

NOTICE OF BRANCH CLOSURE
(FR 4031; OMB No. 7100-0264)

There is no formal reporting form for this information collection, however, a summary of the disclosure requirements is provided below.

FDIC Federal Deposit Insurance Act
SEC. 42. NOTICE OF BRANCH CLOSURE

Codified to 12 U.S.C. 1831r--1(a)

Source: Section 2[42(a)], formerly 2[39(a)] of the Act of September 21, 1950 (Pub. L. No. 797; 64 Stat. 882), effective September 21, 1950, as added by section 228 of title II of the Act of December 19, 1991 (Pub. L. No. 102--242; 105 Stat. 2308), effective December 19, 1991; redesignated as section 42(a) by section 1602(a) of title XVI of the Act of October 28, 1992 (Pub. L. No. 102--550; 106 Stat. 4078), effective December 19, 1991

NOTICE TO APPROPRIATE FEDERAL BANKING AGENCY

IN GENERAL - An insured depository institution which proposes to close any branch shall submit a notice of the proposed closing to the appropriate Federal banking agency not later than the first day of the 90-day period ending on the date proposed for the closing.

CONTENTS OF NOTICE shall include: a detailed statement of the reasons for the decision to close the branch; and statistical or other information in support of such reasons.

NOTICE TO CUSTOMERS

IN GENERAL - An insured depository institution which proposes to close a branch shall provide notice of the proposed closing to its customers.

CONTENTS OF NOTICE shall consist of: posting of a notice in a conspicuous manner on the premises of the branch proposed to be closed during not less than the 30-day period ending on the date proposed for that closing; and

- inclusion of a notice in—
 - at least one of any regular account statements mailed to customers of the branch proposed to be closed, or
 - in a separate mailing,
 - by not later than the beginning of the 90-day period ending on the date proposed for that closing.

ADOPTION OF POLICIES

Each insured depository institution shall adopt policies for closings of branches of the institution.

BRANCH CLOSURES IN INTERSTATE BANKING OR BRANCHING OPERATIONS

NOTICE REQUIREMENTS - In the case of an interstate bank which proposes to close any branch in a low- or moderate-income area, the notice required under subsection (b)(2) shall contain the mailing address of the appropriate Federal banking agency and a statement that comments on the proposed closing of such branch may be mailed to such agency.

- **Action required by appropriate federal banking agency** - If, in the case of a branch referred to in paragraph (1):
 - a person from the area in which such branch is located:
 - submits a written request relating to the closing of such branch to the appropriate Federal banking agency; and
 - includes a statement of specific reasons for the request, including a discussion of the adverse effect of such closing on the availability of banking services in the area affected by the closing of the branch; and
 - the agency concludes that the request is not frivolous, the agency shall consult with community leaders in the affected area and convene a meeting of representatives of the agency and other interested depository institution regulatory agencies with community leaders in the affected area and such other individuals, organizations, and depository institutions (as defined in section 19(b)(1)(A) of the Federal Reserve Act) as the agency may determine, in the discretion of the agency, to be appropriate, to explore the feasibility of obtaining adequate alternative facilities and services for the affected area, including the establishment of a new branch by another depository institution, the chartering of a new depository institution, or the establishment of a community development credit union, following the closing of the branch.

NO EFFECT ON CLOSING - No action by the appropriate Federal banking agency under paragraph (2) shall affect the authority of an interstate bank to close a branch (including the timing of such closing) if the requirements of subsections (a) and (b) have been met by such bank with respect to the branch being closed.

DEFINITIONS - For purposes of this subsection, the following definitions shall apply:

INTERSTATE BANK DEFINED.--The term "interstate bank" means a bank which maintains branches in more than 1 State.

LOW- OR MODERATE-INCOME AREA.--The term "low- or moderate-income area" means a census tract for which the median family income is—less than 80 percent of the median family income for the metropolitan statistical area (as designated by the Director of the Office of Management and Budget) in which the census tract is located; or in the case of a census tract which is not located in a metropolitan statistical area, 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 metropolitan statistical areas in such State.

SCOPE OF APPLICATION

This section shall **not** apply with respect to:

- an automated teller machine;
- the relocation of a branch or consolidation of one or more branches into another branch, if the relocation or consolidation—
 - occurs within the immediate neighborhood; and
 - does not substantially affect the nature of the business or customers served; or
 - a branch that is closed in connection with—
 - an emergency acquisition under—
 - section 11(n); or
 - (ii) subsection (f) or (k) of section 13; or
 - any assistance provided by the Corporation under section 13(c).