

# Notification by a Bank Holding Company to Acquire a Nonbank Company and/or Engage in Nonbanking Activities

## FR Y-4

For "N" in notificant crossed out, put in "The n".

DRAFT 6/15/17

The notification is to be filed by submitting the information requested in this form to the appropriate Reserve Bank. Notificants are strongly encouraged to submit their notifications electronically through the Federal Reserve System's web-based application E-Apps ([www.federalreserve.gov/bankinforeg/eapps.htm](http://www.federalreserve.gov/bankinforeg/eapps.htm)).<sup>FN1</sup> Additional information on E-Apps may be found on the Board's public website. Alternative formats to this form, if used, must provide all requested information. In order to be considered properly filed in accordance with the requirements of the BHC Act, the notification must be substantially complete and responsive to each item of information requested (including an indication that the answer is "not applicable" or "none" if such is the case).

### Who May Use This Form

This form should be used for notifications filed with the Federal Reserve System (the "Federal Reserve") under section 4 of the Bank Holding Company Act of 1956, as amended (the "BHC Act"—12 U.S.C. 1842) pursuant to sections 225.23 or 225.24 of the Board of Governors of the Federal Reserve System's (the "Board's") Regulation Y, where a bank holding company proposes to engage in a nonbanking activity, either *de novo* or through the acquisition or control of shares or assets of an existing nonbank company.

Exemptions for certain *de novo* activities: A well-run bank holding company (a company meeting the criteria in sections 225.23(c) of Regulation Y) that complies with the requirements in section 225.22(a) of Regulation Y may engage *de novo* in the nonbanking activities listed in section 225.28(b) of Regulation Y (except operating a nonbank insured depository institution) without obtaining the Board's prior approval. However, a notice must be provided to the appropriate Reserve Bank (defined below) within 10 business days after commencing the activity as required by section 225.22(a) of Regulation Y. In fulfilling that notice requirement, the notifying bank holding company should *not* use this form, but instead must provide by letter the information and certifications specified in section 225.22(a)(3) of Regulation Y.

Federal Reserve district in which the head office of Notificant or its sole or principal banking subsidiary either will be or is currently located (i.e. where the senior executives of the consolidated banking organization are located and overall strategic direction is established) (the "appropriate Reserve Bank"). Notificants are encouraged to contact Federal Reserve staff as soon as possible to discuss whether a notification is appropriate for the proposed transaction.

### Filing Categories

- (1) *Expedited Nonbanking Proposals*—A well-run bank holding company may (i) engage *de novo* in any nonbanking activity approved by Board order and (ii) acquire voting shares or assets of a going concern engaged in any nonbanking activity approved by Board regulation (except operating a nonbank insured depository institution) and most nonbanking activities approved by Board order if the bank holding company has provided written notice to the appropriate Reserve Bank at least 12 business days before commencing the proposed activity and the appropriate Reserve Bank or the Board has not indicated within that period that a notice would be required under section 225.24 of Regulation Y. The criteria and information required to comply with the 12 business day prior notice procedure are described in section 225.23 of Regulation Y. This expedited procedure may not be used for proposals to acquire or otherwise operate a nonbank insured depository institution.

### Preparation of Notification An

~~For relevant filing information, Notificants should consult the Board's Regulation Y (12 CFR Part 225), a copy of which is available on the Board's public website at [www.federalreserve.gov/regulations/](http://www.federalreserve.gov/regulations/) or from any Reserve Bank. Additional filing information is available on the Board's public website at [www.federalreserve.gov/generalinfo/applications/af/](http://www.federalreserve.gov/generalinfo/applications/af/).~~

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Inquiries regarding the preparation and filing of notifications should be directed to the Reserve Bank of the

Proposals eligible for the 12 business day prior notice procedure in section 225.23 of Regulation Y do not include proposals that the Board has indicated, (in section 225.23(c)(3)(ii) of Regulation Y), are subject to the notice procedures provided in section 225.24 of Regulation Y. For example, some activities approved only by Board order may require a notice under section 225.24 of

<sup>FN 1</sup>The notification may alternatively be submitted in paper form.

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# General Instructions

Regulation Y. Questions regarding whether an activity approved by Board order requires a notice under section 225.24 of Regulation Y should be addressed to the appropriate Reserve Bank.

(2) *Other Nonbanking Proposals*—Proposals that do not qualify for the 10 business day post notice procedure (section 225.22(a) of Regulation Y) or the 12 business day prior notice (section 225.23 of Regulation Y) procedure discussed above must comply with the procedures in section 225.24 of Regulation Y. Proposals in which a company would become a bank holding company must also comply with the procedures in section 225.24 of Regulation Y. Proposals that are eligible for processing under authority delegated to the appropriate Reserve Bank will be acted on within 30 calendar days after the notice is filed unless Notificant is informed otherwise. Proposals that are not otherwise eligible for Reserve Bank processing will normally be acted on by the Board within 60 calendar days after the notice is filed.

(a) *Engaging de novo in Listed Activities*—Proposals to engage *de novo* in any nonbanking activity described in section 225.28(b) of Regulation Y that are filed under the procedures described in this Filing Category must contain the information set forth in section 225.24(a)(1) of Regulation Y. Proposals to engage *de novo* in operating a nonbank insured depository institution or to engage in nonbanking activities through an initial joint venture are usually viewed as acquisitions for purposes of this paragraph, and must follow the procedures described in paragraph (b) below. Questions regarding whether an activity would be considered *de novo* should be addressed to the appropriate Reserve Bank.

(b) *Acquiring a Company Engaged in Listed Activities*—Proposals to acquire voting shares or assets of a going concern engaged in any nonbanking activity described in section 225.28(b) of Regulation Y that are filed under the procedures described in this Filing Category must contain the information set forth in section 225.24(a)(2) of Regulation Y.

(c) *Engaging in or Acquiring a Company Engaged in Unlisted Activities*—Proposals to engage *de novo* or to acquire voting shares or assets of a

going concern engaged in any nonbanking activity not described in section 225.28(b) of Regulation Y that are filed under the procedures described in this Filing Category must contain the information set forth in sections 225.24(a)(2) and (4) of Regulation Y.

Proposals involving the acquisition of an insured depository institution that require approval under section 4 should use this form. The filing must be modified to satisfy the same information and publication requirements that would apply if the savings association or other nonbank insured depository institution to be acquired were a bank. Generally, the notification must satisfy the requirements outlined in sections 225.14, 225.15, and 225.16 of Regulation Y. If Notificant is seeking expedited action for the proposal, the bank holding company and the proposal should meet all applicable criteria under section 225.14 of Regulation Y. Notificant may use the forms FR Y-3 and FR Y-3N as guides for the type of information that should be included in the notification. Notice of the proposals also may be filed under section 225.24 of Regulation Y as described in Filing Category (2).

## Publication Requirement

Proposals filed under the 12 business day prior notice procedure (section 225.23 of Regulation Y) described in Filing Category (1) do not require public notice. All proposals filed under section 225.24 of Regulation Y described in Filing Category (2) will be published in the *Federal Register* with a public comment period of at least 15 calendar days. The Board will publish notice of the proposal in the *Federal Register* upon receipt of the notification. On written request by Notificant, the notice in the *Federal Register* may be published up to 15 calendar days before the notification is filed.

As a matter of policy, proposals to acquire a savings association also require newspaper publication with a public comment period of at least 30 calendar days after the date of publication. The notice must be published in a newspaper of general circulation in the communities in which the head offices of the notificant bank holding company, its largest subsidiary bank, and each savings association to be directly or indirectly acquired is located (12 CFR 262.3(b)(1)(ii)(E)). The newspaper notice for a proposal to acquire a savings association also must be published no more than 15 calendar days before and no

# General Instructions

The Federal Reserve specifically reserves the right to require the filing of additional statements and information. The questions in the notification are not intended to limit a notificant's presentation. The notificant bears the full burden for presenting and documenting a case that meets the statutory criteria for approval. Supporting information for any or all factors, setting forth the basis for the notificant's judgment, may accompany the notification.

later than 7 calendar days after the date that the notification is filed with the appropriate Reserve Bank.

Notificant should consult with the appropriate Reserve Bank or the Board's public website for the specific publication format used at that Reserve Bank. A copy of any required newspaper notice publication must be provided to the appropriate Reserve Bank, as required by Section 262.3(b) of the Board's Rules of Procedure.

## Supporting Information

~~Please note that the Federal Reserve System specifically reserves the right to require the filing of additional statements and information. If any information initially furnished in the notification changes significantly during processing or prior to consummation, these changes are to be communicated promptly to the appropriate Reserve Bank.~~

## Confidentiality

Under the provisions of the Freedom of Information Act (the "FOIA"—5 U.S.C. 552), the notification is a public document and available to the public upon request. Once submitted, a notification becomes a record of the Board and may be requested by any member of the public. Board records generally must be disclosed unless they are determined to fall, in whole or in part, within the scope of one or more of the FOIA exemptions from disclosure. See 5 U.S.C. § 552(b)(1)-(9).

The exempt categories include (but are not limited to) "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (exemption 4), and information that, if disclosed, "would constitute a clearly unwarranted invasion of personal privacy" (exemption 6). Notificant may request confidential treatment for any information submitted in (or in connection with) its notification that Notificant believes is exempt from disclosure under the FOIA. For example, if Notificant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to its competitive position or that of its subsidiaries, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested.

The request for confidential treatment must be submitted in writing concurrently with the filing of the notification

(or subsequent related submissions), and must discuss in detail the justification for confidential treatment. Such justification must be provided for each portion of the notification (or related submissions) for which confidential treatment is requested. Notificant's reasons for requesting confidentiality must specifically describe the harm that would result from public release of the information. A statement simply indicating that the information would result in competitive harm or that it is personal in nature is not sufficient. (A claim that disclosure would violate the law or policy of a foreign country is not, in and of itself, sufficient to exempt information from disclosure. Notificant must demonstrate that disclosure would fall within the scope of one or more of the FOIA exemptions from disclosure.) Notificant must follow the steps outlined immediately below, and certify in the notification (or related submissions) that these steps have been followed.

Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the notification (by reference to the confidential section); (2) separately bound; and (3) labeled "CONFIDENTIAL."

With respect to notifications that include information regarding an individual or individuals associated with the proposed transaction, the Board expects Notificant to certify that it has obtained the consent of the individual(s) to public release of such information prior to its submission to the Board or, in the absence of such consent, to submit (or ensure that the individual(s) submit(s)) a timely request for confidential treatment of the information in accordance with these instructions. Information submitted directly by an individual or individuals will become part of the relevant notification record, and, accordingly, will be a Board record subject to being requested by any member of the public under FOIA.

The Federal Reserve will determine whether information submitted as confidential will be so regarded, and will advise Notificant of any decision to make available to the public information labeled "CONFIDENTIAL." However, it shall be understood that, without prior notice to Notificant, the Board may disclose or comment on any of the contents of the notification in the Order or Statement issued by the Board in connection with its decision on the notification. The Board's staff normally will apprise Notificant in the course of the review process that such

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## General Instructions

information may need to be disclosed in connection with the Board's action on the notification.

For further information on the procedures for requesting confidential treatment and the Board's procedures for addressing such requests, consult the Board's Rules Regarding Availability of Information, 12 CFR part 261, including 12 CFR 261.15, which governs requests for confidential treatment.

### **Compliance**

Notificant is expected to comply with all representations and commitments made in this notification. Notificant should immediately contact the appropriate Reserve Bank if there is any change in the proposal prior to consummation.