

Banking and Finance Law Daily Wrap Up, MERGERS AND ACQUISITIONS **—OCC finalizes bank merger rule and policy statement, (Sept. 17, 2024)**

Banking and Finance Law Daily Wrap Up

[Click to open document in a browser](#)

By Lauren Bikoff, MLS

The final rule is effective Jan. 1, 2025.

The Office of the Comptroller of the Currency (OCC) has approved a [final rule](#) amending its procedures for reviewing applications for bank mergers involving national banks and federal savings associations and a policy statement clarifying its review of applications under the Bank Merger Act (BMA). According to the [OCC](#), the final rule is an effort to enhance transparency around its process of reviewing transactions under the BMA. Earlier this year, the OCC had invited comment on the corresponding proposed rule and proposed policy statement (see [Banking and Finance Law Daily](#), Jan. 30, 2024). The OCC's final rule takes effect on Jan. 1, 2025.

Expedited review. After considering the comments received, the final rule removes provisions in 12 C.F.R. §5.33 related to the expedited review process, which previously had allowed an application to be deemed approved by the OCC as of the 15th day after the close of the comment period, unless the OCC notified the filer that the filing was not eligible for expedited review, or the expedited review process was extended. The OCC's current target time frame for licensing decisions, as noted in the OCC's Annual Report, is 45 days for expedited review and 60 days for standard review. The final rule explained that the OCC's practice has been to approve or deny an application of expedited review within 15 days after the close of the comment period or remove the application from expedited review.

"The OCC is not aware of any application for a business combination having been deemed approved solely due to the passage of time," the final rule states. "Accordingly, the OCC does not expect that removing this provision will result in a significant change to the time in which the OCC processes merger applications."

Streamlined application option removed. The final rule also removes the use of the streamlined business combination application, which removes the ability of eligible institutions to file for certain types of business combinations using a streamlined application form. The OCC believes that the "more complete record created with the Interagency Bank Merger Act Application provides the appropriate basis for the OCC to consider a business combination application." Further, the removal of the streamlined business combination form should not significantly increase the burden on applicants, notes the final rule.

Policy statement. The OCC has included a policy statement, entitled "Policy Statement Regarding Statutory Factors Under the Bank Merger Act," as an appendix in the final rule. The policy statement is intended to provide additional clarity and guidance to national banks, federal savings associations, federal branches of foreign banks, other institutions, and the public on the OCC's review of applications under the BMA.

Specifically, the policy statement discusses:

- General principles for the OCC's review of applications under the BMA, including indicators consistent with approval or which would raise supervisory or regulatory concerns;
- OCC consideration of financial stability and other factors under the BMA; and
- OCC decision process for extending the public comment period or holding a public meeting.

"The diversity of the banking system is critical to the nation's communities, consumers, and economy," said Acting Comptroller Michael J. Hsu. "This final rule and policy statement provide clarity and transparency around the OCC's consideration of bank mergers to improve outcomes to benefit communities, enhance competition, and support a diverse banking system."

MainStory: TopStory BankingFinance BankingOperations CommunityDevelopment FedTracker FinancialStability
GCNNews MergersAcquisitions PrudentialRegulation