

# **Branches and Relocations**

## **Comptroller's Licensing Manual**

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# Branches and Relocations

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# Branches and Relocations

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## Introduction

This booklet contains policies and procedures to guide a national bank in submitting a request to the Comptroller of the Currency (OCC) to establish or relocate a branch or relocate its main office.

The Key Policies section provides a brief overview of licensing guidelines used along with the regulations governing branching, 12 CFR 5.30, and main office relocations, 12 CFR 5.40. Detailed discussions of the specific standards, policies, and procedures relevant to the various forms of branching and main office activities are contained in other sections of this booklet. There are step-by-step procedures for the applicant and the OCC to follow and a glossary of terms used in the booklet. The reference section includes cites to relevant OCC decisions and interpretive letters, as well as other source documents. Throughout the booklet there are hyperlinks to other related booklets and to filing samples, such as the Branch and Relocation Application.

The OCC has an electronic process, titled e-Corp, that allows a bank to complete and submit an application or notice on-line. E-Corp represents the OCC's continuing effort to add value to the national charter, eliminate unnecessary regulatory burden, simplify administrative processes, enhance communications, reduce paperwork, and take full advantage of e-government mandates. National banks may file new branch and relocation applications on-line. In addition, a bank may file an on-line notice to close a branch or to relocate a main office to an existing branch in the same city, town, or village.

All national banks registered on National BankNet—the OCC's free, extranet Web site—can access e-Corp. Every registered bank has a BankNet agent who can provide the necessary information. If you are not sure your bank is registered for BankNet or you need to identify your agent, contact the OCC by e-mail at [NationalBankNet@occ.treas.gov](mailto:NationalBankNet@occ.treas.gov).

Licensing staff may communicate with applicants orally or in writing (e-mail or letter) about the application's status, including acknowledgement and decision. Generally, OCC will communicate in writing decisions on applications presenting novel, complex, or significant policy or legal issues.

## Key Policies

The OCC acts upon applications to establish branches, both permanent and temporary, or to relocate branches or main offices in compliance with the provisions of applicable federal and state law. In seeking the OCC's approval, applicants must comply with applicable federal and state laws.

## Decision Criteria

In determining whether to approve a branch or relocation application, the OCC is guided by the following principles:

- Maintaining a sound banking system.
- Encouraging a national bank to help meet the credit needs of its entire community.
- Relying generally on the marketplace as the best regulator of economic activity.
- Encouraging healthy competition to promote efficiency and better service to customers.

## Standard Condition

A national bank that wishes to establish or relocate a branch office, or to relocate a main office other than to an existing branch in the same city, town, or village, including a short-distance relocation, must submit an application to the OCC and obtain its prior approval. Unless the OCC grants an extension, the OCC's approval will terminate automatically if the bank does not open the branch or relocate the branch or main office within 18 months from the approval date.

## Special Conditions

The OCC may impose appropriate special conditions on approvals to protect the safety and soundness of the bank; prevent possible conflicts of interest; assure compliance with applicable law; or for other supervisory, compliance, or policy considerations.

## CRA Considerations

The OCC considers the CRA performance record of a national bank in making a decision on its proposed branch or relocation application. The OCC will review comment letters from the public and the applicant's responses to those letters, and information available from CRA examinations.

## Extension of Offices

Whenever a national bank establishes a publicly accessible banking office that will engage in branching functions apart from a main office or an existing branch, the OCC considers the facility a branch, unless it determines that the facility is an extension of the bank's main office or one of its existing branches or satisfies another exception from the definition of a branch (see the Glossary). The OCC relies on a number of factors in distinguishing between a branch and an extension of the bank's main or branch office. The factors include:

- The distance between the existing office and the proposed facility.

- Whether a direct line of sight exists between the two facilities and how the intervening space is used.
- Whether the two facilities are connected in any way, such as by a pneumatic tube.
- The purpose of the proposed facility.
- Whether the facility is situated physically in such a way as to give the bank a material advantage over competitors in attracting customers.
- The dependency of the proposed facility on the existing office.
- The availability for expansion of adequate sites closer to the existing office.
- The existing facility's demonstrated need for such a facility.
- Whether a state bank could operate the proposed facility as an extension of its main or branch office.

The OCC balances these factors and applies them to each case to determine whether a particular facility constitutes a branch. The OCC does not consider extensions of a national bank's main office or authorized branch to be separate branches under 12 USC 36.

## **Application Process**

A bank that wishes to establish a branch or relocate a main or branch office must apply to the OCC for approval. Application processing time frames differ depending on whether the bank meets certain criteria. The OCC provides an expedited review process for an eligible bank (see Glossary for definition). If the bank is not eligible for expedited review, the bank's application will be subject to the standard review process.

## **Expedited Review**

The OCC generally provides expedited review of branch and relocation applications, if the applicant is an eligible bank. An application for a branch or relocation, processed under expedited review, will be considered approved as of the 15th day after the close of the public comment period, or the 45th day after the filing is received by the OCC, whichever is later, unless the OCC takes one of the following actions:

- Decides the application sooner.
- Formally extends the review period.
- Removes the application from the expedited review process.

The OCC will remove an application from expedited review if the filing, or an adverse comment about the filing, presents significant supervisory, CRA, or compliance concerns, or raises significant legal or policy issues that require additional OCC review. Applicants should refer to 12 CFR 5.13(a)(2) and the [“Public Notice and Comments”](#) booklet for a more detailed discussion about the reasons the OCC will remove an application from expedited review.

The OCC notifies an applicant promptly whenever it decides to remove an application from expedited review and provides a written explanation of the reasons for that decision. When an application is removed from expedited review as a result of information obtained in a public comment, the OCC will also inform the commenter.

## Standard Review

National banks submitting applications subject to standard review will receive a written decision from the OCC that the applications are approved, approved with special conditions, or denied after the close of the 30-day public comment period (or 15-day comment period for short-distance relocations). A standard review means that the bank must receive a written decision document from the OCC. The application is not approved automatically.

## Publication

The national bank applicant publishes a public notice containing specific information on each branch or relocation application on the date the application is filed with the OCC, or as soon as possible before or after the date of filing.

Each national bank that proposes to establish a branch or relocate a branch or its main office must publish notice of the application in a newspaper of general circulation in the community to be served. The OCC may, under certain circumstances, waive this public comment period. The comment period is 30 days, except for short-distance relocations that require only a 15-day comment period. No publication generally is required for the relocation of a main office to an existing branch site in the same city, town, or village. All publication notices should state the filing and its subject matter, and indicate that the OCC will review public comments. The publication should include:

- The application type.
- The date of the filing.
- The name and location of the bank.
- The location of the proposed branch (if a relocation, include the current and proposed locations).
- The address of the appropriate district office to which written comments may be forwarded.

- The duration of the comment period.
- Any other information that the OCC requires.

If an application is part of a multi-step transaction, all steps should be included in the publication. Refer to the Public Notice discussion in the "[Public Notice and Comments](#)" booklet for general information about multiple-step transactions and for the other general requirements.

## Jointly Owned Branches

When one or more national banks or other depository institutions propose to establish a branch jointly, one of the national banks may act as agent and submit one branch application on behalf of the national banks in the proposed group. The application must include the name and main office address of each entity in the group. Although only one application is filed, each national bank applicant, if approved, receives a branch certification. Other depository institutions involved in the proposal must receive approval from appropriate state or federal regulators.

## Specific Requirements

### State Law Branching Considerations

The OCC requires each national bank to answer questions about state branching law in each branch application. In some cases applicants should submit additional legal analysis and documentation of state law factors - for example if, the applicant expects a legal challenge, the legal authority for the branch is not readily apparent, or the application presents unusual legal issues. If state law requires a market area analysis, the bank may use the assessment area it defines for its CRA evaluations, unless state law requires a different delineation.

Applicants should also review state laws addressing corporate names. The OCC considers the matter of branch names to be a business decision made after careful consideration of state law and other factors contained in the Interagency Statement Branch Names issued May 1, 1998. (See Appendix C, "[General Policies and Procedures](#)" booklet for specific discussion.)

After state laws are enacted or amended to permit a branch at a location previously prohibited by state law, the OCC usually will accept, but will not act upon, applications prior to the effective date of state law.

### Interstate Branching

The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Riegle-Neal) permits a bank to establish a branch in a state other than a state in which it has its main office or any authorized branches. This holds true provided that the proposed branch state has in effect a law that applies equally to all banks and expressly permits all out-of-state banks to establish de novo branches in that state. The statute defines a de novo branch as a branch of a national bank that is

established originally by the national bank and does not become a branch of the bank by acquisition of an insured depository institution or a branch of an insured depository institution, or a conversion. Assuming the existence of a state law that meets these criteria, Riegle-Neal provides that a bank applying to establish an interstate de novo branch must:

- Comply with the filing requirements of any host state (and submit a copy of the application to its state bank supervisor) to the extent that the requirements:
  - Do not discriminate against out-of-state banks or bank holding companies or their subsidiaries.
  - Are similar in effect to those imposed on out-of-state nonbanking corporations (“doing business” filing requirements).
- Comply with the OCC’s usual CRA considerations, and if the applicant has no bank affiliate in the host state, the OCC also considers:
  - The most recent written CRA evaluation of the bank’s affiliates.
  - The applicant’s record of compliance with applicable state community reinvestment laws.
- Be adequately capitalized as of the date the application is filed and the date the branch is opened.
- Be adequately managed as of the opening date.

## **Deposit Production Rule**

Riegle-Neal prohibits banks from using established or acquired covered interstate branches (see Glossary) as deposit production offices. It also provides guidelines for determining whether banks reasonably meet the credit needs of the communities served. To assist regulators in the credit needs assessment, the rule provides for a loan-to-deposit screen, which compares a bank’s statewide loan-to-deposit ratio (BSLD) with that state’s statewide loan ratio (statewide ratio). The BSLD is comprised of the loan-to-deposit ratio of all of a bank’s covered interstate branches within the state. The statewide ratio is the loan-to-deposit ratio of all the banks chartered or headquartered in that state, except for certain limited purpose banks. If the BSLD is at least 50 percent of the statewide ratio, a credit needs determination is not necessary. If the BSLD is less than 50 percent of the statewide ratio, or if the OCC determines that no reasonably available data exists to determine the bank’s statewide ratio, the OCC must perform a credit needs determination.

The OCC will assess a bank’s compliance with the deposit production rule at regularly scheduled examinations, but no earlier than one year after the establishment by the bank of a covered interstate branch in a new state. Failure to maintain an adequate BSLD could result in supervisory sanctions, including denial of branch applications in that state.



## Capital Requirements

Every national bank seeking to establish branches outside of the city, town, or village in which it is situated shall, under 12 USC 36(c), have capital and surplus equal to that required of state-chartered institutions applying to establish branches.

The applicant should refer to 12 CFR 3, Minimum Capital Ratios, for the required minimal acceptable capital ratio for national banks.

### Undercapitalized Banks

The applicant should refer to Prompt Corrective Action (12 CFR 6) for information that specifies supervisory actions restricting the activities of banks categorized as undercapitalized, significantly undercapitalized, or critically undercapitalized.

The OCC may approve an application for a new branch, relocation, or main office relocation from an undercapitalized bank, if the OCC determines that:

- The bank's capital restoration plan has been accepted by the OCC.
- The bank is implementing the plan.
- The proposed branch or relocation is consistent with and will further the achievement of the plan.

## Investment in Bank Premises Limitation

A national bank should review its compliance with rules for aggregate investment in bank premises when planning to establish a branch or relocate a branch or main office. If the bank's investment would cause it to exceed its capital stock or a level previously approved by the OCC, it must submit either a notice or an application, depending on the circumstances. For details, applicants should refer to the "Investment in [Bank Premises](#)" booklet.

## NHPA/NEPA

The applicant must consider the National Historic Preservation Act and the National Environmental Policy Act for its proposed transaction and certify whether the proposal will affect an historic district, site, building, structure, object, or the quality of the human environment. (For a complete discussion, see the "[General Policies and Procedures](#)" booklet.)

## Depository Institution Management Interlocks Act (DIMIA)

The DIMIA prohibits certain management interlocks. The OCC may not authorize establishment of a branch if it would cause a bank to operate in a market area that would result in creating a prohibited interlock. For a detailed discussion, refer to the "[Management Interlocks](#)" booklet.

## Main Office Relocation

The main office of a national bank, under 12 USC 30, may not relocate more than 30 miles beyond the limits of the city, town, or village in which the main office is located. Main office relocations to existing branch sites within the same city, town, or village do not require prior approval from the OCC. This type of relocation only requires notice to the OCC. The notice must be submitted to the OCC prior to the relocation and must include the new address of the main office and the effective date of the relocation.

A national bank that desires to relocate its main office to a different location within its city, town, or village must file an application with the OCC. If the proposed site is beyond the limits of the city, town, or village where the main office is located the bank must file an application with the OCC and:

- Shareholders owning two-thirds of the voting stock must approve the relocation.
- The Articles of Association must be amended.
- The applicant must submit a Secretary's Certificate certifying that shareholders' approval has been obtained and provide the amended Articles of Association.

An applicant that desires to convert an existing main office to a branch must file a branch application. In addition, interstate branching laws may apply when a main office relocation crosses state lines and the bank seeks to retain branches in its former main office state.

## Messenger Service or Mobile Branch

The application process for messenger services and mobile branches is the same as for any other branch. The operation of the messenger service or mobile branch is generally limited to those geographic locations in which the bank may permissibly operate a permanent branch, unless state branching law permits operation of these facilities in a broader area. For a bank to establish a messenger service or mobile branch or to expand the service area previously approved for an existing messenger service or mobile branch:

- The bank must file a branch application delineating the proposed or expanded geographic area to be served by the facility.
- The bank must publish notice, in a newspaper of general circulation in the community to be served, of the proposed or expanded geographic area to be served by the facility. If the facility will serve more than one community, it may be necessary to publish this notice in more than one newspaper to assure that notice has been given in each community. The OCC will not approve the operation of a messenger service or mobile branch in an area or areas beyond that in which the notice was published.

- The OCC must approve the proposed or expanded geographic area.

In general, a bank need only identify in its application and public notice the geographic area to be served by the messenger service or mobile branch; however depending on state law, a more specific statement of the locations to be served may be appropriate. In addition, in the case of messenger services, a bank may seek approval in one application for multiple messenger services to serve the same general geographic area.

After the proposed service begins operations, the bank must maintain a log of operations, indicating the date, specific location, and a description of each stop (for example, office, store, residence).

## Temporary Branch

### General

A temporary branch is a branch located at a fixed site and from the time of its opening is scheduled to close within one year and this information is contained in the application and the published notice. Temporary branches are established under a variety of circumstances. The following discussion covers procedural requirements for most standard and emergency situations. Banks with questions regarding a particular situation should contact the appropriate district licensing manager.

Advance closing notices are not required when it is time for the temporary branch to close. For details regarding branch closings, applicants should refer to the [“Branch Closings”](#) booklet. Alternatively, after a temporary branch is operating, the bank may decide to make it permanent. In such cases, the bank should follow standard branch application procedures.

### Nonemergency Branching

In most cases, the bank must file an application with the OCC and provide public notice. The OCC may waive or reduce the public notice and comment period for an application to establish a temporary branch if:

- The applicant bank has a CRA rating of “satisfactory” or “outstanding.”
- The temporary branch, if established by a state bank to operate in the manner proposed, would be permissible under state law without state approval.

### Emergency Branching

In the event of a major disaster or other emergency, the OCC may grant approval for a temporary branch. Such approvals reflect the particular circumstances and generally permit operation for six months, unless the OCC grants an extension.

*Major Disasters:* The OCC has adopted abbreviated procedures for processing branch applications when the President of the United States declares a “major disaster area.” After the major disaster area is designated, the OCC generally will

waive normal regulatory and procedural requirements. If the approved main office or branch is inaccessible or inoperable due to the emergency, the bank may establish a temporary branch consistent with applicable federal and state law without first submitting a branch application. After establishing the branch, the bank should contact the OCC with the name and location of the temporary branch. The OCC will also decide on either written or oral national bank requests to provide temporary banking services at any new location in the major disaster area within the geographic area in which a national bank may establish a branch.

*Other Emergencies:* The OCC also may waive normal regulatory and procedural requirements when banking services are interrupted because of localized disasters, such as a fire. On an individual basis, the OCC grants requests for a waiver of normal regulatory procedures after considering whether the affected national bank has other branches in close proximity to the site and the proximity of the proposed site to the affected office.

## Alternative Sites

When an approved permanent main office or branch location undergoes renovation or construction, a bank may be unable to use it for a limited period of time. In some cases, the bank may be able to operate from a temporary structure at the approved site until renovations are completed. In such cases, no application or prior notification to the OCC is required.

If the bank cannot access the approved site, the OCC will permit operation of the approved branch or main office at an alternative location upon prior notice to the OCC if the site meets the following requirements:

- The alternate site is within 2,000 feet of the approved site.
- The alternate site will operate for no more than one year.
- Following closure of the alternate site, the approved permanent site must open or reopen.
- If the alternate site is a branch site, it must comply with the requirements of 12 USC 36, including any state law branching limits that are applicable to national banks.
- If the main office operates from an alternate site, the site must be located within the same city, town, or village as authorized for the permanent main office site.

For alternative sites not meeting these criteria, the bank must file a branch or temporary branch application, or application or notice to relocate a main office.

## Night Depository (Stand-alone)

Stand-alone night depositories or those established at an ATM site are branches requiring OCC authorization.

## ATM Conversion

To convert an existing ATM to a branch, a national bank must submit a branch application to the OCC. Conversely, a national bank may convert an existing branch to an ATM after notifying the OCC in writing prior to the conversion and following branch closing requirements.

## College and University Branches

The OCC has adopted simplified branching procedures for limited account services offered temporarily by national banks at colleges and universities if certain requirements are met. The OCC generally will waive filing fees and prior public notice requirements for college and university branches, when a national bank:

- Can demonstrate that a state bank can establish and operate the proposed facility at a college or university without submitting an application to the state. The facility also must meet all requirements of state law applicable to state banks. The OCC will accept a copy of the state law or written opinion of the state-banking regulator as acceptable evidence.
- Will provide only limited account services for a temporary period during registration and for an additional period up to seven days per year (not in contravention of state bank authority).
- Has a “satisfactory” or better rating for its most recent CRA evaluation.

## Facility Banking

Under 12 USC 1828(r), a bank subsidiary of a bank holding company may act as agent for an affiliated depository institution to receive deposits, renew time deposits, close loans, service loans, and receive payments on loans and other obligations. The law provides that:

- The location where the affiliate is acting as agent is not considered a branch.
- The bank acting as agent cannot conduct any activity as agent that it could not conduct as principal.
- The affiliated depository institution using an agent bank cannot have the agent conduct any activity that it is prohibited from conducting as principal.
- Under certain circumstances, an insured savings association may act as agent for an affiliated bank and not be considered a branch of that affiliate.

In addition, the law specifically provides that it does not affect any authority under any other provisions of law that permit agency relationships involving banks without raising branching concerns. Thus, other agency relationships also may not constitute the establishment of branches. For instance, a variety of OCC legal interpretations on facility banking issued prior to the passage of 12 USC 1828(r) remain valid. For further information about whether certain agency relationships constitute branching, contact the appropriate district counsel's office.

## Military Banking Facilities

A national bank also may establish a banking facility on a military installation by requesting it to be designated as a government financial agent by the Secretary of the Treasury as authorized under 12 USC 90. Such military banking facilities do not require a branch application, since they are not covered by 12 USC 36. Banks desiring to establish a military banking facility must contact the U. S. Treasury Department, Office of the Fiscal Assistant Secretary, Washington, DC 20226.

## Branch Closing Notice

A bank must file a branch closing notice whenever it proposes to relocate a branch. However, there are exceptions:

- A bank is not required to file an advance closing notice for short-distance branch relocations or branch consolidations as described in the "Joint Policy Statement on Branch Closing Notices and Policies" (see the Appendix in the "[Branch Closings](#)" booklet).
- A bank does not need to file an advanced closing notice if a mobile branch or messenger service will continue to operate within its approved geographic area, but changes stops within that area.

For a detailed discussion and list of other exceptions, refer to the "[Branch Closings](#)" booklet).

# Procedures: Standard Review

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## Prefiling Meeting

### Licensing Staff

1. Refers a bank that requests instructions to the "[General Policies and Procedures](#)" booklet and to this booklet of the *Comptroller's Licensing Manual*.

### Bank or Licensing Staff

2. Requests an optional prefiling meeting to review procedures for branches and relocations and factors that may influence the OCC's review of the application.

### Licensing Staff

3. If any prefiling discussion or meeting reveals significant policy, legal, CRA, consumer compliance, or supervisory issues, contacts Headquarters Licensing (HQ LIC) for guidance on whether:
  - The application should be filed with HQ LIC if broad issues are involved.
  - Specific issues should be carved out for HQ LIC action while the application continues to be processed in the appropriate district office.
4. Prepares memoranda on all prefiling meetings and records pertinent information from telephone calls. Retains memoranda and other information in a pending file.

## Filing the Application and Publication

### Bank

5. Submits a completed [application](#) and filing fee (if applicable) to the licensing manager in the appropriate district office or to HQ LIC.
6. Publishes a notice on the date of filing or as soon as practicable before or after the date of filing (see the "[Public Notice and Comments](#)" booklet). [In the case of an emergency branch established in an area designated as a Major Disaster Area, the bank should contact the licensing manager in the appropriate district.]

## Review

### Licensing Staff

7. Initiates and enters appropriate information into the Corporate Activities Information System (CAIS) and establishes the official file to maintain all original documents.
8. (If applicable) Forwards the filing fee and the deposit memorandum (Form 6043-01) to the Comptroller of the Currency, Attention: Accounts Receivable, 250 E Street SW, MS-4-8, Washington, DC 20219. Retains a copy of the memorandum.
9. Reviews the filing and any other relevant information about the bank, and:
  - Determines if the filing contains all information necessary to reach a decision.
  - Requests additional information from the bank by a specific due date, if the filing does not contain all information necessary to reach a decision.
10. If at any time the filing presents significant policy, legal, CRA, consumer compliance, or supervisory issues, contacts HQ LIC to decide:
  - If specific issues should be carved out for HQ LIC action while the application continues to be processed in the appropriate district office.
  - If, at any point during the processing, whether the case should be referred to HQ LIC for further processing.
11. Within five business days of receipt:
  - Notifies the appropriate assistant deputy comptroller (ADC)/ examiner-in-charge (EIC) and/or the portfolio manager in the supervisory office of receipt of the application, and:
    - Solicits comments from the ADC/EIC and/or portfolio manager with preliminary responses required by the 15<sup>th</sup> day after the receipt date.
    - If a bank premises application or notice is included in this filing, refers the bank premises request to the supervisory staff for decision.
    - For undercapitalized banks, requests information from the ADC/EIC and/or portfolio manager about the relationship of the branch application to the bank's capital plan.
  - For Large Banks (LB), sends an e-mail informing the LB/EIC of the receipt of the application and soliciting comments by the 15<sup>th</sup> day after the receipt date. Sends a copy of the e-mail to the LB deputy comptroller (DC).



Unless the LB/DC sends an e-mail to Licensing, the EIC's reply serves as the supervisory comment.

- Requests compliance staff and the community affairs officer for the district to provide the following preliminary information by the 15th day after the receipt date.
  - Recommendations, if any, made at or subsequent to the most recent CRA examination, by the OCC to the bank to improve its performance and, if known, the bank's responses.
  - Public comments and community contacts subsequent to the most recent CRA examination.
  - Whether information filed by the bank (for example, HMDA data) more recently than the most recent CRA examination reflects any material change in CRA performance.
- If a legal issue is identified, forwards relevant materials to the Law Department and requests a preliminary response by the 15th day after the receipt date on whether a significant legal issue is present.
- Contacts other divisions, as appropriate, with responses requested by the 15th day after the receipt date.
- Contacts HQ LIC if the proposal will:
  - Have any significant effect on the quality of the human environment.
  - Affect any district, site, building, structure or object listed in, or eligible for listing in the *National Register of Historic Places*. (See the "General Policies and Procedures" booklet for specific NHPA discussion.)

## Public Comments and Hearings

### Licensing Staff

12. Refers to the "[Public Notice and Comments](#)" booklet if copies of applications or hearings are requested, or public comments filed.
13. Comments should be forwarded to appropriate units for evaluation and advice (for example, legal issues to legal staff). If an adverse CRA comment is received, promptly notifies HQ LIC.

## Decision

### Licensing Staff

14. After the close of the public comment period, prepares a confidential memorandum and decision letter recommending a decision to the delegated official.
15. Decides the application under delegated authority or forwards the official file to the appropriate deciding official, and:
  - If routine approval (no decision letter to the bank), goes to step 16.
  - If referred to HQ LIC, goes to step 19.
  - If the application is conditionally approved or denied, forwards a copy of the confidential memorandum, decision document, and transmittal letter to the Director, Licensing Policy and Systems. If denied after obtaining legal concurrence, goes to step 26.
16. Notifies the bank and any interested parties of the decision, if appropriate. Notifies the appropriate ADC, EIC, or portfolio manager or LB/DC and LB/EIC of the decision by forwarding updated CAIS comments and, if warranted, advises of any written conditions attached to the decision or other supervisory concerns.
17. Sends the bank a decision letter and, if appropriate, a Customer Satisfaction Survey. Notifies all interested parties.
18. Makes appropriate CAIS entries.

### HQ LIC

19. Reviews the file and all relevant information; solicits comments from other OCC divisions, as appropriate; makes a recommendation; and forwards the official file to the appropriate official for decision.
20. After the decision, notifies the bank and the district of the decision. Notifies the appropriate portfolio manager and ADC/EIC or the LB/DC and LB/EIC of the decision by forwarding updated CAIS comments and, if warranted, advises of any written conditions attached to the decision or other supervisory concerns.
21. Sends the bank a decision letter and, if appropriate, a Customer Satisfaction Survey. Also, notifies all interested parties.
22. If the application is conditionally approved or denied, forwards a copy of the confidential memorandum, decision document, and transmittal letter to the Director, Licensing Policy and Systems.

23. For conditionally approved and approved filings, returns the official file to the district office for authorization and close out.
24. Makes appropriate CAIS entries.
25. If denied, goes to step 26.

## **Close Out**

### Licensing Staff

26. Reviews the file for completeness and forwards it to Central Records.
27. Makes appropriate CAIS entries.

# Procedures: Expedited Review

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## Prefiling Meeting

### Licensing Staff

1. Refers a bank that requests instructions to the "[General Policies and Procedures](#)" booklet and to this booklet of the *Comptroller's Licensing Manual*.

### Bank or Licensing Staff

2. Requests an optional prefiling meeting to review policies and procedures for branches and relocations and to discuss factors that may influence the OCC's review of the application.

### Licensing Staff

3. If any prefiling discussion or meeting reveals significant policy, legal, CRA, consumer compliance, or supervisory issues, contacts Headquarters Licensing (HQ LIC) for guidance on whether:
  - The application should be filed with HQ LIC if broad issues are involved.
  - Specific issues should be carved out for HQ LIC action while the application continues to be processed in the appropriate district office.
4. Prepares memoranda on all prefiling meetings and records pertinent information from telephone calls. Retains memoranda and other information in a pending file. All communications with applicants may be made by e-mail, including acknowledgment and approval.

## Filing the Application and Publication

### Bank

5. Submits a completed [application](#) and filing fee (if applicable) to the licensing manager in the appropriate district office or to HQ LIC.
6. Publishes a notice on the date of filing or as soon as practicable before or after the date of filing (see the "[Public Notice and Comments](#)" booklet).

## Review

### Licensing Staff

7. Initiates and enters appropriate information into the Corporate Activities Information System (CAIS) and establishes the official file to maintain all original documents.
8. (If applicable) Forwards the filing fee and the deposit memorandum (Form 6043-01) to the Comptroller of the Currency, Attention: Accounts Receivable, 250 E Street SW, MS-4-8, Washington, DC 20219. Retains a copy of the memorandum.
9. Determines if the bank meets:
  - The eligible bank criteria for expedited review.
  - If not an eligible bank, goes to the Procedures for Applications.
10. Within five business days of receipt, notifies the appropriate portfolio manager and assistant deputy comptroller (ADC)/EIC of Mid-size /Community Banks of the filing and solicits comments from other OCC divisions, as appropriate, with a preliminary response required within 15 days of the application's receipt. For Large Bank applicants, asks the licensing manager about the supervisory notice/comment distribution to the LBDC/EIC.
11. If, at any time, policy, legal, or supervisory issues are identified, repeats step 3.

## Decision

### Licensing Staff

12. Completes the expedited branch decision document or confidential memorandum. With the exception of the investment in bank premises question, all answers on the expedited branch decision document should be marked "Yes." A "Yes" answer to this question should be referred to the supervisory office for disposition of the request for investment in bank premises. This document may be expanded to accommodate an adequate discussion of significant issues. The Confidential Memorandum format should be used to discuss complex issues.
13. Decides the application under delegated authority or forwards the official file to the appropriate deciding official.
14. Within five business days of receipt, if the application will receive expedited treatment, sends the applicant by e-mail or letter acknowledgment of receipt and stating that the application may be considered approved 15 days after the end of the public comment period or 45 days after the application is received by the OCC, whichever comes later, unless the OCC notifies the bank orally or in writing to the contrary.

If not an eligible bank or if otherwise subject to standard processing, sends a letter within five business days of receipt, notifying the bank that its filing will be processed under the standard review process and that the branch cannot operate until the OCC provides written approval.

15. Updates the CAIS entry, files the review and decision documents.

## **Close Out**

### Licensing Staff/HQ LIC

16. Reviews the file for completeness and forwards it to Central Records.
17. Makes appropriate CAIS entries.

## Procedures: Notice

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### Notice of Main Office Relocation to Existing Branch Site within the Same City, Town, or Village

#### Licensing Staff

1. Refers a bank that requests instructions to the "[General Policy and Procedures](#)" booklet and to this booklet of the *Comptroller's Licensing Manual*.

#### Bank

2. Submits to the appropriate licensing manager a letter of notification prior to the relocation.

### Processing the Notification

#### Licensing Staff

3. Establishes an official file that contains all original documents.
4. Sends a letter to the bank acknowledging receipt of the letter of notification.
5. Initiates and makes appropriate CAIS entries.

### Close Out

6. Sends the official file to Central Records.

# Glossary

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A **Bank Holding Company** (BHC) is the entity that controls the bank. In the case of a multi-tiered BHC structure, it is the top tier.

A **branch**, as provided in 12 USC 36(j), includes any branch bank, office, agency, additional office, or any branch place of business established by a national bank in the United States or its territories at which deposits are received, checks paid, or money lent. Branch facilities may include a messenger service, mobile branch, temporary facility, night depository (drop box), drive-in facility, or a seasonal agency.

A **banking office or facility is not a branch if** it falls within one of the following categories:

- The bank does not permit the public to have physical access to the facility to make deposits, receive withdrawals, or borrow money (for example, an office established by the bank to receive deposits only through the mail would not be a branch).
- It is located at the site of, or is an extension of, an approved main office or branch office of a national bank.
- It is a facility established under the authority of 12 USC 90 or other authority not requiring approval under 12 USC 36.
- An ATM or a remote service unit.
- A loan production office.
- A deposit production office.
- A main office.

A **central city**, as defined in 12 CFR 5.3(e), means the city or cities identified in the complete title of the Metropolitan Statistical Area (MSA) in which the relocating office is located.<sup>2</sup>

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<sup>2</sup>The Office of Management and Budget's (OMB) list of MSAs and Central Cities can be found on the Internet at <http://www.census.gov>. At the "Subjects A-Z" menu, click on "M," under "Municipal," click on "Metropolitan Area Population Estimates," then on "definitions," and then click on "Central Cities." Copies of the OMB list may also be obtained by requesting the most recent "List of Metropolitan Area Definitions" (accession no. PB96-180575) from National Technical Information Services (NTIS), Document Sales, 5205 Port Royal Road, Springfield, VA 22161, (703) 487-4650.



A **covered interstate branch** for the purposes of the Deposit Production rule (12 CFR 25.62) includes:

- Any branch of a national bank that is established or acquired outside of the bank's home state; or
- Any branch of a bank controlled by an out-of-state BHC.

An **eligible bank** is a national bank that:

- Has a composite CAMELS rating of 1 or 2.
- Has an outstanding or satisfactory Community Reinvestment Act (CRA) rating. (This factor does not apply to an uninsured bank or a special purpose bank covered by 12 CFR 25.11(c)(3).)
- Is well capitalized as defined in 12 CFR 6.4(b)(1).
- Is not subject to a cease and desist order, consent order, formal written agreement, or prompt corrective action directive or, if subject to any such order, agreement, or directive, is informed in writing by the OCC that it still may be treated as an "eligible bank."

The **home state** of a national bank is the state in which its main office is located. The home state of a BHC is the state in which the total deposits of all of its banking subsidiaries are the largest as of the later of July 1, 1966, or the date on which the company becomes a BHC under the Bank Holding Company Act (12 CFR 25.62).

An **interstate bank** for the purposes of the deposit production rule is a national bank that:

- Is owned by a holding company the home state of which is in a state other than the bank's home state, or
- Operates a branch or branches in a state other than its home state.

A **jointly owned branch** is a branch office established by more than one insured depository institution.

A **low- or moderate-income area**, as provided in 12 USC 1831r-1, means a census tract for which the median family income is: (1) less than 80 percent of the median family income for the MSA in which the census tract is located; or, (2) in the case of a census tract that is not located in an MSA, less than 80 percent of the median family income for the state in which the census tract is located, as determined without taking into account family income in MSAs in such state.

A **main office** is the office so designated in the national bank's Articles of Association. (A national bank may change the location of its main office by following the procedures for relocating a main office or in connection with a Riegle-Neal transaction.)

A **messenger service** is any service used by a national bank and its customers, to pick up from, and deliver to, specific customers at locations, such as homes or offices, items involving branching transactions — that is, items constituting deposits, withdrawals, or payments of loan proceeds — between the bank and its customers. (12 CFR 7.1012(a)).

A **military banking facility** is a banking office established on a U. S. military installation under the authority of 12 USC 90.

A **mobile branch** is a facility, other than a messenger service, that does not have a single, permanent site, and includes a vehicle that travels to public locations for the conduct of branching transactions. A mobile branch may serve regularly scheduled locations or be open at various times and locations, such as county fairs, sporting events, or school registration periods. (A branch license is needed for each mobile unit.)

A **seasonal agency** is an office established in a resort community, within the limits of the county in which the bank's main office is located, that may receive and pay out deposits, issue and cash checks and drafts, and perform incidental business. Seasonal agencies may be approved by the OCC only if state law permits branching within the county or greater areas, and if no bank is located and conducts business in the community in which the proposed agency will be located. Capital requirements of 12 USC 36 do not apply to seasonal agencies. Authorization of a seasonal agency will be revoked when a state or national bank opens in the community.

A **short-distance relocation**, in accordance with 12 CFR 5.3(l), means moving a branch or main office within: (1) a one-thousand foot radius of the site if the branch or main office is located within a central city of an MSA; (2) a one-mile radius of the site if not located within a central city, but if located within an MSA; or, (3) a two-mile radius of the site if not located within an MSA.

A **temporary branch** means a branch located at a fixed site and that is scheduled to, and will, permanently close no longer than one year after the branch is first opened as specified in the branch application and the public notice.

# References

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## **Branches—Definition, Establishment, Operation of, and ATM Exclusion**

Law 12 USC 36  
Regulation 12 CFR 5.30

## **Branch Closings**

Law 12 USC 1831r-1

## **Capital Requirements**

Law 12 USC 36

## **Change in Location—Policy and Procedures**

Laws 12 USC 30, 36  
Regulations 12 CFR 5.30, 5.40

## **Community Reinvestment Act of 1977**

Laws 12 USC 2901 - 2908  
Regulation 12 CFR 25

## **Decisions**

Regulation 12 CFR 5.13

## **Deposit Production Rule**

Law 12 USC 1835a  
Regulation 12 CFR 25

## **Depository Institution Management Interlocks Act**

Laws 12 USC 3201-3208  
Regulation 12 CFR 26

## **Expedited Processing**

Regulations 12 CFR 5.13, 5.30(f)(4)

## **Filing Fees**

Regulation 12 CFR 5.5

## **Investment in Bank Premises**

Law 12 USC 371d  
Regulations 12 CFR 5.37, 12 CFR 7.1000

## **Loans and Deposits Originating at Nonbranch Locations**

Regulations 12 CFR 7.4004, 7.4005

## **Loans Originating at Banking Offices or at Other than Banking Offices**

Regulations 12 CFR 7.1003-1005

## **Messenger Services**

Regulation 12 CFR 7.1012

**National Environmental Policy Act**

Laws 42 USC 4321-4347  
Regulation 40 CFR 1500

**National Historic Preservation Act**

Laws 16 USC 470-470x-6  
Regulation 36 CFR 800

**Notice of Filing**

Regulation 12 CFR 5.8(a)

**Public Comments and Hearing**

Regulations 12 CFR 5.10, 5.11

**Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994**

Laws 12 USC 36(d), (e), (f), (g); 215a-1; 1828(d)  
12 USC 1831u; 1835a, 2906(b)(1)(b), (d), (e)

**Remote Service Units/ATM**

Law 12 USC 36  
Regulations 12 CFR 7.4003, 7.4005

**Seasonal Agency**

Law 12 USC 36(c)