

**DEPARTMENT OF THE TREASURY  
Office of the Comptroller of the Currency  
FEDERAL RESERVE SYSTEM**

**[Docket No. R-]**

**FEDERAL DEPOSIT INSURANCE CORPORATION  
RIN -**

**DEPARTMENT OF THE TREASURY  
Office of Thrift Supervision  
Docket No.**

**BRANCH CLOSINGS**

**AGENCIES:** Board of Governors of the Federal Reserve System; Office of the Comptroller of the Currency, Treasury; Federal Deposit Insurance Corporation; and Office of Thrift Supervision, Treasury.

**ACTION:** Joint policy statement.

**SUMMARY:** The Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision (collectively "the agencies") have amended their joint policy statement regarding branch closings by insured depository institutions in order to incorporate changes in the underlying statute made by section 106 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, which requires that additional steps regarding notice and consultation be taken in the case of proposed branch closings by interstate banks in low or moderate income areas. The policy statement provides guidance concerning the branch closing provisions of section 42 of the Federal Deposit Insurance Act, specifically the requirements that insured depository institutions adopt policies for branch closings and provide notices before closing any branch.

**DATES:** Effective [insert date of Federal Register publication].

**FOR FURTHER INFORMATION CONTACT:**

**Board of Governors:** Gregory A. Baer, Managing Senior Counsel (202/452-3236), Legal Division. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), Dorothea Thompson (202/452-3544), Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

**OCC:** Charles Baker, Licensing Policy and Systems Analyst, Bank Organization and Structure Division (202/874-5060), Sue Auerbach, Senior Attorney, Bank Activities and Structure Division (202/874-5300), LettyAnn Shapiro, Community Development Specialist, Community Development Division (202/874-4930), Office of the Comptroller of the Currency.

**FDIC:** Curtis L. Vaughn, Examination Specialist, Division of Supervision (202/898-6759), Lori J. Sommerfeld, Attorney, Legal Division (202/898-8515), Bobbie Jean Norris, Chief, Fair Lending Section, Division of Compliance and Consumer Affairs (202/942-3090).

**QTS:** Larry Clark, Program Manager, Compliance and Trust (202/906-5628), Supervision Policy; Kevin A. Corcoran, Assistant Chief Counsel, Business Transactions Division (202/906-6962), Chief Counsel's Office.

**SUPPLEMENTARY INFORMATION:****Background Information**

Section 42 of the Federal Deposit Insurance Act (12 U.S.C. 1831r-1) ("FDI Act") requires an insured depository institution to give 90 days prior written notice of any branch closing to its primary federal regulator and to branch customers, to post a notice at the branch site at least 30 days prior to closing, and to develop a policy with respect to branch closings. The notice to

the regulator must include a detailed statement of the reasons for the decision to close the branch and information in support of those reasons.

On September 21, 1993, the agencies issued a joint final policy statement to provide guidance to institutions in complying with section 42 of the FDI Act. 58 FR 49083. The policy statement defines a branch for purposes of section 42, clarifies what constitutes a branch closing, and provides guidance to institutions in identifying customers to be notified in the event of a branch closing.

Section 42 of the FDI Act was subsequently amended by section 106 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Pub. L. 103-328, 108 Stat. 2338) ("Interstate Act"). The Interstate Act changed section 42 in two ways: first, by providing a new notice procedure for branch closings involving an "interstate bank" (a bank operating in more than one state); and second, by requiring the appropriate Federal banking agency to convene a meeting of community leaders and other persons to discuss a closing if the closing is in a low or moderate income area and a person from the affected area requests such a meeting.

The agencies are amending their policy statement to incorporate the new procedure and provide for customers to be informed of this right to request that the appropriate agency convene a meeting on a particular branch closing. The agencies are also clarifying that main offices [remote service facilities,] and loan production offices are not branches for purposes of section 42. A reference to the RTC is being eliminated given that the agency ceased to exist by operation of law on December 31, 1995. No other changes have been made.

The agencies have reviewed the policy statement pursuant to § 303 of the Riegle Community Development and Regulatory Improvement Act of 1994, in order to determine whether any burdens imposed by the statement may be reduced. Because the statement was a streamlined effort at explaining certain provisions of the statute, the agencies have not adopted major substantive changes to the statement. However, the statement has been slightly reorganized to make it easier to understand.

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**ATTACHMENT IS AVAILABLE UPON REQUEST**

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