

Justification for No Material Change Investment in Bank Premises

The burden attributed to the Investment in Bank Premises application and after-the-fact notice, currently contained in the Licensing Manual, OMB Control No. 1557-0014, is being moved to this collection, Bank Activities and Operations (Part 7), OMB Control No. 1557-0204, without change. The requirement, found in 12 CFR part 7, will now be located in the information collection that covers the remainder of part 7.

Federal law and OCC regulations require a national bank to submit an Investment in Bank Premises application to the OCC for prior approval whenever its investment in bank premises will cause it to exceed its capital stock.¹ The application must describe the present and proposed investment and the business reason for exceeding the limit. With regard to a bank with a composite CAMELS 1 or 2 rating entering a transaction that increases its aggregate bank premises investment to not more than 150 percent of its capital and surplus may proceed without prior OCC approval, but must provide an after-the-fact notice. Such a bank must be well capitalized and continue to be well capitalized after the transaction.

The OCC uses the Investment in Bank Premises application to determine whether to grant or deny a national bank's request to invest further in its premises and to monitor and supervise any investment in bank premises that exceeds regulatory limits.

¹ 12 U.S.C. 29 and 371d; and 12 CFR 5.37, 7.1000, and 7.3001.