sale of Silicon Valley Bank UK (March 13, 2023)

FDIC, Federal Reserve, and Treasury, press release, Joint Statement by Treasury, Federal Reserve, and FDIC (March 12, 2023)

Federal Reserve, press release, Federal Reserve Board Announces it Will Make Available Additional Funding to Eligible Depository Institutions to Help Assure Banks Have the Ability to Meet the Needs of All Their Depositors (March 12, 2023)

New York Department of Financial Services, press release, Superintendent Adrienne A. Harris Announces New York Department of Financial Services Takes Possession of Signature Bank (March 12, 2023)

FDIC, press release, [FDIC Establishes Signature Bridge Bank, N.A., as Successor to Signature Bank, New York, NY](#) (March 12, 2023)

FDIC, press release, [FDIC Creates a Deposit Insurance National Bank of Santa Clara to Protect Insured Depositors of Silicon Valley Bank, Santa Clara, California](#) (updated March 12, 2023), which:

- announces SVB's closure and the FDIC's creation of the Deposit Insurance National Bank of Santa Clara (DINB) and
- instructs customers with accounts in excess of \$250,000 to contact the FDIC toll-free at 1-866-799-0959.