



**BILLING CODE: 4810-33-P**

**DEPARTMENT OF THE TREASURY**

**Office of the Comptroller of the Currency**

**Agency Information Collection Activities:**

**Information Collection Revision; Comment Request;**

**Comptroller's Licensing Manual**

**AGENCY:** Office of the Comptroller of the Currency (OCC), Treasury.

**ACTION:** Notice and request for comment.

**SUMMARY:** The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other federal agencies to take this opportunity to comment on an information collection revision, as required by the Paperwork Reduction Act of 1995 (PRA).

An agency may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number.

The OCC is soliciting comment concerning a revision to its information collection titled, "Comptroller's Licensing Manual."

**DATES:** You should submit written comments by [INSERT 60 DAYS FROM DATE OF PUBLICATION IN FEDERAL REGISTER].

**ADDRESSES:** Because paper mail in the Washington, DC area and at the OCC is subject

to delay, commenters are encouraged to submit comments by e-mail, if possible.

Comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: 1557-0014, 400 7<sup>th</sup> Street, SW., suite 3E-218, Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326 or by electronic mail to *regs.comments@occ.treas.gov*. You may personally inspect and photocopy comments at the OCC, 400 7<sup>th</sup> Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hard of hearing, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect and photocopy comments.

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

**FOR FURTHER INFORMATION CONTACT:** Shaquita Merritt, OCC Clearance Officer, (202) 649-5490 or, for persons who are deaf or hard of hearing, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7<sup>th</sup> Street, SW., Washington, DC 20219.

**SUPPLEMENTARY INFORMATION:** Under the PRA (44 U.S.C. 3501-3520), federal agencies must obtain prior approval from OMB for each collection of information that they conduct or sponsor. "Collection of information" is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) to include agency requests or requirements that members of the

public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of title 44 requires federal agencies to publish a 60-day notice in the Federal Register concerning each proposed collection of information, including each proposed extension or revision of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, the OCC is publishing notice of this revised collection of information.

The changes to this information collection include revisions to four interagency forms,<sup>1</sup> which are being made in conjunction with the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation. Those agencies will issue a separate joint Federal Register notice before or shortly after this notice. The OCC is issuing its own notice so that it may renew its entire collection.

The OCC is requesting that OMB extend approval of this collection as revised. The entire collection is discussed in detail in the “Description” section, followed by a section highlighting the revisions.

Title: Comptroller’s Licensing Manual.

OMB Control No.: 1557-0014.

Description: The information collection requirements ensure that national banks and federal savings associations (FSA) (hereafter “bank” or “banks”) conduct their operations in a safe and sound manner and in accordance with applicable federal banking statutes and regulations. The information is necessary for regulatory and examination purposes.

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<sup>1</sup> Interagency Bank Merger Act, Interagency Biographical and Financial Report, Interagency Notice of Change in Control, and Interagency Notice of Change in Director or Senior Executive Officer.

The Comptroller's Licensing Manual (Manual) sets forth the OCC's policies and procedures for the formation of a national bank or federal branch or agency, entry into the federal banking system by other institutions, and corporate expansion and structural changes by existing banks. The Manual includes sample documents to assist the applicant in understanding the types of information the OCC needs in order 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 the OCC's electronic filing system, the Central Application Tracking System.

The Manual includes requirements for the following corporate filings:

- Interagency Biographical and Financial Report – 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. 12 CFR 5.20, 5.50, 5.51, and 163.33; 28 CFR 16.34, and 20.33.
- Public Notice and Comments – 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. 12 CFR 5.8, 5.9, 5.10, 5.11, and 5.50.
- Charter – OCC must approve the establishment of a bank. The application includes a business plan and an oath of a bank director. 12 CFR 5.20 and 7.2008.
- All federally-chartered savings associations are required to file and receive prior approval for certain changes to their 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. 12 CFR 5.20, 5.21, 5.22, 5.25, and 5.33.

- 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. 12 CFR 5.20.
- Conversions – Institutions must request OCC permission to convert to a bank. OCC regulations require that a converting financial institution provide information related to its request to convert its charter. 12 CFR 5.23 and 5.24.
- Federal Branches and Agencies – OCC regulations require that a foreign bank desiring to establish a federal branch or agency file an application or notice with the OCC. 12 CFR 5.70; 12 CFR part 28.
- Branches and Relocations – A bank must obtain prior approval or give notice to the OCC to establish, acquire, or relocate a main office or branch. 12 CFR 5.30, 5.31, 5.40, 5.52, and 145.92; 36 CFR 800.1 *et seq.*; 40 CFR 1500.1 *et seq.*
- Business Combinations and Failure Acquisitions – OCC approval is required for any merger, corporate reorganization, or acquisition of a failed institution that will result in a bank. 12 CFR 5.32 and 5.33.
- Fiduciary Powers – OCC approval is required for a bank to exercise fiduciary powers. The request letter represents the bank's conformity with the governing statute and its commitment to retain qualified trust management. Additionally, a

bank shall file a notice after opening a trust office in a state other than its home office state. 12 CFR 5.26.

- 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. 12 CFR 5.34, 5.38, 5.39, and 5.58.
- Financial Subsidiaries – A national bank must 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. 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. 12 CFR 5.39.
- Bank Service Companies – OCC regulations require that a bank notify the OCC prior to its investment in certain bank service companies. 12 CFR 5.35.
- 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 non-controlling investment, directly or through an operating subsidiary, file a written notice or application. The regulations further require an FSA making a pass-through investment, directly or through its

operating subsidiary, to file an after-the-fact notice or an application. 12 CFR 5.36 and 5.58.

- 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. 12 CFR 5.59.
- Annual Report – The OCC requires that each national bank prepare an annual report as of December 31 on its operating subsidiaries and file the report by January 31 of the following year. 12 CFR 5.34.
- 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. 12 U.S.C. 1831r-1.
- Termination of National Bank or FSA Charter – OCC regulations require a bank to notify the OCC of its intent to voluntarily liquidate, merge out, or convert out of the bank charter. 12 CFR 5.25, 5.33(k), and 5.48.
- Capital and Dividends; Subordinated Debt – 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 applications are titled, “Increase in Permanent Capital,” “Reduction of Permanent Capital/Dividends Payable in Property Other Than Cash,” “Reverse Stock Split,” “Quasi-Reorganization,” “Reduction of Permanent Capital and Capital Distribution,” “Issuance of Subordinated Debt,” and “Prepayment of

Subordinated Debt.” 12 CFR 5.45, 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.

- Change in Control – Any individual, group, or company that proposes to acquire control of a bank must submit prior notice of that intent to the OCC. 12 CFR 5.50.
- Change in Senior Executive Officer and Director – Whenever a change in control occurs, the bank must promptly report to the appropriate federal banking agency any changes or replacements of its senior executive officer or of any director occurring in the next 12-month period. Also, prior notice and approval is required for any additions to the board of directors or senior executive officers if: the bank is not in compliance with minimum capital requirements; is otherwise in troubled condition; or after OCC review of the plan required under section 38 of the Federal Deposit Insurance Act, the OCC determines that prior notice is appropriate. 12 CFR 5.50(h) and 5.51.
- Director Waivers – Every national bank director must be a citizen of the United States and a majority of the national bank directors must 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 national bank may file a letter requesting a waiver of the citizenship or residency requirements. See 12 U.S.C. 72.

- Change of Corporate Title and Address – OCC regulations require a bank that changes its corporate title or address to inform the OCC of that change. 12 CFR 5.42 and 5.52.
- Management Interlocks – Banks may apply to the OCC for exemption from the prohibitions on management interlocks that would not result in a monopoly or substantial lessening of competition and would not present safety and soundness concerns. 12 CFR 26.6.
- Customer Satisfaction Survey – This survey information is collected as part of the OCC’s quality assurance program.
- Substantial Asset Change – OCC regulations require a 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; once having disposed of all or substantially all the assets, to reactivate its operations through the subsequent purchase, acquisition, or other expansion of its operations; for any other purchases, acquisitions or other expansions of operations that are part of a plan to increase the size of the bank by more than 25 percent in a one year period; for any other material increase or decrease in the size of the bank or a material alteration in the composition of the types of assets or liabilities of the bank; or for any change in the purpose of the bank’s charter. 12 CFR 5.53.

#### Changes to the Information Collection

The following were updated, with burden increases only: Interagency Notice of Change in Control, Interagency Biographical and Financial Report, and Interagency Bank Merger Act Application.

The following forms were updated with minor edits:

- Application Amendments – Updated to remove reference to “CAIS.”
- Authorization for Release of Information/Consent Form for Background Investigations – Updated to make language more clear, in compliance with the Fair Credit Reporting Act.
- Branches Requiring Authorization – Removed references to “OTS.”
- Change of Address – Added a missing check box for change in address of a branch.
- Other Equity Investments or Pass-Through Investments – Corrected a typographical error.
- Individual Oath of FSA Director – Updated to correct typographical errors.
- Reduction of Permanent Capital/Dividends Payable in Property Other Than Cash – 12 CFR 5.66 requires national banks to obtain approval before paying a dividend-in-kind. Previous revisions to the form inadvertently omitted applicability of the form for this use.
- Interagency Notice of Change in Director or Senior Executive Officer – Minor updates and further clarification of instructions and requirements.

The following forms were updated to clarify the information requested:

- Increase in Permanent Capital Notice – Generally an FSA is not required to apply for an increase in capital unless the method of increase itself requires a filing (such as issuance of a new class of stock). However, in certain circumstances, a federal stock savings association is required to submit an application and obtain OCC approval. National banks are required to give notice and receive OCC

certification.

- Interagency Biographical and Financial Report – Minor updates and further clarification of instructions and requirements. Includes additional questions typically asked during the application review process, such as information on lawsuits, suspensions, tax obligations, and liabilities.
- Interagency Notice of Change in Control – Minor updates and further clarification of instructions and requirements. Includes additional questions typically asked during the application review process, such as information on non-voting shares, and whether the applicant is joining an existing group acting in concert.
- Interagency Bank Merger Act – Updated to reflect new requirements under the Dodd-Frank Act, or otherwise necessary to evaluate statutory factors, as well as additional questions typically asked during the application review process. Requests financial projections for three years versus the current one year.

The following forms were updated to delete requirements:

- Citizenship and Residency Waivers – Removed applicability to FSAs and clarified that only the biographical portion of the form is required.
- Commencement of Fiduciary Activities Notice, Fiduciary Powers After-the-Fact-Notice, Fiduciary Powers Application, and Surrender of Fiduciary Powers Notice – Removed requirement for a bank seal.

Additional Requested Items:

The following are additions to the collection that capture existing requirements:

- Conversion to National Bank Completion Certification and Conversion to FSA Completion Certification – Certification is submitted to indicate that all steps

required to convert to a bank were taken, including execution of all documents required for organization, requisite shareholder or member approval, board of directors authorization, and adoption of bylaws. Upon receipt of the certification, the OCC issues the institution a new charter.

- Reduction of Permanent Capital and Capital Distribution – Under 12 CFR 5.55, FSAs are required to obtain OCC approval before issuing a capital distribution under certain circumstances. The request is reviewed to determine whether the FSA’s request is in accordance with existing statutory and regulatory criteria. The reporting requirements were previously included in OTS Form 1583. The new form was approved under OMB Control No. 1557-0338 and later merged into OMB Control No. 1557-0014.

#### Transfer of a Collection

Investment in Bank Premises – OCC regulations require a bank to obtain prior approval whenever an investment in bank premises will cause the total investment in bank premises to exceed the amount of the bank’s capital stock, unless the bank is eligible for the premises notice process set forth in 12 CFR 5.37(d)(3). 12 CFR 5.37(d)(1) and 7.1000(c). This item has been merged into the collection covering part 7 (OMB Control No. 1557-0204).

Type of Review: Regular.

Affected Public: Individuals or households; Businesses or other for-profit.

Estimated Number of Respondents: 3,715.

Estimated Total Annual Responses: 3,715.

Frequency of Response: On occasion.

Estimated Total Annual Burden: 12,533 hours.

Comments submitted in response to this notice will be summarized and included in the request for OMB approval. All comments will become a matter of public record.

Comments are invited on:

(a) Whether the collection of information is necessary for the proper performance of the functions of the OCC, including whether the information has practical utility;

(b) The accuracy of the OCC's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

Dated: July 28, 2017

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Office of the Comptroller of the Currency