

Supporting Statement for
OMB Control No. 1557-0014
Comptroller's Licensing Manual

INTRODUCTION

The Comptroller's Licensing Manual (Manual) sets forth the OCC's policies and procedures for the formation of a new national bank, Federal savings association (FSA) (hereafter "bank") or Federal branch or agency as well as entry into the Federal banking system by other institutions, and corporate expansion and structural changes by existing institutions. The Manual includes sample documents to assist applicants in understanding the types of information that the OCC needs to process a filing. An applicant may use the format of the sample documents or any other format that provides sufficient information for the OCC to act on a particular filing, including, for national banks, the OCC's e-Corp filing system.

Effective July 21, 2011, the OCC implemented several provisions of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, P.L. 111–203 (Dodd–Frank). The following changes would integrate the OCC's national bank and Federal savings association rules relating to policies and procedures for corporate activities and transactions, revise some of these rules to eliminate unnecessary requirements or improve safety and soundness supervision, and make other technical and conforming changes.

The changes to the information collection are being made pursuant to a final rule and are as follows:

Rules of General Applicability

Federal savings associations will be required to follow the procedure and processing provisions currently imposed on national banks (part 5, subpart A) instead of those in part 116, which they currently follow. Only well capitalized Federal savings associations will qualify for expedited treatment and adequately capitalized institutions will no longer qualify. Public notices of filings will be required to be filed as soon as practicable after a filing date instead of seven days prior to the filing date. Public notice will have to state that a filing is being made and the date of the filing. A single public notice will be acceptable for multiple transactions or transactions filed with the OCC and another agency, under certain circumstances. Comments in response to a filing will have to be obtained from the OCC, as comments will no longer be sent directly to the institution.

The requirement for publication of notice of a filing by national banks will be made more specific and require the notice: to be published in English; to specify the name of institution that is the subject of the filing; to indicate that the public portion is available on request; and to provide the address of the applicant. Under certain circumstances, the OCC can require the applicant to publish a new notice.

Fiduciary Powers

In order to exercise fiduciary powers, Federal savings associations will be required to comply with the application requirements of § 5.26 in place of the requirements under current part 150. In addition, § 5.26 will be revised to require a national bank or Federal savings

association that has not conducted previously approved fiduciary powers for 18 consecutive months to provide the OCC with 60 days' advance notice before engaging in the activities. It will also require that a national bank or Federal savings association that has received approval to exercise limited fiduciary powers apply to the OCC to exercise full fiduciary powers. Eligible Federal savings associations will receive expedited review of applications. A provision is added setting out the circumstances under which a Federal savings association does not need to apply for fiduciary powers in connection with certain mergers.

Establishment, Acquisition, and Relocation of a Branch

New § 5.31 addresses the establishment and relocation of branches, or the establishment of agency offices, by Federal savings associations and replaces several provisions currently found in part 145.

Section 5.31(f)(1) sets out the general requirement that each Federal savings association proposing to establish or relocate a branch shall submit a separate application for each proposed branch, unless the transaction qualifies for an exception. The provision in § 145.93(e) stating that a Federal savings association may not file an application or notice, or use any of the exceptions, to establish a branch if the association has filed an application to merge or otherwise surrender its charter and the application has been pending for less than six months has not been carried over to § 5.31.

Section 145.93(b)(3) provided that certain highly rated Federal savings associations are not required to file an application to change the permanent location of an existing branch or to establish a new branch if it meets certain requirements, including that the Federal savings association meet the eligibility requirements for expedited treatment. Under § 5.31(f)(2)(iii) of the final rule, the Federal savings association is an "eligible savings association," as defined in 12 CFR 5.3(g), rather than eligible for expedited treatment.

Section 5.31(f)(3) is added in the final rule, which requires that highly rated Federal savings associations not required to file a branch application must file a notice with the OCC within 10 days after the opening of the branch. This notice must include the date the branch was established or relocated and the address of the branch.

Section 5.31(g) sets out exceptions to the rules of general applicability for applications by a Federal savings association to establish or relocate a branch and specifies that the OCC will be able to waive or reduce the public notice and comment period in certain emergency situations or with respect to certain temporary branches.

Section 5.31(h) provides that OCC's approval of a branch expires if the branch has not commenced business within 18 months, unless the OCC grants an extension. This period is longer than the current 12 month expiration period for branch approvals for Federal savings associations under § 145.95(c).

Section 145.93(c) currently requires prior approval for any savings association branch that would be subject to section 5(m)(1) of the HOLA (regarding District of Columbia savings associations), if the association meets the requirements of § 145.93(b) for an exception to the branch application filing requirement. New § 5.31(j) requires an application and prior written approval for each application. State and Federal savings associations will be required to file an

application with the OCC to establish or move a branch in the District of Columbia.

Investment in Bank Service Companies

Section 5.35 is expanded to cover Federal savings associations. It replaces the after-the-fact notice before making an investment in the equity of a bank service company or performing new activities in an existing bank service company with an expedited prior notice procedure.

Investments in Premises

Section 5.37 is expanded to cover Federal savings associations. In addition, an alternative, after-the-fact notice process is added for both national banks and Federal savings associations and an exception to the premise application and notice requirements for investments in banking premises through a service corporation is provided for Federal savings associations. Amendments to the definitions of “capital stock” and “capital and surplus,” which will increase the amount that a Federal savings association can invest in banking premises without OCC approval, will result in a decrease in the number of requests for approval. A transition provision is added for Federal savings associations to grandfather existing banking premises investments. Modifying, expanding, or approving such investments will require prior approval. Section 7.1000(d) provides that a Federal savings association will be given a five year timeframe for the use of real estate acquired for future premises in place of the current requirement, which requires use of real estate acquired for future expansion within three to five years and, after holding the real estate for one year, requires a statement by resolution of the definite plans for use.

Main Office and Home Office Relocations

Under § 5.40, Federal savings associations will be required to submit prior notice to the OCC for home office relocations to a branch site in the same city, town, or village of the current home office and obtain prior approval for other relocations. They will also be required to obtain prior approval to establish a branch at the site of a former main or home office.

Change in Corporate Title

For change in corporate title, Federal savings associations will be required to submit an after-the-fact notice in place of the current 30-day prior notice under § 5.42.

Voluntary Liquidation

Section 5.48 is expanded to cover Federal savings associations. The liquidating agent or committee of the national bank or Federal savings association will be required to submit: a report to the appropriate OCC licensing office at the start of liquidation showing the bank’s or savings association’s balance sheet as of the start of liquidation; quarterly Call Reports; a report of condition at the start of the liquidation; annual progress reports; and a final report of liquidation. National banks and Federal savings associations will be required to notify all depositors, other known creditors, and known claimants of the bank or savings association.

Change in Control; Reporting of Stock Loans

This section is expanded to cover Federal savings associations. Certain procedures for

rebuttal of control and concerted action under part 174 will no longer be applicable to Federal savings associations. Persons who acquire control of a Federal savings association as a result of testate or intestate succession will need to file a notice within 90 days of the transaction, while the current regulations require only a notification of the acquisition within 60 days. Under § 5.50, acquirers of beneficial ownership exceeding 10 percent of any class of stock of a Federal savings association that does not file a control notice or control rebuttal will not be required to file a certification of ownership.

Changes in Directors and Senior Executive Officers

The notice of a change in directors or senior executive officers for a national bank in § 5.51 will need to include financial information on the individual, except when the OCC determines it is not required. If the OCC requests additional information, a national bank may request a time extension to provide the information, if necessary.

Federal savings associations will be required to provide 90 days prior notice of a new director or senior executive officer, under certain circumstances, in place of the current shorter notice period. Only a Federal savings association will be permitted to file the notice; nominees no longer will be able to file. Federal savings associations will be able to appeal an OCC notice of disapproval.

Change in Address

Section 5.52 provides that, under certain circumstances, national banks and Federal savings associations will no longer be required to file a notice of home office change of address and Federal savings associations will no longer be required to provide notice of a post office box address.

Bank Activities and Operations

A number of provisions in part 7 are being expanded to cover Federal savings associations. A transition period is added to grandfather Federal savings associations' existing premise investments, provided they are not modified, expanded, or improved. A transition period is also provided for Federal savings associations that share space or employees with another business under an agreement that complies with legal requirements previously in place that would violate this provision. They will be permitted to continue under the existing agreement, but will not be able to amend, renew, or extend the agreement without prior approval.

The requirements in part 145 regarding the establishment of agency offices of Federal savings associations is removed and agency offices of Federal savings associations that conduct non-branch activities will not be considered branches and will not be required to obtain OCC approval for these offices.

Organizing a National Bank or Federal Savings Association

In § 5.20, paragraph (h) specifies requirements for the organizers' business plan or operating plan, paragraph (i) lists the procedures that the organizers must follow, paragraph (j) specifies the requirements for expedited review of an application, and paragraph (l) lists requirements for the establishment of special purpose banks. An application to charter a Federal

savings association will be subject to the two-part approval process contained in paragraph (i)(5). The OCC uses a two-part approval process for de novo national bank charters. After an application is filed, if the OCC determines it meets the applicable standards, the application is given preliminary approval. The national banking organization would then take the steps needed to organize itself, raise capital, obtain any other regulatory approvals, and generally become ready to commence business. Final approval is given and the national bank's charter is issued only after all these steps are concluded, including compliance with any conditions imposed in the preliminary approval. Currently, the OCC issues only one approval before it issues the charter, but this approval is subject to the institution completing various post-approval organizational steps and other requirements before it can begin conducting business. Paragraph (j) currently provides for expedited review of an application to establish a full-service national bank filed by a bank holding company with a lead depository institution that is an eligible depository institution. Under the final rule, Federal savings associations and savings and loan holding companies are added.

The corresponding rules applicable to organizing Federal savings associations are found in parts 143, 144, 152, and § 163.1. Sections 144.1 and 152.3 contain specific language and requirements to be used for the charter of Federal mutual savings associations and Federal stock savings associations, respectively, and §§ 144.2 and 152.4 contain specific requirements for the bylaws of Federal mutual savings associations and Federal stock savings associations, respectively. Sections 143.2(g)(2)(i) and 152.1(b)(3)(i) provide that approval of an application to organize a Federal mutual or stock savings association, respectively, is conditioned on OCC receipt of written confirmation from the FDIC that accounts will be insured. Section 152.2, which provides procedures for the organization of interim Federal savings associations, is rescinded and addressed in the business combinations regulation at § 5.33.

Section 5.21(j) specifies the language and requirements for Federal mutual savings association bylaws. The provision reflects the requirements in § 144.5.

Federal Stock Savings Association Charter, Bylaws and Related Provisions

Section 5.22(e) specifies the language and requirements for a Federal stock savings association charter. The provision reflects the requirements in § 152.3.

Federal Savings Association Charter and Bylaws Availability Requirement
Section 163.1(b), which requires each Federal savings association to cause a true copy of its charter and bylaws and all amendments thereto to be available to accountholders at all times in each office of the savings association, and to deliver to any accountholders a copy of such charter and bylaws or amendments thereto, upon request, is rescinded and the OCC will continue applying this requirement only with respect to Federal mutual savings associations under new § 5.21(i).

Conversions to and from National Bank and Federal Savings Association Charters

In § 5.24(d), regarding the policy for approving and disapproving conversions to national bank charters, a statement is added that the institution seeking to convert to a national bank charter must obtain all necessary regulatory and shareholder approvals. A parallel provision is found in § 143.8(a)(2), which is now in § 5.25 of the final rule. The public notice and inspection requirements at § 143.9(a)(2) are rescinded. If there are instances where the OCC believes

publication is warranted, the OCC may require publication under § 5.2(b), which allows the OCC to require materially different procedures for a particular filing.

Section 5.24(e)(2)(ix) requires the application for conversion to include a business plan if the converting institution has been operating for less than three years or plans to make significant changes to its business after the conversion, instead of the current policy of requesting it on a case-by-case basis.

Section 5.24(g), which allows for expedited review of a conversion application filed by an eligible depository institution, will be limited to applications by institutions already supervised by the OCC.

Section 5.23(d)(2)(ii)(K) requires a converting institution that does not meet the qualified thrift lender test of 12 U.S.C. 1467a(m) to include a plan to achieve compliance within a reasonable period of time and to request an exception from the OCC in the application.

Section 5.25(d) provides that converting from a Federal charter does not require prior OCC approval. The institution must file only a notice with the OCC. Currently, Federal savings associations that are not eligible for expedited treatment must file an application to convert to a national bank or state bank. The notice must contain a copy of the conversion application to the regulator to which it is applying for approval to convert, and a discussion of any issues regarding the permissibility of the conversion under section 612 of Dodd-Frank Act. The institution will also be required to file a copy of its conversion application with the Federal banking agency that would become its appropriate Federal banking agency after the conversion.

For conversions between a national bank and a Federal savings association, the applicable “converting-in” regulation (§ 5.23 or § 5.24) will require the institution to file an application with the OCC with respect to the “converting-in” aspect of the transaction. Information regarding the “converting-out” to a national bank from a Federal savings association or from a Federal savings association to a national bank will no longer be required in a separate notice but included in the “converting-in” application.

Sections 5.24(e)(2)(x) and 5.23(d)(2)(ii)(J) will require the conversion application to include information about enforcement actions and other supervisory criticisms and the applicant’s analysis of whether conversion is permissible under 12 U.S.C. 35, as amended by section 612.

Section 5.25(d)(3) would require that the information that must be submitted to the OCC when a national bank or Federal savings association plans to convert to a state bank or state savings association must include a discussion of the impact of any enforcement action on the permissibility of the conversion under 12 U.S.C. 214d or 1464(i)(6).

Sections 5.24(e)(2), 5.23(d)(2)(ii), 5.25(d)(3)(i), and 5.25(d)(3)(ii)(A) require that, at the time an insured depository institution files a conversion application, it must transmit a copy of the conversion application to both the appropriate Federal banking agency for the institution and the Federal banking agency that will become the appropriate Federal banking agency for the institution after the proposed conversion.

Service Corporations

Under the current service corporation regulation, a Federal savings association must file a notice under part 116 at least 30 days before establishing or acquiring a subsidiary or engaging in a new activity in a subsidiary. A Federal savings association is not required to file a service corporation application if the association proposes to make a non-controlling investment in a service corporation. The final rule amends the service corporation regulation at § 5.59 to require that a Federal savings association file with the OCC before acquiring or establishing any service corporation, including one that it would not control.

Section 5.59(h)(1)(ii) requires a Federal savings association to list for each state the lines of business for which the service corporation holds, or will hold, an insurance license, and each state in which the service corporation holds a resident license or charter. Section 5.59(h)(2) changes the circumstances under which a Federal savings association would receive expedited review for a service corporation filing, currently found in part 116. A service corporation filing will be eligible for expedited review if the savings association is “well capitalized” and “well managed,” and the service corporation engages only in one or more of the preapproved activities listed in § 5.59(f).

Operating Subsidiaries; Subordinate Organizations

New § 5.34(e)(2)(iii) is added to clarify that a national bank must have reasonable policies and procedures to preserve the limited liability of the bank and its operating subsidiaries. This requirement has been adapted from § 159.10 and is consistent with the new operating subsidiary rule for Federal savings associations.

Current § 5.34(e)(5)(i) provides that national banks meeting certain requirements are not required to file a prior application but may give after-the-fact notice when establishing or acquiring an operating subsidiary or performing a new activity in an existing operating subsidiary. Paragraph (e)(5)(ii) requires a prior application and OCC approval in other instances and sets out the information that must be included in the filing.

Current § 5.34(e)(5)(vi) provides that no application or notice is required for a national bank that is well managed and adequately capitalized or well capitalized to acquire or establish an operating subsidiary or perform a new activity in an existing operating subsidiary, if the activities of the new subsidiary are limited to those previously reported to the OCC in connection with a prior operating subsidiary and certain other requirements are met. The final rule changes the criteria from adequately capitalized to well capitalized. This is consistent with the well capitalized requirement to be eligible for the after-the-fact notice procedure.

Section 5.38(b) will require a Federal savings association to file an application to acquire or establish any operating subsidiary or to commence a new activity in an existing operating subsidiary. Part 159 required Federal savings associations to give 30 days’ notice to the OCC prior to establishing or acquiring an operating subsidiary or commencing a new activity in an operating subsidiary. Section 159.11 required a filing when it is required under 12 U.S.C. 1828(m), and section 1828(m) does not require a filing if the subsidiary is an insured depository institution. Section 5.38(b) will require an application to acquire an insured depository institution as an operating subsidiary. A proposal for a Federal savings association to own an insured depository institution subsidiary that would cause the savings association to be a bank holding company or a savings and loan holding company raises issues of law and policy as well as

supervisory concerns. The acquisition of other insured depository institutions as operating subsidiaries also requires agency review. Accordingly, the OCC believes an application is needed, even if not required under 12 U.S.C. 1828(m).

Section 5.38(d) sets out definitions for “well capitalized” and “well managed,” which will be used as part of the determination of which applications are eligible for expedited review by the OCC. These definitions are the same as those in § 5.34(d), and the OCC uses these terms as criteria to permit national banks to make an after-the-fact notice filing pursuant to § 5.34(e)(5). They are also used in § 5.38 to determine if an application by a Federal savings association is eligible for expedited review.

Section 5.38(e)(2)(iv)(A) (similar to § 159.10) expressly requires a savings association to have reasonable policies and procedures to preserve the limited liability of the savings association and its operating subsidiaries. Section 5.38(e)(5) sets forth the operating subsidiary application requirements for savings associations.

Section 159.11 specifies when Federal savings associations must file a notice at least 30 days prior to establishing or acquiring an operating subsidiary or conducting a new activity in an existing operating subsidiary. Section 5.38(e)(5) specifies the procedures a Federal savings association must follow when filing applications required under § 5.38. Section 5.38(e)(5)(ii)(A) provides for expedited review of applications to establish or acquire an operating subsidiary, or to perform a new activity in an existing operating subsidiary. The expedited review process is similar to that contained in § 159.11.

Section 159.3(p)(1) provided that a Federal savings association must consult with the appropriate OCC licensing office prior to redesignating a service corporation as an operating subsidiary, and make available for examination adequate internal records demonstrating that the redesignated office meets all of the requirements for an operating subsidiary and that the board of directors has approved of the redesignation. Section 5.38(e)(vi) requires a Federal savings association to provide 30 days’ prior notice to the OCC when the savings association wants to redesignate a service corporation as an operating subsidiary.

Pass-through Investments

Section 160.32(b) currently provides that a Federal savings association may make certain qualifying pass-through investments without prior notice to the OCC in any entity that is a limited partnership, an open-ended mutual fund, a closed-end investment trust, a limited liability company, or an entity in which the Federal savings association is investing primarily to use the company’s services. Section 160.32(c) requires a Federal savings association to provide the OCC with written notice 30 days prior to making any pass-through investment that does not meet the no-notice standards. The notice is a form of application and may become a standard application if the OCC notifies the filer that the investment presents supervisory, legal, or safety and soundness concerns. The final rule removes these provisions and cross-references § 5.36.

New § 5.58(e) mirrors § 5.36(e) and provides that a well capitalized, well managed Federal savings association may make certain pass-through investments, directly or through its operating subsidiary, in certain entities by filing a written after-the-fact notice with the OCC no later than 10 days after making the investment if the activity conducted by the enterprise is on the list of activities eligible for a notice filing for operating subsidiaries, or if it is substantially

the same as an activity that has been previously approved for a Federal savings association (or its operating subsidiary).

If a Federal savings association is not well capitalized and well managed or if the activity conducted by the enterprise does not qualify for the after-the-fact notice procedure, the savings association will be required to apply to the OCC and receive prior approval for the non-controlling investment.

Section 5.58(g)(1) provides for an expedited notice procedure for pass-through investments in entities holding assets in satisfaction of debts previously contracted. A Federal savings association will not be required to file a notice or application under § 5.58 when acquiring a non-controlling investment in shares of a company through foreclosure or otherwise in good faith to compromise a doubtful claim, or in the ordinary course of collecting a debt previously contracted.

Under § 5.58, Federal savings associations will be permitted to make non-controlling investments greater than 25 percent of the company's equity. The investment, however, will constitute "control," making the enterprise a subsidiary of the association and triggering a filing. Section 5.58(f)(2) provides that a Federal savings association must submit an application for approval prior to investing in an enterprise that is considered a subsidiary of the Federal savings association and that would not be an operating subsidiary or a service corporation.

Section 5.58 changes the filing requirements for Federal savings associations' non-controlling investments. Some pass-through investments will meet the requirements for the after-the-fact notice procedure, and only the after-the-fact notice will be required. Some non-controlling investments that qualify for the no-notice procedure under § 160.32(b) will require a filing under § 5.58. Section 5.58(h) will continue the no-notice procedure for investments by Federal savings associations in investment companies that held assets permissible to be held directly. Some investments that may have qualified for the no-notice procedure may be eligible for the after-the-fact notice of § 5.58(e).

Change in Asset Composition

The final rule expands the requirements of § 5.53 and remove § 163.22 regarding change in asset composition. Institutions contemplating transactions that may constitute a material change will be advised to consult the appropriate OCC supervisory office. National banks will find more situations in which applications for approval are required than under current § 5.53, but these additional situations likely already will involve discussions between the bank and its supervisory office. Federal savings associations will find fewer situations in which applications for approval are required than now required under current § 163.22(c).

Under the application exception for asset changes that are part of a voluntary liquidation, the final rule adds that the bank or savings association must have received OCC approval of its plan of liquidation.

The expedited treatment under § 163.22(c) for of bulk transfer filings if all of the participating Federal savings associations meet the conditions for expedited treatment is not carried over into § 5.53.

Business Combinations

Section 5.33(d)(2)(v) expands the definition of “business combination” in § 5.33(d)(2), which currently includes only the assumption of deposit liabilities from another depository institution, to also include the assumption, from a credit union or any other institution that is not FDIC-insured, of deposit accounts or other liabilities that will become deposits at the assuming national bank or Federal savings association. Federal savings associations are currently required to file an application under § 163.22(c). The final rule retains the requirement and expands it to cover national banks.

The final rule amends § 5.33(e)(3), to require that the business combination application identify financial subsidiary investments, bank service company investments, service corporation investments, and other equity investments in addition to subsidiaries, and provide an analysis of the permissibility for the national bank or Federal savings association to hold the subsidiary or investment.

Under § 5.33(e)(6), regarding the exercise of fiduciary powers by the resulting national bank or Federal savings association, a clarification is made that if the applicant intends to exercise fiduciary powers after the combination and requires OCC approval for such powers, it must include in the business combination application the information required in § 5.26 for a request for fiduciary powers.

Section 5.33(f)(1) is amended to clarify that the requirement of public notice and comment would apply only when the application is subject to a public notice requirement under the Bank Merger Act or other applicable statute that requires notice to the public. This publication requirement is not a change for national banks or Federal savings associations. The frequency and timing of publication for transactions that are subject to the Bank Merger Act is changed for Federal savings associations. Section 163.22(e)(1)(i) requires an initial publication and then publication on a weekly basis during the public comment period. Under § 5.33(f)(1), the OCC will require the initial publication and two other publications during the standard 30-day public comment period.

Section 5.33(g)(1), addressing the merger or consolidation of a national bank or a state bank into a national bank, requires that a national bank that will not be the resulting bank in a merger or consolidation with another national bank file a notice to the OCC under § 5.33(k). This notice will also be required whenever a national bank or Federal savings association merges or consolidates into another institution. It provides the OCC information about the target national bank’s compliance with requirements to “merge-out” and sets in motion the steps for the disappearing national bank to end its separate existence.

Section 5.33(g)(2)(ii), under which the OCC may conduct an appraisal of dissenters’ shares of stock in a national bank involved in a consolidation with a Federal savings association if all the parties agree, is changed from a voluntary to a required process. Section 5.33(g)(2)(ii) (A) and (B) specifies the process for appraisal of dissenters’ shares of stock in a stock Federal savings association involved in a consolidation or merger into a national bank.

Section 5.33(g)(2)(iii) includes a requirement that a consolidation or merger agreement must address the effect upon, and the terms of the assumption of, any liquidation account of any other participating institution by the resulting institution.

New § 5.33(g)(3), addressing consolidations and mergers of other institutions into a Federal savings association, requires an application to the OCC and compliance with requirements and procedures similar to those currently imposed on them. If a combination involves a whole purchase and assumption of a Federal savings association, then the combination will be treated as a consolidation for participating Federal savings associations, and the procedural requirements in § 5.33(o) will apply.

Section 5.33(g)(3)(ii) includes a requirement that the consolidation or merger agreement must address the effect upon and the terms of the assumption of, any liquidation account of any other participating institution by the resulting institution.

Section 5.33(g)(6)(iv) includes a requirement that the consolidation or merger agreement must address the effect upon, and the terms of the assumption of, any liquidation account of any other participating institution by the resulting institution. This requirement is based on provisions in §§ 146.2(b)(9) and 152.13(f)(9).

Section 5.33(g)(7) addresses a consolidation or merger of a Federal savings association into a state bank, state savings bank, state savings association, state trust company, or credit union and requires only a notice to the OCC, not application and approval. This requirement is a change for Federal savings associations from § 163.22(c), under which an application is required for a combination with an uninsured bank, savings association or trust company or a credit union. Section 5.33(g)(7)(ii) includes a provision under which a whole purchase and assumption of the target Federal savings association will be treated as a consolidation for the Federal savings association, so that the procedural requirements in § 5.33(o) will apply.

Section 5.33(g)(7)(iii) sets out the process for appraisal of dissenters' shares of stock in a stock Federal savings association involved in a consolidation or merger into a state bank, state savings bank, state savings association, state trust company, or credit union. Section 5.33(g)(7)(iv) requires that the consolidation or merger agreement must address the effect upon, and the terms of the assumption of, any liquidation account of any other participating institution by the resulting institution.

Section 5.33(i), which provides for expedited review of business reorganizations and streamlined applications, is expanded to include Federal savings association applications. Expedited review under § 5.33(j) replaces the automatic approval provision in § 163.22(f) for Federal savings associations, which provides that an application is deemed to be approved automatically 30 days after the OCC sends the applicant a written notice that the application is complete.

New § 5.33(k) addresses notices to be filed when a national bank or Federal savings association is consolidating or merging with another national bank or Federal savings association or with a state chartered institution or credit union and the target national bank or Federal savings association is not the resulting institution. It includes the steps to be taken to terminate the institution's status as a national bank or Federal savings association. This consolidates requirements from §§ 5.33(g)(3), 146.2(g), 152.13(k), 163.22(b) and 163.22(h)(1)(i) and (ii). There is no change for Federal savings associations, but national banks will be required to include more information in the notice than currently required.

Section 5.33(m) addresses certification of a consolidation or merger and documentation of its effective date. The applicant will be required to submit information showing that all steps needed to complete the transaction have been met and to notify the OCC of the planned consummation date. This reflects current OCC practice for national banks. It accomplishes through an applicant notification letter and issuance of an OCC certification letter what § 152.13(j) does in requiring the applicant to submit two sets of “Articles of Combination” that are filed with the OCC, and then endorsed by the OCC, with one set returned to the applicant with a specification of the effective date.

New § 5.33(o) includes provisions from §§ 146.2 and 152.13 that set out the procedural requirements for board, shareholder (in the case of stock savings associations), and, if required by the OCC, voting member (in the case of mutual savings associations) approval of business combinations involving the Federal savings association.

Changes in Permanent Capital

Section 5.46(g)(1) is amended to describe more fully those increases in permanent capital of a national bank for which an application and prior approval are not required and when such increases are considered approved by the OCC. Portions of this requirement are currently in paragraph (i)(3), which addresses the bank’s notification to the OCC that the increase has occurred and the certification of the increase by the OCC.

Subordinated Debt

The expedited treatment process in part 116 for savings associations is replaced by the expedited review process in part 5 for Federal savings associations seeking expedited review of filings to issue subordinated debt. This could result in a change in which savings associations qualify for the expedited process, due to the difference between the eligibility requirements for expedited review and the requirements for expedited treatment.

Capital Distributions

New § 5.55 contains Federal savings association procedures and standards for capital distributions currently found in part 163 and filing procedures based on provisions in part 5 regarding eligible savings associations and expedited review. A Federal savings association must be an “eligible savings association” in order to qualify for expedited review of filings for capital distributions. Because the eligibility requirements in part 5 and in the current Federal savings association rules are not identical, the part 5 eligibility requirements for expedited review may affect which Federal savings associations qualify for the expedited process.

1. Justification:

The Manual contains all required procedures, sample forms, and regulations regarding OCC corporate approvals. The Manual is needed to standardize the OCC’s processing of corporate filings, to ensure consistency in the recordkeeping and decision-making processes, and to provide information regarding the criteria generally considered by the OCC in reviewing a corporate filing.

The circumstances that make each element of this collection of information necessary are:

LICENSING MANUAL:

(a) Background Investigations

Interagency Biographical and Financial Report – Federal law and OCC regulations require the OCC to perform background investigations on proposed organizers, executive officers, directors, and principal shareholders of banks to determine if they have the experience, competence, integrity, character, financial ability and willingness to direct or lead a bank's affairs in a safe, sound, and legal manner. The OCC needs this information to accomplish that statutorily required task.

As part of its background investigations, the OCC performs standard background checks through the Internal Revenue Service Tax Check Program.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 21, 22, 24(Seventh), 26, 27, 92a, 93a, 1464(e)(1), 1814(b), 1816, 1817, and 2903

Regulatory Authority: 12 CFR 5.20, 5.50 and 5.51; 28 CFR 16.34, and 20.33. 12 CFR 163.33

- (b) Investment in Bank Premises - Federal law and OCC regulations require a national bank to submit an application to the OCC for prior approval whenever its investment in bank premises will cause it to exceed its capital stock. The application must describe the present and proposed investment and the business reason for exceeding the limit.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 29 and 371d

Regulatory Authority: 12 CFR 5.37, 7.1000, and 7.3001

- (c) Public Notice and Comments - Federal law and OCC regulations require an applicant to publish a public notice of its filing in a newspaper of general circulation in the community in which the applicant proposes to engage in business.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 1 et seq., 93a, 1817(j), and 18 U.S.C. 1001

Regulatory Authority: 12 CFR 5.8, 5.9, 5.10, 5.11, and 5.50

(d) Charter

- (1) Charter - Federal law requires that the OCC approve the establishment of a national bank or FSA. The application, including a business plan and the oath of a bank director, serves as the primary vehicle for submission of the information necessary for the OCC's review. Under the statutes cited below, the OCC may grant or deny a request to organize a bank. The application is the single comprehensive source of information pertinent to this decision on an applicant's request.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 21, 22, 24(Seventh), 26, 27, 92a, 93a, 1464(a), 1814(b), 1816, and 2903

Regulatory Authority: 12 CFR 5.20

- (2) Corporate Organization – Federal law also requires that an existing or organizing bank forward to the OCC corporate organizational documents. The OCC’s public website contains examples of the most common types of resolutions and amendments to articles of association, charter, proxy cards, bylaws, and an organization certificate. The OCC previously reported this information under the Corporate Organization booklet, which has been deleted from the Manual series.

All Federally-chartered savings associations are required to file and receive prior approval for changes to its charter and/or bylaws. The charter and bylaws of an insured FSA are formal documents created when a savings association establishes its corporate existence. The charter states the scope, purpose and duration for the corporate entity. For a Federally-chartered savings association, the charter confirms that the board of directors has formally committed the institution to Section 5 of the Home Owners’ Loan Act (“HOLA”) and other applicable statutes and regulations governing Federally-chartered savings associations. The OCC will review the application or notice to determine compliance with the regulations and policy.

The following statutes and regulations apply.

Federal Law: 12 U.S.C. 21 and 21a

Regulatory Authority: 12 CFR 5.20, 5.21, 5.22, 5.25, and 5.33

- (3) Banker’s Bank – OCC regulations require that a banker’s bank seeking a waiver of a statutory provision must request the waiver in a letter to the OCC. The letter must include information on why the waiver is requested and supporting legal analysis. The granting of a waiver reduces burden. OCC regulations require the minimal amount of information necessary to make a determination as to whether a waiver should be granted.

The following related statutes and regulations apply:

Federal Law: 12 U.S.C. 1 et seq., 27

Regulatory Authority: 12 CFR 5.20

- (e) Conversions – Federal law requires that institutions request OCC permission to convert to a national bank or FSA. OCC regulations require that a converting financial institution provide information related to its request to convert its charter. The OCC needs this information to determine whether to grant permission.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 1 et seq., 35, 214a, 214b, 214c, and 1464(i)

Regulatory Authority: 12 CFR 5.23, 5.24, and 5.25

- (f) Federal Branches and Agencies – Federal law and OCC regulations require that a foreign bank desiring to establish a Federal branch or agency file an application or notice with the OCC. Prior to approval, the OCC must consider the potential effect on competition in domestic and foreign commerce in the United States, the financial and managerial resources and future prospects of the applicant foreign bank and the branch or agency, and the convenience and needs of the community to be served.

The OCC needs the information in the application or notice to consider the required decision factors in the statute. This application is the OCC's primary information source in conducting this assessment and is, therefore, essential to the OCC's decision making process.

The following statute and regulations apply:

Federal Law: 12 U.S.C. 3101 et seq.

Regulatory Authority: 12 CFR 5.70; 12 CFR 28

- (g) Branches and Relocations – Federal law requires that a bank obtain prior approval or give notice to the OCC to establish, acquire, or relocate a main office or branch. This section contains required requests and other information essential to the OCC's decision-making process.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 1-42, 93a, 1464, 2901-2907, 16 U.S.C. 470 et seq., 42 U.S.C. 4321 et seq.

Regulatory Authority: 12 CFR 5.30, 5.31, 5.40, 5.52, and 145.91; 36 CFR 800.1 et seq., 40 CFR 1500.1 et seq.

- (h) Business Combinations and Failure Acquisitions – Federal law requires OCC approval for any merger, corporate reorganization, or acquisition of a failed institution that will result in a national bank or FSA. The OCC needs certain information to make the statutorily required decision. The interim national bank charter, the streamlined business combination, and Interagency Bank Merger Act applications provide necessary information relative to an applicant's request.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 24 (Seventh), 93a, 181, 214a, 214b, 215, 215a, 215a-1, 215a-2, 215a-3, 215c, 1462, 1462a, 1463, 1464, 1467a, 1815(a), 1815(d)(3), 1828(c), 1831u, 2901, 2903, Sec. 102 Pub. L. No. 103-328, and 1464(d)(2)&(3)

Regulatory Authority: 12 CFR 5.32, 5.33, and Part 163

- (i) Fiduciary Powers – Federal law requires that a bank intending to exercise fiduciary powers must have OCC approval. The application letter to exercise fiduciary powers provides the OCC with information needed to grant or deny a request. The letter represents the bank's conformity to statute and its commitment to retain qualified trust management. The OCC needs this information to make a valid decision. Additionally, a bank shall file a notice after opening a trust office in a state other than its home office state. This notice provides the OCC with the location of the bank's trust offices for supervisory purposes.

The following statute and regulation apply:

Federal Law: 12 U.S.C. 92a, 12 U.S.C. 1464(n)

Regulatory Authority: 12 CFR 5.26

- (j) Investment in Subsidiaries and Equities
- (1) Operating Subsidiaries – OCC regulations require that a bank obtain OCC approval prior to establishing, acquiring, or performing new activities in an operating subsidiary. In

certain instances, a national bank may file a notice after commencing an operating subsidiary activity. The application or notice provides the OCC with needed information regarding the activities and location(s) of the operating subsidiary.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 24(Seventh), 93a, and 1828(m)

Regulatory Authority: 12 CFR 5.34, 5.38, 5.39, and 5.58

- (2) Financial Subsidiaries – Federal law requires that a national bank obtain the approval of the OCC prior to acquiring control of, or holding an interest in, a financial subsidiary, and prior to commencing a new activity in an existing subsidiary. The OCC bases its approval solely upon the factors set forth in the statute and the regulation. A national bank that intends to acquire control of, or hold an interest in, a financial subsidiary, or to commence a new activity in an existing financial subsidiary, may obtain OCC approval through filing a certification with subsequent notice or a combined certification and notice. The notice provides the OCC with needed information to determine whether the national bank satisfies the factors set forth in the statute and regulation.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 24a, 15 U.S.C. 6801

Regulatory Authority: 12 CFR 5.39

- (3) Bank Service Companies – Federal law requires that a bank must obtain the prior approval of the OCC to invest in a bank service company. OCC regulations require that a bank notify the OCC prior to its investment in certain bank service companies. The OCC needs this information to consider its decision.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 93a, 1861 to 1867, and 1843(c)(8)

Regulatory Authority: 12 CFR 5.35

- (4) Investments – OCC regulations require a national bank that wishes to invest in an agricultural credit corporation, an eligible savings association, or any other equity investment authorized by statute after February 12, 1990, to provide notice to the appropriate OCC district office. The regulation also requires that a national bank or a Federal branch making a noncontrolling investment, directly or through an operating subsidiary, must file a written notice or application. The regulations further require a Federal savings association making a pass-through investment, directly or through its operating subsidiary, to file an after-the-fact notice or an application. The OCC uses the information to make its decision.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 24(Seventh) and 93a

Regulatory Authority: 12 CFR 5.36 and 5.58

- (5) Thrift Service Corporations – OCC regulations require that an FSA obtain OCC approval prior to establishing or acquiring a subsidiary or performing new activities in a thrift service corporation. The application provides the OCC with needed information regarding the activities and location(s) of the service corporation.

The following statutes and regulation apply:
Federal Law: 12 U.S.C. 1464(c)(4)(B) and 1828(m)
Regulatory Authority: 12 CFR 5.59

- (6) Annual Report – The OCC requires that each national bank prepare an annual report as of December 31 on its operating subsidiaries and to file the report by January 31 of each year. This annual report helps consumers identify subsidiaries that do business directly with consumers, use trade names different from their parent bank and are subject to the OCC’s supervisory authority.

The following statutes and regulation apply:
Federal Law: 12 U.S.C. 24(Seventh) and 93a
Regulatory Authority: 12 CFR 5.34, 5.38, and 5.59

- (k) Branch Closings – Federal law requires a bank to notify the OCC if it closes a branch or if it converts a brick and mortar branch to an ATM branch. The notice serves as the OCC's primary method for gathering information necessary to cancel branch certificate numbers and update its database.

The following statutes and regulation apply:
Federal Law: 12 U.S.C. 1831r-1

- (l) Termination of National Bank or FSA Charter – OCC regulations require a bank to notify the OCC of its intent to voluntarily liquidate or convert out of the national bank or FSA charter. The notice serves as the OCC's primary method for gathering information necessary to update its database.

The following statutes and regulation apply:
Federal Law: 12 U.S.C. 93a, 181, 182, 2901 et seq. 12 U.S.C. 1464(d)(3)(A)
Regulatory Authority: 12 CFR 5.25 and 5.48

- (m) Capital and Dividends; Subordinated Debt – Federal law and OCC regulations require that a bank obtain OCC approval or, in some cases, provide notice to the OCC in connection with a change in equity capital, an issuance or prepayment of subordinated debt, and the payment of dividends under certain circumstances. The various applications titled, "Increase in Capital for Other than Cash," "Reduce Permanent Capital," "Reverse Stock Split," "Dividend-in-Kind," "Quasi-Reorganization," "Mandatorily Redeemable Preferred Stock," and "Issue or Prepay Subordinated Debt" are the primary documents necessary for the OCC to decide whether to grant preliminary approval for a bank's request to change permanent capital or issue subordinated debt.

The following statutes and regulations apply:
Federal Law: 12 U.S.C. 21a, 51, 51a, 51b, 51b-1, 52, 56, 57, 59, 60, and 93a
Regulatory Authority: 12 CFR 5.46, 5.47, 5.55, 5.56, 5.60, 5.61, 5.62, 5.63, 5.64, 5.65, 5.66, and 5.67

- (n) Change in Control – Federal law requires any individual, group, or company that

proposes to acquire control of a bank to submit prior notice of that intent to the OCC. The OCC uses the information to make its decision.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 93a and 1817(j)

Regulatory Authority: 12 CFR 5.50

- (o) Change in Chief Executive Officer and Director – Federal law requires that whenever a change in control occurs, the national bank will promptly report to the appropriate Federal banking agency any changes or replacements of its chief executive officer or of any director occurring in the next 12-month period.

The following statute and regulation apply:

Federal Law: 12 U.S.C. 1817(j)

Regulatory Authority: 12 CFR 5.50(h)

- (p) Director Waivers – Federal law requires that every director be a citizen of the United States and that a majority of the directors reside in the state where the bank is located. The OCC may waive the requirement of citizenship for not more than a minority of the total number of directors and the residency requirement for a majority or all of the directors. A bank may file a letter requesting a waiver of the citizenship or residency requirements. The OCC needs this information to make an informed decision.

The following statute applies:

Federal Law: 12 U.S.C. 72

Regulatory Authority: 12 CFR 100.2

- (q) Change of Corporate Title and Address – Federal law and OCC regulations require a national bank that changes its corporate title or address to inform the OCC of that change. FSAs must obtain prior approval from the OCC. The filing serves as the OCC's primary method for gathering the information to keep the national bank and FSA databases up to date.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 21a, 22, 30, 31, 93a, 161 and 481

Regulatory Authority: 12 CFR 5.20, 5.31, 5.40, 5.42, and 5.52

- (r) Management Interlocks – National banks and FSAs may apply to the OCC for exemption from the prohibitions on management interlocks that would result in a monopoly or substantial lessening of competition. The OCC needs the information in the application to grant appropriate exemptions that foster competition between unaffiliated institutions.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 3201-3208

Regulatory Authority: 12 CFR 26.6 and Part 196

- (s) Customer Satisfaction Survey – This survey information is collected as part of the OCC's quality assurance program. The OCC uses this information to evaluate its efforts in meeting its continuing goal of providing the best service possible to individuals and

banks that file corporate applications. The OCC reviews each voluntary survey returned by an applicant in order to evaluate agency efforts to improve customer satisfaction and provide the best possible corporate activity services.

- (t) Change in Asset Composition – The OCC regulations require a national bank to obtain prior written approval for a change in the composition of all, or substantially all, of the bank’s assets either through the sale or other disposition of assets. Prior written approval also is required if a national bank, once having disposed of all or substantially all the assets, reactivates its operations through the subsequent purchase, acquisition, or other expansion of its operations. This includes acquiring assets by any means, including generating new assets through the bank’s own efforts. The OCC needs this information to assess the impact of the transaction on the safety and soundness of the bank and its effect on the bank’s customers.

The following regulation applies:

Federal Law: 12 U.S.C. 93a and 1818

Regulatory Authority: 12 CFR 5.53

2. Use of the information:

Bankers and other interested parties use the Manual to determine where and how to file an application and to identify the regulatory requirements affecting corporate changes. Bankers, other interested persons, and OCC personnel use the Manual to further their understanding of the corporate activities filing processes and timeframes. The Manual is the primary procedural guide for OCC personnel.

The information collected in the notifications and forms assists the OCC in fulfilling its statutory responsibility as a supervisor. The regulatory agency uses the information to evaluate the controlling owners, senior officers, and directors of the insured depository institutions subject to their oversight.

The uses of these collections of information are as follows:

(a) Background Investigations:

Interagency Biographical and Financial Report – The OCC uses the biographical information to evaluate the competence, experience, character, integrity, and financial ability of the persons proposed as organizers, senior executive officers, directors, or principal shareholders. The OCC uses the financial information to evaluate the financial ability of persons proposed as organizers, executive officers, directors, or principal shareholders.

- (b) Investment in Bank Premises – The OCC uses the application to determine whether to grant or deny a national bank’s request to invest further in its premises. The OCC uses the notice to monitor and supervise any investment in bank premises over regulatory limits.

- (c) Public Notice and Comments – The public and consumer groups use this public notice to determine if they wish to offer comments about a bank’s regulatory performance. The

OCC takes into consideration comments submitted from the public in its decision making process.

- (d) Charters – The OCC uses the application to determine whether to grant a request to organize a bank. A group requesting approval to organize a bank uses the sample application and business plan to ensure that they submit all information needed to evidence compliance with the laws cited in Item 1(d). By analyzing the information submitted, OCC can make a decision based on whether all legal requirements are met and how changes affect the proposal.

The OCC uses the corporate organization submissions to ensure that all amendments are lawful and that the shareholders have authorized the necessary amendments. Bankers use the sample charter, bylaws, resolutions, amendments, and certification of articles of association as models of how to advise the OCC of changes to the articles of association, charter, or bylaws of a national bank or FSA.

The OCC uses the waiver request letter to determine whether to grant a waiver to a banker's bank. The Manual requires the minimal amount of information necessary for the OCC to consider the request and render a decision.

- (e) Conversions – The OCC uses the application to determine whether to grant or deny a financial institution's request to convert to a national bank or FSA.
- (f) Federal Branches and Agencies – The OCC uses the application to decide whether to approve a request from a foreign bank to establish a Federal branch or agency or to make a noncontrolling equity investment. The information enables the OCC to analyze factors such as proposed directors and principal officers, capital structure, the effects on competition, convenience and needs of the community, community reinvestment plans, and environmental impact. Bankers use the samples as guides in the submission of required information.
- (g) Branches and Relocations – The OCC uses the various branch applications and branch and main office relocations to evaluate the proposed expansion for legal and prudent purposes.
- (h) Business Combinations and Failure Acquisitions – The OCC uses the various applications to decide whether to grant or deny a bank's proposal to combine with or acquire another depository institution.
- (i) Fiduciary Powers – The OCC uses the application letter to determine whether to grant or deny a bank's request to exercise fiduciary powers.
- (j) Investment in Subsidiaries and Equities:
 - (1) Operating and Financial Subsidiaries – The OCC uses the application or notice to determine if the proposed activity is permissible for national bank and FSA operating subsidiaries and national bank financial subsidiaries.
 - (2) Bank Service Companies – The OCC uses the application to determine if the national

bank or Federal savings association's investment in a bank service company is permissible.

- (3) Investments – The OCC uses the application or notice to determine if the proposed activity is authorized for national banks, Federal savings associations, Federal branches and their subsidiaries.
- (4) Thrift Service Corporations – The OCC uses the application or notice to determine if the FSA's investment in a service corporation and the activity of the service corporation are permissible.
- (5) Annual Report – The OCC uses the Annual Subsidiary Report to assist consumers (the public) in determining if an entity is an operating subsidiary of a national bank and thus is supervised by the OCC.
- (k) Branch Closings – The OCC uses the notice to update its listing of the number of branch offices operated by banks and to test compliance with certain statutory requirements, such as the Community Reinvestment Act (CRA), which must be met before the OCC can approve various types of corporate activities.
- (l) Termination of National Bank or FSA Charter – The OCC uses the termination notice to monitor the orderly closing or charter conversion of a national bank or FSA.
- (m) Capital and Dividends; Subordinated Debt – The OCC uses the application to determine whether to grant or deny a request to change capital. The OCC uses the various notifications to determine that the change occurred and complied with legal and regulatory requirements.
- (n) Change in Control – The OCC uses the notice to decide whether to allow or disapprove a proposed acquisition, using the regulatory decision criteria including future prospects.
- (o) Change in Chief Executive Officer or Director – The OCC uses the notice to monitor any change in management officials or members of the board of directors subsequent to a change in control.
- (p) Director Waivers – The OCC uses the notice to determine whether to grant a request for a waiver of the requirements.
- (q) Change of Corporate Title and Address – The OCC uses this information to maintain current records for regulatory and supervisory mailings.
- (r) Management Interlocks – The OCC uses the information to assess whether a proposed management interlock is permitted under statute or eligible for an exemption under section 2210(c) of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, and whether it has an anticompetitive effect.
- (s) Customer Satisfaction Survey – The OCC uses survey information to identify areas where it can improve its processing of corporate applications and service to banks. OCC personnel use the information to identify problem areas and to analyze, as appropriate,

the practices and procedures in those areas. Further, OCC personnel use the information to design improved methods, as applicable.

- (t) Change in Asset Composition – The OCC uses the information to assess impact to the institution’s safety and soundness and any effect on customers.

3. Consideration of the use of improved information technology:

Presently, national banks may use e-Corp, a Web-based electronic application, to submit electronically certain types of filings to the OCC for decision. Authorized users at each national bank access electronic forms through the OCC’s BankNet web site and submit electronically certain licensing filings to the OCC. Those filings are branch establishment, main office or branch relocation, capital, dividends, operating and financial subsidiary, corporate title, and change of address.

4. Efforts to identify duplication:

Each submission is unique to the situation of the individual national bank or FSA. The procedures in the Manual were established to use, wherever possible, information that is already available to the OCC. For example, in business combinations, a streamlined procedure has been initiated to use Call Reports on file as well as the records available at the OCC for existing bank managers and directors. Because the OCC does not require a national bank or FSA to submit information in any particular format, in some circumstances, an institution may determine that it has prepared similar information for another purpose. The OCC will accept any filing that clearly provides the required information. The OCC may accept an application form submitted to another Federal agency if the application contains substantially the same information that the OCC requires. An applicant also may incorporate by reference any material contained in any other application filed with the OCC, provided the material is attached to the application and is current and responsive to the information requested. The filing must clearly indicate that the information is incorporated by reference and include a citation to the information incorporated.

5. Minimizing burden on small entities:

The burden for this collection has been reduced to the minimum possible under the governing statutes and in keeping with OCC's supervisory responsibilities. Only the information necessary for the OCC to fulfill its statutory responsibilities for any bank, regardless of size, is requested.

6. Consequences of less frequent collection:

The information is collected infrequently - only as the situation arises. Statutory or regulatory requirements govern these information collections. Less frequent collection is inconsistent with the underlying statutes and would not promote a safe and sound banking system.

7. Special circumstances necessitating collection inconsistent with 5 CFR part 1320:

For the most part, the collections of information are conducted in a manner consistent with the guidelines in 5 CFR 1320.6. In two instances, more copies are required than the original and two provided in OMB's guidelines. Those instances are discussed below:

- (a) Business Combinations – With one exception, this item is collected in a manner consistent with the guidelines in 5 CFR 1320.6. A national bank or FSA requesting OCC approval to merge, consolidate, or engage in a purchase and assumption must submit the original and two copies of the application package. Federal law at 12 U.S.C. 1828(c) requires that the OCC request reports on the competitive factors from the Attorney General, before approving any consolidation, corporate reorganization, or purchase and assumption. The remaining copy is used as the public file while the original becomes the OCC's application file.
- (b) Change in Control – This item is collected in a manner consistent with the guidelines in 5 CFR 1320.6, with the exception of the number of copies requested. The OCC requires an original and five copies. Federal law at 12 U.S.C. 1817(j) requires the OCC to distribute a copy of the notice to the other Federal banking agencies and to issue rules and regulations to carry out that responsibility. The copies required are the minimum necessary for OCC to timely comply with 12 U.S.C. 1817(j)(11) regarding the distribution of the information to appropriate Federal agencies for their review and recommendations, and to permit the OCC simultaneous review and processing in the district and in Washington, D.C. Only rapid dissemination to the other agencies permits the OCC to meet the 60-day time limit for decision. The copies are distributed as follows:

1. Federal Reserve Bank
2. Federal Deposit Insurance Corporation
3. State Regulatory Agency
4. OCC (Public File)
5. OCC (Original for Processing)

8. Consultation with persons outside the agency:

The OCC issued a notice of proposed rulemaking containing the collection (79 FR 33260 (June 10, 2014)) and submitted the information collection requirements imposed by the proposed rule to OMB at the time of publication. Pursuant to 5 CFR 1320.11(c), OMB filed a comment on the information collection instructing the OCC to examine public comment in response to the proposed rule and describe in the supporting statement of its next collection any public comments received regarding the collection as well as why (or why it did not) incorporate the commenter's recommendation. The OCC received no comments regarding the information collection and has resubmitted the information collection requirements to OMB for review in connection with the final rule.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

The information collected is kept confidential to the extent permitted by law.

11. Information of a sensitive nature:

Not applicable. No personally identifiable information is collected.

12. Burden estimate:

Information Collection	No. of Respondents	No. of Responses	Hours per Response	Estimated Total Burden
(a) Background Investigations (Interagency Biographical and Financial Report)	450	450	4.00	1,800
(b) Investment in Bank Premises	150	150	1.30	195
(c) Public Notice and Comments	burden is included in specific activity			
(d)(1) Charter	2	2	250.00	500
(d)(2) Corporate Organization	73	73	0.45	33
(e) Conversions	5	5	4.00	20
(f) Federal Branches and Agencies	5	5	37.30	187
(g) Branches & Relocations; Transfer of A/L	1,072	1,072	1.48	1,587
(h) Business Combinations and Failure Acquisitions	151	151	30.00	4,530
(i) Fiduciary Powers	14	14	3.10	43
	2	2	27.00	54
(j)(1) Operating Subsidiaries	136	136	1.00	136
(j)(2) Financial Subsidiaries	4	4	1.00	4
(j)(3) Bank Service Companies	1	1	1.00	1
(j)(4) Investments	9	9	1.00	9
(j)(5) Thrift Service Corporations	1	1	0.15	0.15
(j)(6) Annual Report	19	19	3.00	57
(k) Branch Closings	983	983	1.00	983
(l) Termination of National Bank or FSA Charter	65	65	3.58	233
	43	43	24.00	1,032
(m) Capital & Dividends; Subordinated Debt	174	174	1.30	226
(n) Change in Control	10	10	30.00	300
(o) Change in CEO and Director	1	1	2.00	2
(p) Director Waivers	25	25	2.00	50
(q) Change of Corporate Title & Address	233	233	0.22	51
(r) Management Interlocks	4	4	2.20	9
(s) Customer Satisfaction Survey	205	205	0.30	62
(t) Change in Asset Composition	26	26	4.50	117
Total Estimated Burden	3,863			12,220

The cost of the hour burden is as follows:

Information Collection	Wage Category	Total Burden Hours	Burden Hours by Wage Category	Wage Rate	Total Cost of Hour Burden
(a) Background Investigations (Biographical and Financial Report)	100% sr mgmt	1,800	1,800	\$80	\$144,000
(b) Investment in Bank Premises	20% clerical 80% middle mgmt	195	39 156	\$20 \$40	\$780 \$6,240
(d)(1) Charter	30% clerical 20% middle mgmt 35% sr mgmt 15% counsel	500	150 100 175 75	\$20 \$40 \$80 \$100	\$3,000 \$4,000 \$14,000 \$7,500
(d)(2) Corporate Organization	80% clerical 20% sr mgmt	33	26 7	\$20 \$80	\$520 \$560
(e) Conversions	30% clerical 20% middle mgmt 35% sr mgmt 15% counsel	20	6 4 7 3	\$20 \$40 \$80 \$100	\$120 \$160 \$560 \$300
(f) Federal Branches & Agencies	40% clerical 40% middle mgmt 20% sr mgmt	187	75 75 37	\$20 \$40 \$80	\$1,500 \$3,000 \$2,960
(g) Branches & Relocations	70% clerical 30% middle mgmt	1,587	1,111 476	\$20 \$40	\$22,212 \$19,039
(h) Business Combinations and Failure Acquisitions	40% clerical 10% middle mgmt 10% sr mgmt 40% counsel	4,530	1,812 453 453 1,812	\$20 \$40 \$80 \$100	\$36,240 \$18,120 \$36,240 \$181,200
(i) Fiduciary Activities	40% clerical 40% middle mgmt 10% sr mgmt	97	39 39 19	\$20 \$40 \$80	\$780 \$1,560 \$1,520
(j)(1) Operating Subsidiaries	50% clerical 40% middle mgmt 10% sr mgmt	136	67 55 14	\$20 \$40 \$80	\$1,340 \$2,220 \$1,120
(j)(2) Financial Subsidiaries	50% clerical 40% middle mgmt 10% sr mgmt	4	2 1 1	\$20 \$40 \$80	\$40 \$40 \$80
(j)(3) Bank Service Companies	50% clerical 40% middle mgmt 10% sr mgmt	1	0.5 0.4 0.1	\$20 \$40 \$80	\$10 \$16 \$8
Information Collection	Wage Category	Total Burden Hours	Burden Hours by Wage	Wage Rate	Total Cost of Hour

			Category		Burden
(j)(4) Investments	50% clerical	9	4	\$20	\$80
	40% middle mgmt		4	\$40	\$160
	10% sr mgmt		1	\$80	\$80
(j)(5) Thrift Service Corporation	100% middle mgmt	0.15	0.15	\$40	\$6
(j)(6) Annual Report	70% clerical	57	40	\$20	\$798
	30% middle mgmt		17	\$40	\$684
(k) Branch Closings	60% clerical	983	590	\$20	\$11,800
	40% middle mgmt		393	\$40	\$15,720
(l) Termination of National Bank or FSA Charter	30% clerical	1,265	379	\$20	\$7,580
	40% middle mgmt		506	\$40	\$20,240
	20% sr mgmt		253	\$80	\$20,240
	10% counsel		127	\$100	\$12,700
(m) Capital & Dividends; Subordinated Debt	30% clerical	226	68	\$20	\$1,360
	30% middle mgmt		68	\$40	\$2,720
	20% sr mgmt		45	\$80	\$3,600
	20% counsel		45	\$100	\$4,500
(n) Change in Control	30% clerical	300	90	\$20	\$1,800
	50% sr mgmt		150	\$80	\$12,000
	20% counsel		60	\$100	\$6,000
(o) Change in CEO or Director	20% clerical	2	0.40	\$20	\$8
	80% sr mgmt		1.60	\$80	\$128
(p) Director Waivers	20% clerical	50	10	\$20	\$200
	80% sr mgmt		40	\$80	\$3,200
(q) Change of Corporate Title & Address	80% clerical	51	41	\$20	\$820
	20% middle mgmt		10	\$40	\$400
(r) Management Interlocks	50% clerical	9	4.50	\$20	\$90
	50% counsel		4.50	\$100	\$450
(s) Customer Satisfaction Survey	80% clerical	62	50	\$20	\$1,000
	20% middle mgmt		12	\$40	\$480
(t) Change in Asset Composition	40% clerical	117	47	\$20	\$940
	10% middle mgmt		12	\$40	\$480
	20% sr mgmt		23	\$80	\$1,840
	30% counsel		35	\$100	\$3,500
Total Cost of Hour Burden to Respondents		12,220			\$645,727

13. Estimate of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in burden:

Burden:

Former:

3,831 respondents @ 1 response = 3,831 responses

3,831 responses @ 3.178 hours = 12,174 burden hours

New:

3,863 respondents @ 1 response = 3,832 responses

3,863 responses @ 3.163 hours = 12,220 burden hours

Difference:

+32 respondents; +32 responses; +46 burden hours

While this update introduces additional filing or reporting requirements for national banks and Federal savings associations, the increase in burden is offset by elimination of certain filing requirements. Six new forms are included and 15 others are eliminated. Also, in calendar year 2013 the OCC continued to see an upward trend in charter conversions (to a state bank), liquidation, dissolution, or failure. In CY2013, 103 national banks and FSAs exited the federal banking system.

16. Information regarding collections whose results are planned to be published for statistical use:

The results of these collections will not be published for statistical use. However, data obtained from these submissions may be published in the OCC's Quarterly Journal; we present only the number of requests received.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

Not applicable.

COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS:

Not applicable.