

**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
PROPOSED AMENDMENT
3 NYCRR PART 14**

**GENERAL REGULATIONS OF THE SUPERINTENDENT: INVESTMENTS IN
OPERATING SUBSIDIARIES AND OTHER ENTITIES**

I, Kaitlin Asrow, Acting Superintendent of Financial Services, pursuant to the authority granted by Banking Law Sections 10, 14, 97, and 201-a and Financial Services Law Sections 102, 201, 202, 301, and 302, do hereby repeal Part 14 and promulgate a new Part 14 of Title 3 of the Official Compilation of Codes, Rules and Regulations of the State of New York, to take effect upon publication of the Notice of Adoption in the State Register, to read as follows:

Part 14 of 3 NYCRR is hereby repealed.

A new Part 14 is added to 3 NYCRR to read as follows:

§ 14.1 Purpose and Defined Terms.

(a) *Purpose.* Banking Law section 97(4-a) authorizes the superintendent to adopt regulations to permit banks and trust companies to own or make investments in the stock and other equity of subsidiaries engaged in the transaction of any business in which a bank or trust company may engage directly (“operating subsidiaries,” as more fully defined in subdivision (b) of this section) and corporations organized pursuant to section 25A of the Federal Reserve Act (“Edge Act subsidiaries”). Banks and trust companies may also make investments in the capital stock (which for the purposes of this Part shall be deemed to include contributions to capital surplus) or other equity interests of other entities if specifically authorized by the superintendent pursuant to Banking Law section 97(5). This Part implements the superintendent’s authority to authorize investments in operating subsidiaries and Edge Act subsidiaries pursuant to section 97(4-a) and to establish the procedures to make applications to invest in the capital stock or other equity interests of other entities pursuant to section 97(5).

(b) *Definitions.* For purposes of this Part, the following definitions apply:

- (1) *Bank* shall mean a New York state-chartered bank, as defined in Banking Law section 2(1), a New York state-chartered trust company, as defined in Banking Law section 2(2), and, unless otherwise specified in this Part, a branch or agency of a foreign bank licensed under Banking Law section 201-a; provided that any ownership interest specified in this Part applies to the parent foreign bank of the branch or agency and not to the branch or agency.
- (2) *Control* shall mean, with respect to a bank’s operating subsidiary, that:
 - (i) the bank has the ability, directly or indirectly, to direct the management and operations of the subsidiary, and no other person or entity has the ability to

- exercise effective control or influence over the management or operations of the subsidiary to an extent equal to or greater than that of the bank;
- (ii) the bank owns and controls, directly or indirectly, more than 50 percent of the voting (or similar type of controlling) interest of the subsidiary, or the bank otherwise controls the subsidiary and no other party controls a percentage of the voting (or similar type of controlling) interest of the subsidiary greater than the bank's interest; and
 - (iii) the subsidiary is consolidated on the bank's financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles, the International Financial Reporting Standards, or other similar standards.
- (3) *Operating subsidiary* means an entity, including a corporation, limited liability company, limited partnership, business trust, or similar legal person, that engages in an activity a bank is authorized to engage in directly either as part of, or incidental to, the business of banking, and that a bank controls. The following types of entities are excluded from the definition of operating subsidiary for purposes of this Part and are not subject to filings under section 14.2 or 14.3 of this Part:
- (i) a subsidiary in which the bank has acquired, in good faith, shares through foreclosure on collateral, by way of compromise of a doubtful claim, or to avoid a loss in connection with a debt previously contracted;
 - (ii) a trust formed for purposes of securitizing assets held by the bank as part of its banking business and any affiliated entity formed to issue related debt securities or hold the bank's residual interest in the securitization trust;
 - (iii) a subsidiary formed to hold investments in community development entities or projects that have been approved by the superintendent (or, if applicable, were self-certified by the bank) pursuant to section 6.5 of this Title; and
 - (iv) a subsidiary formed to own or operate real or personal property for use as bank premises.
- (4) *Previously approved activity* means any activity specified in section 14.2(b)(1) of this Part, authorized for after-the-fact notice in section 14.2(b)(4) of this Part, or included on a list of previously approved activities posted on the department's website (www.dfs.ny.gov), such list to be reviewed and updated as necessary by the superintendent and, to the extent changes are made, transmitted to all banks by e-mail when released or amended.

Once the superintendent has authorized a previously approved activity and published that activity on the department's website, the superintendent will not remove that particular activity from the authorized list or make substantial changes to the content or description of that activity, except through public notice with the opportunity to comment.

- (5) *Well capitalized* means:

- (i) in the case of a bank (other than as provided in subparagraph (ii) of this paragraph), that such bank has at least the capital level described in 12 C.F.R. § 208.43(b)(1)(i)¹ (with respect to member banks) or 12 C.F.R. § 324.403(b)(1)(i)² (with respect to non-member banks); or
 - (ii) in the case of a branch or agency of a foreign bank, that such branch or agency or foreign bank, as applicable, has at least the capital level described in 12 C.F.R. § 4.7(b)(1)(iii)³.
- (6) *Well managed* means:
 - (i) In the case of a bank (other than as provided in subparagraph (ii) of this paragraph):
 - (a) unless otherwise determined in writing by the superintendent, the bank has received (1) a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (“UFIRS”) from the superintendent in connection with its most recent examination by the superintendent, and a rating of 1 or 2 for management, if such a rating is provided by the superintendent; or (2) if the bank is subject to alternating year examinations, the bank has received a composite rating of 1 or 2 under UFIRS in connection with its most recent examination by either the superintendent or the bank’s United States Federal regulator, and a rating of 1 or 2 for management, if such a rating is provided by the superintendent or the bank’s United States Federal regulator; or
 - (b) in the case of a bank that has not been examined by the superintendent, such bank has available and is using managerial resources that the superintendent determines are satisfactory.
 - (ii) In the case of a branch or agency of a foreign bank:

¹ The Code of Federal Regulations (C.F.R.) is published jointly by the National Archives and Records Administration’s Office of the Federal Register, 7 G Street NW, Suite A-734, Washington, D.C. 20401 and the Government Publishing Office, 732 N. Capitol Street NW, Washington, D.C. 20401. The C.F.R. is available online at <https://www.ecfr.gov>. Copies of the C.F.R. sections referenced in this Part may be obtained from this department by writing to: New York State Department of Financial Services, Office of General Counsel, One State Street, 20th floor, New York, NY 10004, or by sending an email to regnotification@dfs.ny.gov. The incorporated regulation is the version last amended as of December 1, 2025.

² Amended as of December 1, 2025. See footnote 1.

³ Amended as of December 2, 2020. See footnote 1.

(a) unless determined otherwise in writing by the superintendent, the branch or agency has received (1) a composite rating of 1 or 2 under the risk management, operational controls, compliance, and asset quality (“ROCA”) system from the superintendent in connection with its most recent examination by the superintendent, and a rating of 1 or 2 for risk management, if such a rating is provided by the superintendent; or (2) if the branch or agency is subject to alternating year examinations, the branch or agency has received a composite rating of 1 or 2 under ROCA in connection with its most recent examination by either the superintendent or the branch or agency’s United States Federal regulator, and a rating of 1 or 2 for risk management, if such a rating is provided by the superintendent or the branch or agency’s United States Federal regulator; or

(b) in the case of a branch or agency that has not been examined by the superintendent, such branch or agency has available and is using managerial resources that the superintendent determines are satisfactory.

§ 14.2 Investment Procedures for Operating Subsidiaries and Edge Act Subsidiaries.

(a) *Prior Approval Required.*

- (1) Except as provided in subdivisions (b) and (c) of this section, a bank seeking to acquire or establish an operating subsidiary, or perform new activities in an existing operating subsidiary, or acquire or establish an Edge Act subsidiary, shall submit an application to the superintendent containing the information set forth in section 14.5 of this Part.
- (2) The investment may be made, or the new activity performed, 30 days after the superintendent’s receipt of the application unless within that 30-day period the superintendent notifies the bank in writing that:
 - (i) it may make the investment or perform the new activity earlier;
 - (ii) it may not make the investment or perform the new activity; or
 - (iii) the superintendent requires additional time or information, in which case the bank may not make the investment or perform the new activity prior to receiving written approval from the superintendent.
- (3) A bank seeking to establish an operating subsidiary that would itself be a chartered bank, trust company, limited purpose trust company, savings bank or savings and loan association formed pursuant to the Banking Law must file an application to obtain the relevant charter in a separate application. An additional filing under this Part is not required.
- (4) A bank seeking to establish an operating subsidiary that would accept fiduciary appointments for which fiduciary powers are required must have fiduciary powers

previously authorized pursuant to the Banking Law section 100 or 201-b and the operating subsidiary must also have its own fiduciary powers under the law applicable to the subsidiary. Unless the operating subsidiary is a registered investment adviser, a bank seeking to establish an operating subsidiary that would exercise investment discretion on behalf of customers must have fiduciary powers previously authorized pursuant to the Banking Law section 100 or 201-b.

- (5) A bank must file an application under this section if it plans to form an operating subsidiary chartered by the United States, another state or territory of the United States, or a foreign country. The bank must submit a copy of the chartering application for such subsidiary filed in the other jurisdiction with its filing under this Part.
- (6) An approval of an application submitted pursuant to this subdivision expires if the bank has not established or acquired the operating subsidiary or commenced the new activity in an existing operating subsidiary within 12 months after the date of the approval, unless the superintendent shortens or extends the time period.

(b) *After-the-Fact Notice Required.*

- (1) A bank that establishes an operating subsidiary to engage in factoring, personal property leasing, purchasing accounts receivable pursuant to Banking Law section 96(1), to own or operate real or personal property acquired through foreclosure or in settlement or in reduction of debts or obligations due to such bank previously contracted in the regular course of its business, shall provide the superintendent with written notice within 10 days after the investment is made. The notice shall provide the name of the subsidiary, the location of its head office, the general lines of business it will conduct, and the amount and form of the investment.
- (2) A bank that is well capitalized and well managed may acquire or establish an operating subsidiary, make an additional investment in an operating subsidiary, unless such additional investment does not need to be notified as provided for in subdivision (c) of this section, or perform a new activity in an existing operating subsidiary, by providing the superintendent with written notice within 10 days after acquiring or establishing the subsidiary, making an additional investment, or commencing a new activity, provided that:
 - (i) the activity of such operating subsidiary is described in paragraph (4) of this subdivision; or
 - (ii) the activity of such operating subsidiary is substantively the same as a previously approved activity and will be conducted in accordance with any terms and conditions applicable to the previously approved activity.
- (3) The after-the-fact notice under paragraph (2) of this subdivision must contain information required in section 14.5 of this Part as well as a representation and undertaking by the bank that the activity will be conducted in accordance with the

terms of this Part and in a manner consistent with the Banking Law, regulations promulgated thereunder, and related supervisory guidance.

- (4) The following activities qualify for after-the-fact notice procedures under paragraph (2) of this subdivision:
- (i) holding and managing assets lawfully acquired by the parent bank or its operating subsidiaries, including investment assets;
 - (ii) providing services to or for the bank or its affiliates, including accounting, auditing, appraising, advertising and public relations, and financial advice and consulting;
 - (iii) making loans or other extensions of credit;
 - (iv) selling money orders, savings bonds, and travelers checks;
 - (v) purchasing, selling, servicing, or warehousing loans or other extensions of credit, or interests therein;
 - (vi) providing courier services between financial institutions;
 - (vii) providing management consulting, operational advice, and services for other financial institutions;
 - (viii) providing check guaranty, verification, and payment services;
 - (ix) providing data processing, data warehousing, and data transmission products, services, and related activities and facilities, including associated equipment and technology, for the bank or its affiliates;
 - (x) acting as investment adviser (including an adviser with investment discretion) or financial adviser or counselor to governmental entities or instrumentalities, businesses, or individuals, including advising registered investment companies and mortgage or real estate investment trusts, furnishing economic forecasts or other economic information, providing investment advice related to futures and options on futures, and providing consumer financial counseling;
 - (xi) providing tax planning and preparation services;
 - (xii) providing financial and transactional advice and assistance, including advice and assistance for customers in structuring, arranging, and executing mergers and acquisitions, divestitures, joint ventures, leveraged buyouts, swaps, foreign exchange, derivative transactions, coin and bullion, and capital restructurings;
 - (xiii) underwriting and reinsuring credit-related insurance, to the extent permitted by Federal law and subject to any licensing required under the New York Insurance Law;
 - (xiv) acting as an agent or adviser in personal property leases for others;
 - (xv) providing securities brokerage or acting as a futures commission merchant and providing related credit and other related services;
 - (xvi) underwriting and dealing, including making a market, in bank-permissible securities and purchasing and selling as principal asset-backed obligations;

- (xvii) acting as an insurance agent or broker, to the extent permitted by Federal law and subject to any licensing required under the New York Insurance Law or other state insurance laws;
- (xviii) reinsuring mortgage insurance on loans originated, purchased, or serviced by the bank, its subsidiaries, or its affiliates, provided that if the subsidiary enters into a quota share agreement, the subsidiary assumes less than 50 percent of the aggregate insured risk covered by the quota share agreement; a “quota share agreement” is an agreement under which the reinsurer is liable to the primary insurance underwriter for an agreed upon percentage of every claim arising out of the covered book of business ceded by the primary insurance underwriter to the reinsurer; the bank must also obtain a proper license under the New York Insurance Law, if required;
- (xix) acting as a finder pursuant to rules stated in 12 C.F.R. § 7.1002⁴;
- (xx) offering correspondent services, to the extent permitted for banks pursuant to rules stated in 12 C.F.R. § 7.5007⁵;
- (xxi) acting as agent or broker in the sale of fixed or variable annuities, subject to licensing requirements under securities laws and insurance laws;
- (xxii) offering debt cancellation or debt suspension agreements;
- (xxiii) providing real estate settlement, closing, escrow, and related services; and real estate appraisal services for the parent bank, its affiliates, or other financial institutions;
- (xxiv) acting as a transfer or fiscal agent;
- (xxv) acting as a digital certification authority, to the extent permitted for banks pursuant to rules stated in 12 C.F.R. § 7.5005⁶;
- (xxvi) providing or selling public transportation tickets, event and attraction tickets, gift certificates, prepaid phone cards, promotional and advertising material, postage stamps, and Electronic Benefits Transfer script, and similar media, to the extent permitted for national banks;
- (xxvii) providing data processing and data transmission services, facilities (including equipment, technology, and personnel), databases, advice, and access to such services, facilities, databases, and advice, for the parent bank and for others, to the extent permitted for national banks;
- (xxviii) providing bill presentment, billing, collection, and claims-processing services;
- (xxix) providing (other than with respect to virtual currency as defined in section 200.2 (p) of Part 200 of the Regulations of the Superintendent of Financial Services, 23 N.Y.C.R.R. Part 200) safekeeping for personal information or valuable confidential trade or business information, such as encryption keys, to the extent permitted for national banks;

⁴ As amended December 22, 2020. See footnote 1.

⁵ As adopted May 17, 2002. See footnote 1.

⁶ As adopted May 17, 2002. See footnote 1.

- (xxx) providing payroll processing;
- (xxxi) providing branch management services;
- (xxxii) providing merchant processing services except when the activity involves the use of third parties to solicit or underwrite merchants; and
- (xxxiii) performing administrative tasks involved in the administration of employee benefits; offering services to manage healthcare receivable and disbursement processes; and assisting employers, insurers and third-party administrators with benefits administration.

(c) *No Approval or After-the-Fact Notice Required.*

- (1) A bank making an additional investment of no more than one percent of the book value of the bank's capital and surplus in an operating subsidiary previously approved by the superintendent or reported to the superintendent by the bank in a filing under this Part is not required to seek prior approval of such additional investment or provide after-the-fact notice of such additional investment, provided there is no change in the activities of the operating subsidiary.
- (2) A bank that is well capitalized and well managed may acquire or establish a new operating subsidiary, make an additional investment of no more than one percent of the book value of the bank's capital and surplus in such an operating subsidiary, or perform a new activity in an existing operating subsidiary without prior approval or after-the-fact notice if:
 - (i) the activities of the new operating subsidiary (or new activity in an existing operating subsidiary) are limited to those activities previously approved by the superintendent or reported to the superintendent by the bank in a filing under this Part in connection with a prior operating subsidiary;
 - (ii) the activities in which the new operating subsidiary will engage continue to be legally permissible for the operating subsidiary; and
 - (iii) the activities of the new operating subsidiary will be conducted in accordance with any conditions imposed by the superintendent in approving the conduct of those activities for any prior operating subsidiary of the bank.

§ 14.3 Investment Procedures for Other Equity Investments.

(a) *After-the-Fact Notice Required.*

- (1) A bank seeking to make a non-controlling equity investment by acquiring, establishing, making an additional investment, or performing new activities, either directly or through its operating subsidiary, in any entity, including a corporation, limited liability company, limited partnership, business trust, or similar legal person, other than an operating subsidiary (or an entity excluded from the definition of an operating subsidiary pursuant to section 14.1(b)(3)(i) through (iv) of this Part) or an Edge Act subsidiary (an "Investment Entity") that engages in an activity described in section 14.2(b)(4) of this Part shall, except as provided in section 14.4

of this Part, submit a written notice to the superintendent no later than 10 days after making the investment containing the following information:

- (i) describe the structure of the investment and the activity or activities conducted by the Investment Entity;
 - (ii) state:
 - (a) which subparagraphs of paragraph 14.2(b)(4) describe the activity; or
 - (b) if the activity is substantively the same as a previously approved activity:
 - 1. how the activity is substantively the same as a previously approved activity;
 - 2. the citation to the applicable precedent; and
 - 3. that the activity will be conducted in accordance with the same terms and conditions applicable to the previously approved activity;
 - (iii) certify that the bank is well capitalized and well managed at the time of the investment;
 - (iv) describe how the bank has the ability to prevent the Investment Entity from engaging in activities that are not previously approved activities, or how the bank otherwise has the ability to withdraw its investment;
 - (v) describe how the investment is convenient and useful to the bank in carrying out its business and not a mere passive investment unrelated to the bank's banking business;
 - (vi) certify that the bank's loss exposure is limited as a legal matter and that the bank does not have unlimited liability for the obligations of the Investment Entity; and
 - (vii) certify that the Investment Entity agrees to be subject to the department's supervision and examination.
- (2) A bank seeking to make a non-controlling equity investment by acquiring, establishing, making an additional investment, either directly or through its operating subsidiary, in an Investment Entity to engage in factoring, personal property leasing, purchasing accounts receivable pursuant to Banking Law section 96(1), to own or operate real or personal property acquired through foreclosure or in settlement or in reduction of debts or obligations due to such bank previously contracted in the regular course of its business, shall provide the superintendent with written notice within 10 days after the investment is made. The notice shall provide the name of the Investment Entity, the location of its head office, the general lines of business it will conduct, and the amount and form of the investment.

(b) *Prior Approval Required.*

- (1) A bank must file an application containing the information required in sections 14.3(a)(1) and 14.5 of this Part and obtain prior approval before making or acquiring, either directly or through its operating subsidiary, a non-controlling investment in an Investment Entity if the non-controlling investment does not qualify for the notice procedure set forth in section 14.3(a)(1) of this Part because the bank is unable to make the representations or the certifications required by this section, unless the superintendent in their sole discretion has waived any of the requirements in section 14.3(a)(1) of this Part.

(c) *No Approval or After-the-Fact Notice Required.*

- (1) A bank may acquire, either directly or through an operating subsidiary, a non-controlling investment in an Investment Entity, or make an additional investment of no more than one percent of the book value of the bank's capital and surplus in such an Investment Entity, without an application or notice to the superintendent, provided that:
 - (i) activities of the Investment Entity are limited to those activities previously approved by the superintendent or reported to the superintendent by the bank in a filing under this Part in connection with a prior non-controlling investment;
 - (ii) activities of the Investment Entity continue to be legally permissible for the bank;
 - (iii) the bank's non-controlling investment will be made in accordance with any conditions imposed by the superintendent in approving any prior non-controlling investment in Investment Entity conducting these same activities; and
 - (iv) the bank is able to make the representations and certifications specified in section 14.3(a)(1)(iii) through (vii) of this Part.

§ 14.4 Tax Equity Financing.

(a) *Tax Equity Finance Transactions.* A bank may engage in a tax equity finance transaction pursuant to Banking Law section 96(1) or section 201-a, as applicable, only if the transaction is the functional equivalent of a loan, as provided in subdivision (c) of this section, and the transaction satisfies applicable conditions in subdivision (d) of this section. The authority to engage in tax equity finance transactions under this section is pursuant to the lending authority under the Banking Law sections 96(1) or 201-a, as applicable, and is separate from, and does not limit, other investment authorities available to banks.

A bank that seeks to engage for the first time in a tax equity finance transaction of a particular type (e.g., a transaction relating to an energy investment tax credit vs. a new markets tax credit) shall submit an application to the superintendent by following the procedures set forth in sections 14.2(a)(1) and 14.2(a)(2) of this Part. For subsequent tax equity finance transactions of the same type, the bank shall only provide written notice under section 14.4(d)(3) of this Part.

(b) *Definitions.* For purposes of this section, the following definitions apply:

- (1) *Capital and surplus* has the same meaning that this term has in 12 C.F.R. § 32.2⁷.
- (2) *Tax equity finance transaction* means a transaction in which a bank provides equity financing to fund a project or projects that generate(s) tax credits or other tax benefits, and the use of an equity-based structure allows the transfer of those credits and other tax benefits to the bank.

⁷ As amended July 14, 2020. See footnote 1.

(c) *Functional Equivalent of a Loan.* A tax equity finance transaction is the functional equivalent of a loan if:

- (1) the structure of the transaction is necessary for making the tax credits or other tax benefits available to the bank;
- (2) the transaction is of limited tenure and is not indefinite, including retaining a limited investment interest that is required by law to obtain continuing tax benefits or needed to obtain the expected rate of return;
- (3) the tax benefits and other payments received by the bank from the transaction repay the investment and provide the expected rate of return at the time of underwriting;
- (4) consistent with paragraph (3) of this subdivision, the bank does not rely on appreciation of value in the project or property rights underlying the project for repayment;
- (5) the bank uses underwriting and credit-approval criteria and standards that are substantially equivalent to the underwriting and credit approval criteria and standards used for a traditional commercial loan;
- (6) the bank is a passive investor in the transaction and is unable to direct the affairs of the project company; and
- (7) the bank appropriately accounts for the transaction initially and on an ongoing basis and has documented contemporaneously its accounting assessment and conclusion.

(d) *Conditions on Tax Equity Finance Transactions.* A bank may engage in tax equity finance transactions only if:

- (1) the bank cannot control the sale of energy or other goods or services, if any, from the project;
- (2) the bank limits the total dollar amount of tax equity finance transactions undertaken pursuant to this section to no more than five percent of its capital and surplus, unless the superintendent determines, by written approval of a written request by the bank to exceed the five percent limit, that a higher aggregate limit will not pose an unreasonable risk to the bank and that the tax equity finance transactions in the bank's portfolio will not be conducted in an unsafe or unsound manner; provided, however, that in no case may a bank's total dollar amount of tax equity finance transactions undertaken pursuant to this section exceed 15 percent of its capital and surplus;
- (3) the bank has provided written notification to the superintendent prior to engaging in each tax equity finance transaction that includes its evaluation of the risks posed by the transaction;
- (4) the bank can identify, measure, monitor, and control the associated risks of its tax equity finance transaction activities individually and as a whole on an ongoing basis to ensure that such activities are conducted in a safe and sound manner; and
- (5) the bank obtains a legal opinion or has other good faith, reasoned bases for making a determination that tax credits or other tax benefits are available before engaging in a tax equity finance transaction.

(e) *Applicable Legal Requirements.* The transaction is subject to the substantive legal requirements of a loan, including applicable lending limits, and if the active investor or project sponsor of the transaction is an affiliate of the bank, to applicable restrictions on transactions with affiliates.

§ 14.5 Informational Requirements.

(a) *Required Information.* All filings regarding a bank's investment referenced in sections 14.2(a)(1), 14.2(b)(3), and 14.3(b) (and section 14.4 in the case of a bank that seeks to engage in a tax equity finance transaction of a particular type for the first time, as specified in the first sentence of the second paragraph of section 14.4(a)) of this Part must include the following information with respect to such investment:

- (1) a full description of the intended transaction, including, but not limited to, the purchase price, a description of all parties involved, legal structures employed (such as special purpose vehicles or trusts), business rationale for the transaction, proposed accounting treatment, tax consequences, cash flows, and analysis of the credit, market, legal and other risks associated with the proposed transaction;
- (2) a discussion of the legal authority under applicable banking laws for the bank to engage in the proposed activity and, if applicable, the basis on which the proposed investment qualifies for after-the-fact notice;
- (3) whether any shares or other interests are to be purchased from officers or executive officers of the bank, and the identity of any other investors;
- (4) for operating subsidiaries, an explanation of how the bank controls the operating subsidiary, describing in full detail structural arrangements where control is based on factors other than bank ownership of more than 50 percent of the voting interests of the operating subsidiary and the ability to control the management and operations of the operating subsidiary by holding voting interests sufficient to select the number of directors needed to control the operating subsidiary's board and to select and terminate senior management;
- (5) the activities or proposed activities of the subsidiary;
- (6) the location of the subsidiary's offices and records;
- (7) the organizational structure and management of the subsidiary;
- (8) the relations between the bank and the subsidiary (including, but not limited to, whether the bank intends to lend money to or guaranty the obligations of the subsidiary); and
- (9) any other information the superintendent may request, which may include, particularly for unusual or complex transactions, a meeting with department staff to discuss the proposed transaction.

(b) *Additional Information Where Appropriate.* Where appropriate, the filing should also address and include documentation relating to, without limitation, the following:

- (1) for an activity that has been engaged in previously, a discussion of whether the investment related thereto, the legal structures, or other significant aspects of the activity have changed since the original notice;

- (2) the bank's motivation and, if appropriate, the other transaction participants' motivations and business purposes for engaging in the transaction;
- (3) effects of the transaction on the income statement, balance sheet, and cash flow statement of each entity involved;
- (4) illustration and explanation of the accounting treatment by each entity involved;
- (5) explanation of valuations, if appropriate;
- (6) submission of legal, accounting, and tax opinions, where applicable;
- (7) discussion of significant issues raised by or subject to the jurisdiction of other regulatory authorities, whether United States or foreign; and
- (8) discussion of the bank's consideration of legal and other risks and/or exit strategies relating to the transaction.