

Change in Bank Control

Comptroller's Licensing Manual

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Change in Bank Control

Introduction

Parties who wish to acquire control of a national bank through the purchase, assignment, transfer, pledge, or other disposition of voting stock must notify the Comptroller of the Currency (OCC) and submit the information requested by the Interagency Notice of Change of Control form.

This booklet provides detailed guidance, instructions, policies and procedures for persons submitting a change in bank control notice. The booklet includes information on time frames for filing notices for changes in bank control; the statutory factors the OCC considers in reaching a decision; the notice process, including the prefiling process, filing the notice, determining when the notice is technically complete, and processing time frames; and other specific requirements. This booklet includes step-by-step procedures for an acquiring party and the OCC to follow and a glossary of terms. Throughout this booklet there are hyperlinks to forms, such as the [Interagency Notice of Change in Control](#) form and [Interagency Biographical and Financial Report](#), and other information that an acquiring party may find useful when filing a change in bank control notice. You should review the “[General Policies and Procedures](#)” booklet prior to completing the application for additional filing instructions.

Under the Change in Bank Control Act (CBCA) (12 USC 1817(j)) and the OCC’s change in control regulation (12 CFR 5.50), any party seeking to acquire the power to vote 25 percent or more of a class of voting securities of a national bank must give notice to the OCC at least 60 days prior to the acquisition (see Time Frame discussion for timing aspects of the review process). In addition, persons seeking to acquire the power to vote 10 percent or more of a class of voting securities are presumed to have acquired control in certain circumstances. This includes situations when two or more persons simultaneously acquire equal percentages of 10 percent or more of a national bank’s voting securities. Also, persons acting in concert will have their interests in a national bank considered collectively.

Persons intending to acquire control of a national bank without federal deposit insurance, including a national trust bank or national credit card bank established under the Competitive Equality Banking Act of 1987, also are subject to 12 CFR 5.50’s notice requirements. This includes corporations, partnerships, certain trusts, associations, and similar organizations that are not required to obtain Federal Reserve approval under the Bank Holding Company Act (BHC Act) to acquire a national bank.

Exemptions

Filing Exemptions

The following transactions are exempt from the notice requirements of 12 CFR 5.50:

- Acquisition of additional shares by a person who:

- Has, continuously since March 9, 1979, or since the bank commenced business, held the power to vote 25 percent or more of the voting securities of the bank, or
- Is presumed to have controlled the bank continuously since March 9, 1979, if the transaction does not result in the person's direct or indirect ownership or power to vote 25 percent or more of any class of voting securities of the bank, or in other cases, when the OCC determines that the person has controlled the bank continuously since March 9, 1979, or
- Has previously filed a notice for the subject bank and has not been disapproved and the person has continuously maintained a control position with the bank, unless the OCC has otherwise provided in writing. Where an acquiring party has less than a majority interest when the original notice is filed, the nondisapproval letter for that acquisition will require a future CBCA notice when the acquiring party becomes the majority shareholder.
- Transactions subject to approval under:
 - Section 3 of the BHC Act, 12 USC 1842.
 - Section 18 of the Federal Deposit Insurance Act, 12 USC 1828.
 - Section 10 of the Home Owners' Loan Act, 12 USC 1467a.
- Certain transactions described in the BHC Act under:
 - 12 USC 1841(a)(5).
 - 12 USC 1842 (a)(A) and (B).
- Transactions involving a customary one-time proxy solicitation or receipt of pro rata stock dividends.
- Transactions involving the acquisition of shares of a foreign bank that has a federally licensed branch in the United States.

Prior Notice Exemptions

The following transactions are exempt from the prior notice requirements, but these transactions do require the filing of a notice within 90 days after they occur:

- Acquisition of voting shares through testate or intestate succession.
- Acquisition of voting shares as a bona fide gift.
- A stock redemption resulting in a person's percentage of outstanding voting shares increasing.

- Acquisition of control as the result of actions by third parties that are not within the control of the acquiring party. For example, the largest shareholder sells a 30 percent interest to a number of individuals not acting in concert. An unrelated shareholder, owning 22 percent of the bank's shares, now is the largest shareholder and needs to submit a change in bank control notice or rebut the presumption of control (see Rebuttal of Control).
- Acquisition of voting shares in satisfaction of a debt previously contracted in good faith. A person or persons acting in concert, who purchases a previously defaulted loan secured by bank stock, cannot rely on the prior notice exemption to foreclose on the loan, seize, or purchase the underlying collateral, and acquire control of the bank.

Rebuttal of Control

The following situations create a rebuttable presumption of control where any party proposes to acquire 10 percent or more, but less than 25 percent, of a national bank's voting securities:

- The securities to be acquired or voted are subject to the registration requirements of section 12 of the Securities Exchange Act of 1934 (15 USC 78l), or
- Immediately after the transaction no other party owns a greater proportion of that class of voting securities.

In either of these cases, the acquiring party must file a change in control notice or rebut the presumption of control. If the acquiring party chooses to rebut the presumption, the rebuttal must provide facts sufficient to show that the acquiring party will not control the national bank after an acquisition that falls within the parameters of the presumption. For example, the OCC has found that an acquisition will not result in acquiring control when the acquiring party makes the following written commitments:

- The acquisition of any shares equal to or in excess of 10 percent of a class of voting securities is exclusively for investment purposes;
- The acquiring party will not serve on the board of directors and will not nominate any candidate to serve on the Board or otherwise seek Board representation;
- The acquiring party will have only limited contacts with bank management that are customary for interested shareholders;
- The acquiring party will engage only in normal and customary banking transactions with the bank;
- The acquiring party will not pledge the shares acquired to secure a loan with any institution;

- The acquiring party will grant management a proxy, consistent with the requirements of 12 USC 61, equal to or in excess of 10 percent of the bank's shares. The shares covered by the proxy will be voted in the same proportion as all other shares voted by all other shareholders;
- The acquiring party agrees that in the event any of the commitments are not strictly adhered to, the acquiring party will have intentionally exercised a controlling interest in the bank and, thereby, will be subject to administrative action; and
- The acquiring party will file a notice or otherwise receive a written opinion from the OCC that a notice need not be filed, if the acquiring party wishes to deviate from any commitments. (Refer to Interpretive Letter No. 621, February 1, 1993.)

An acquiring party seeking to rebut the presumption of control also may be asked to provide an [affidavit](#) supporting the rebuttal. The affidavit provides additional information but does not substitute for the facts necessary for a successful rebuttal. Any person seeking to rebut the presumption of control should contact the director for district licensing in the district office for further information.

Key Policies

Acting in Concert

Persons act in concert when they knowingly participate in a joint activity or parallel action towards a common goal of acquiring control of a national bank whether or not pursuant to an express agreement, or when there is a combination or pooling of voting or other interests in the securities of an issuer for a common purpose pursuant to any contract, understanding, relationship, agreement, or other arrangement, whether written or otherwise.

The statutory and regulatory requirements are designed to ensure that persons acting in concert have their interests in a national bank considered collectively. The relationships among persons with interests in a national bank are relevant to a determination of whether those persons are acting in concert. When persons are acquiring a national bank's stock at the same time, the OCC will evaluate the facts and circumstances and determine whether those persons are in fact acting in concert. Thus, if potential acquirers do not intend to act in concert, they should make a complete showing in their notice of the specific facts and thoroughly explain why they are not acting in concert.

Members of an immediate family (see Glossary) generally will be presumed to act in concert. If family members do not believe they are acting in concert, they should be prepared to show that individual family members have the legal capacity and funds to make independent investments and that family members are not engaged in a knowing participation or joint activity towards a common goal of exercising control of a national bank.

An acquiring party seeking to establish that no concerted action is occurring also may be asked to provide an [affidavit](#) supporting this position. The affidavit provides

additional information but does not substitute for the facts necessary to show that persons are not acting in concert. Potential applicants should contact the director for district licensing if acting in concert issues may be present.

Decision Criteria

The OCC seeks to enhance and maintain public confidence in the banking system by preventing a change in control of a national bank that could have serious adverse effects on a bank's financial stability, among other factors. To prevent such adverse effects, the OCC may disapprove a change in control if it finds that:

- The proposed acquisition of control would result in a monopoly or would further any monopoly or conspiracy to monopolize the business of banking anywhere in the United States.
- The effect of the proposed acquisition may substantially lessen competition or tend to create a monopoly or in any other manner restrain trade and the anticompetitive effects are not clearly outweighed by benefits to the convenience and needs of the community to be served.
- Either the financial condition of any acquiring party or the future prospects of the bank is such as might jeopardize the stability of the bank or prejudice the interests of its depositors.
- The competence, experience, or integrity of the acquiring party or of the proposed management indicate that it would not be in the interests of the depositors and the public for such persons to control the bank.
- The acquiring party does not provide the OCC with all required information.
- The proposal would result in an adverse effect on the FDIC fund.

Situations that May Result in Disapproval

For example, the OCC may disapprove a change in bank control notice under certain circumstances, such as:

- The acquiring party mismanaged any financial institution when the person had control, was a director or senior officer, or served in another decision-making capacity.
- The acquiring party received significant, improper benefit from insider transactions at any financial institution with which he or she was previously associated in a management or control position.
- The acquiring party was convicted of a felony.
- The acquiring party was subject to discipline, censure, or denial of the right to do business or practice a profession by a state or federal regulatory agency or a license granting body.

- The acquiring party intentionally or deliberately submitted insufficient, inaccurate, or misleading biographical or financial information or failed to provide information the OCC requested.
- The capital level of the target bank is below an acceptable level, unless capital will be restored promptly to an appropriate level.
- The proposed business plan or strategy raises significant concerns about the acquiring party's competence or experience, such as when the business plan:
 - Does not satisfactorily address concerns with respect to strategic planning, financial and risk management, or how the bank will provide a competitive return on investment;
 - Contains unrealistic growth or earnings projections; or
 - Repeatedly changes during the CBCA notice process.

Background Investigations

The OCC conducts an investigation of the competence, experience, integrity, and financial ability of each party named in a change in bank control notice, unless waived. The OCC will determine independently the accuracy and completeness of information submitted for each person. The "Background Investigations" booklet of the manual provides more information about this review process, the authority of the OCC to object to a filer, and actions that the OCC may take if the materials submitted contain a misrepresentation or omission that could be misleading. The agency may subpoena records and take testimony to determine if a party provided false information in a notice or otherwise violated those requirements.

If the OCC receives adverse information on a person providing notice to acquire control of a national bank, he or she is notified and allowed to complete, correct, or challenge the information prior to the OCC making a decision.

Conditions and Agreements

In certain situations, the OCC may impose conditions on its actions not to disapprove a notice, including conditions to address a supervisory, safety and soundness, or compliance concern. These conditions are enforceable under 12 USC 1818. The conditions may require the acquiring party to take, or refrain from taking, certain actions, such as initiating a material change in the business plan or operations of the target bank beyond those contained in the notice. In circumstances where unusual risks are present, the OCC may require the acquiring company to enter into an agreement to provide on-going capital and liquidity support to the target bank. Finally, the OCC may condition its nonobjection on the acquirer causing the target bank to enter into an enforceable written agreement with the OCC (an Operating Agreement). The Operating Agreement may require the bank to maintain capital or liquidity at certain levels or to address supervisory, policy, or legal concerns.

Parallel-owned Banking Organizations

Parallel-owned banking organizations are created when a party that owns a foreign bank acquires a national bank. Processing a change in control notice that creates a parallel-owned banking organization is generally more complex and time consuming than a normal change in bank control notice. This processing disparity reflects the OCC's need to fully understand how the overall strategy and management of the parallel-owned banking organization will affect the national bank, how the activities of the foreign bank are supervised, how home-country supervisors view the condition and operations of foreign affiliates, and how affiliates might affect the national bank. The preceding matters of supervisory interest are in addition to the concerns addressed in the OCC's standard analysis of the background and financial wherewithal of the individual filing the change in control notice.

Concerns for the national bank that arise from a potential parallel-owned banking organization typically result in expanded application or notice requirements. The degree to which the OCC will expand requirements vary, reflecting the specific structure of the proposed transaction and resulting organization. Examples of possible additional information requirements may be found in the Appendix under Possible Additional Information Requests. The OCC may request commitments or representations to facilitate the supervision of parallel-owned banking organizations. See the [Appendix](#), Possible Representations or Commitments for specific examples.

Due to the complexity of proposals that would establish a parallel-owned banking organization and the case-by-case nature of their processing, potential acquiring parties are strongly encouraged to meet with Licensing staff prior to submitting the notice.

Notice Process

General

Parties wishing to acquire control of a national bank must submit an original and five copies of responses to information requested by the [Interagency Notice of Change in Control](#) form and [Interagency Biographical and Financial Report](#). Parties filing by diskette need only submit a hard copy of the page(s) in the notice or attachments where a signature is required. The appropriate filing fee, in accordance with the current annual "Notice of the Comptroller of the Currency Fees," must accompany the notice. In addition, the acquiring party must publish an announcement of the proposed change in bank control (see the Publication and Comment Period discussion).

Upon receipt, the OCC reviews the change in bank control notice to determine whether it is technically complete. After the OCC determines that the notice is technically complete, the OCC makes a decision on the change in bank control notice within the time frames established in the statute or regulation (see the Time Frame discussion).

Notice Contents

The OCC will consider the following factors before determining that a notice is technically complete, whether the:

- Acquiring party provided all information requested in the notice, including biographical and financial information.
- Acquiring party demonstrated the financial ability to consummate the transaction and service any debt, if the purchase is not transacted with cash.
- Acquiring party satisfactorily addressed lapses in employment history.
- Information submitted to shareholders in a tender offer, if applicable, is adequate and accurate.
- Appraiser acknowledged the independence of any appraisals used to support asset values, if applicable.
- Notice includes a realistic plan for providing a competitive return on investment if the acquiring party proposes to inject additional capital into the bank.
- Acquiring party's business plan or strategy adequately addresses strategic planning and growth strategies, capital, and financial and risk management, including applicable risk measurement, monitoring, and control processes.
- Acquiring party provided, and the OCC accepted, any additional information in such form as the OCC requested, such as written agreements previously described in the Conditions and Agreements section of this booklet.

Publication and Comment Period

The acquiring party must publish in a newspaper generally circulated in the community in which the bank is located an [announcement](#) containing:

- The name of the affected national bank.¹
- The identity of each party proposing to acquire the national bank.
- A statement that comments may be furnished to the appropriate district office within 20 days of publication and the identity of the office by name and address.
- A statement that the OCC will keep the information in the notice confidential until it has acted, except for certain information that may be released and made

¹If a bank is operating under more than one name or under a name not substantially similar to its legal name, the public notices of any application or notice published in accordance with 12 CFR 5 must contain both the legal name of the bank and the name(s) the bank uses in the community in which the publication circulates.

available for public inspection and copying under the Freedom of Information Act.

Within 10 days of the public notice, the person must provide the appropriate district office with a statement containing the date of publication, the name and address of the newspaper that published the public notice, a copy of the public notice, and any other required information (refer to [“Public Notice and Comments”](#) booklet).

Under certain circumstances, the OCC may:

- Waive or shorten the publication requirement.
- Delay the public announcement.
- Waive or shorten the public comment period in limited cases.
- Act on a notice prior to the expiration of the public comment period if an emergency exists.

Any interested person may participate in the OCC licensing process by commenting in writing on any corporate filing during the applicable public comment period. For a discussion of how the public may participate, refer to the “Public Notice and Comments” booklet.

Changes to Business Strategy or Corporate Structure

The Interagency Notice of Change in Control form requests the acquiring party to indicate any planned significant change to the bank’s business strategy or corporate structure. Persons with such intentions are expected to provide a thorough description of the changes. Examples of changes include, but are not limited to: intentions to increase significantly the rate of bank asset growth; a change in geographic market, such as from local to statewide; realignment of funding sources, such as from core deposits to brokered funds; changes in lines of business, such as adding commercial real estate lending where none was done previously or substantially reducing an existing product line.

If an acquiring party proposes significant or extensive changes to the bank’s overall business plan or plans to introduce new services and products, the filer should provide the business plan information consistent with the [Business Plan Guidelines](#) issued as part of the [“Charters”](#) booklet. Such business plans should clearly articulate the risks of the proposed changes and the systems and processes that will be used to measure, monitor, and control those risks. The OCC will rigorously analyze proposed business plans and strategies and may use agreements to impose substantive requirements equivalent to conditions and pre-opening requirements that apply to a *de novo* charter (See [Agreements](#) for additional discussion). The OCC also may conduct an examination or field investigation to address or evaluate the supervisory implications of the proposal. The OCC will notify the acquiring party whether it will charge for the examination or investigation (see sample [notice](#)). For detailed discussion of field investigations, refer to the [“Charters”](#) booklet.

Time Frame

The OCC has 60 calendar days to review the proposed transaction from the date the notice is deemed technically complete. The OCC has the discretion to extend the 60-day review period for 30 more days. The review period may be extended an additional two times, for not more than 45 days each, if the OCC determines that:

- An acquiring party did not furnish all of the information required.
- Any material information submitted is substantially inaccurate.
- It is unable to complete the investigation of an acquiring party, because of delay by, or inadequate cooperation of, the acquiring party.
- It requires additional time to decide that no acquiring party has a record of failing to comply with the requirements of the Bank Secrecy Act (31 USC 5311) or to analyze the safety and soundness of any plans for the future prospects of the institution.

If the OCC fails to act within the relevant period, the acquiring party may consummate the acquisition.

The OCC may issue a no objection letter prior to receiving information on all of its background investigations. However, if adverse or previously withheld information is received subsequently, the OCC will consider available remedies under applicable statutes or regulations.

Additional Information Request

When requesting additional information, the OCC will send a [letter](#) to the acquiring party that includes a response due date. The OCC may determine that a notice is not technically complete or disapprove a notice if an acquiring party fails to provide the requested information.

An acquiring party should contact the OCC as soon as possible if he or she cannot submit the additional information on or before the deadline. The OCC may consider the notice withdrawn if it does not receive the information requested by the response due date.

The OCC may require the acquiring party to file an amended Interagency Notice of Change in Control and restart the entire notification process if the additional information needed is substantial. In such instances, the OCC may require the acquiring party to republish the notice of change in control and may require an additional filing fee.

Appeals

The OCC's notice of disapproval to the acquiring party will describe the available appeal procedures. The process allows a disapproved person to seek review of the OCC's decision by filing a written request for a hearing within 10 days of receipt of the notice of disapproval. Failure to request a hearing in a timely fashion will result in the notice of disapproval constituting a final and unappealable order.

Upon receipt of a timely request for a hearing, the Comptroller's designee will issue a hearing order establishing the legal authority for the OCC's jurisdiction over the proceeding and addressing the request for hearing. The disapproved person must answer the hearing order within 20 days after service of the order. Generally, failure to file an answer constitutes a waiver of the person's right to appear and contest the allegations in the hearing order.

Any final order issued by the Comptroller based upon a person's failure to answer is deemed a consent order and, as a result, cannot be appealed. Upon issuance of the hearing order, an administrative law judge will be assigned to preside over the matter. If the OCC's disapproval stands after the administrative hearing and the entry of a final decision of the Comptroller, the person may seek judicial review of the Comptroller's decision.

Consummation

Acquiring parties must consummate a change in control within six months from the OCC's decision date. The OCC generally does not extend this time period. However, if extenuating circumstances exist, the OCC may consider extending the time period.

Specific Requirements

Director Qualifications

All persons who become bank directors after a change of control must comply with the requirements in 12 USC 72. Every national bank director must be a citizen of the United States throughout his or her term of service. The OCC, however, may waive this requirement for a minority of the total number of directors of any national bank (see the "[Director Waivers](#)" booklet).

A majority of a national bank's directors must reside in the state in which the bank is located (that is, the state(s) in which the bank has its main office or branches) or within 100 miles of its main office for at least one year immediately preceding their election. The OCC has discretion to waive this residency requirement (see the "[Director Waivers](#)" booklet).

Hart-Scott-Rodino Filing

Persons required to file a notice under the CBCA should consider the applicability of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR), 15 USC 18a, to their proposed acquisition. The HSR established premerger notification and waiting requirements for persons planning to consummate large mergers and acquisitions.

The Federal Trade Commission (FTC), by regulation, can exempt acquisitions subject to the CBCA from the HSR requirements. That exemption is available only if copies of all information and documentary materials filed with the OCC are filed simultaneously with the FTC and the Department of Justice (DOJ) at least 30 days prior to consummation of the proposed acquisition.

Only those transactions that meet certain threshold tests are subject to the HSR. Generally, those threshold tests relate to the asset size of the parties to the transaction and the purchase price of the transaction. The acquiring party and the target bank must determine the applicability of the HSR to the proposed transaction and, if required, file a copy of the CBCA notice with the FTC and the DOJ. The HSR authorizes the assessment of civil money penalties for failure to comply with its provisions.

An exemption from the HSR notice and waiting period is permitted if the change in control prevents a probable bank failure. In such situations, the proposed acquiring party must notify the FTC and the DOJ of their intent to rely on this exemption and request that the OCC act under the exemption.

Pushdown Accounting

Pushdown accounting is required for financial reporting if an arms-length transaction results in a change in bank control of at least 95 percent of the bank's voting stock. Under pushdown accounting, when a bank is acquired, yet retains its separate corporate existence, the assets and liabilities of the acquired bank are restated to their fair values as of the acquisition date. Those values, including any goodwill, are reflected in the financial statements of the parent and the acquired bank. With the OCC's approval, pushdown accounting may be used when more than 80 percent, but less than 95 percent, is acquired. Acquiring parties should include in the change in bank control notice a pro forma balance sheet for the bank when pushdown accounting is appropriate. Acquiring parties may refer to the OCC's Consolidated Reports of Condition and Income (call report) Instructions and Bank Accounting Advisory Series for guidance in preparing the pro forma balance sheet.

Reporting of Stock Loans

Any foreign bank, or any affiliate of a foreign bank, must file a consolidated report if they have credit outstanding to any person or group of persons that is secured, directly or indirectly, by 25 percent or more of any class of voting securities of a national bank. Other reporting requirements may be applicable (12 CFR 5.50(h)).

Tardy Notices

The OCC may prevent an unlawful acquisition or require divestiture if a bank is acquired in violation of the CBCA or OCC requirements. The OCC also may assess persons filing tardy notices civil money penalties. In addition, the OCC may publicize any remedial action taken against a person who has filed a tardy notice. Persons filing tardy notices should not vote shares acquired in violation of the CBCA or Part 5.50 until the OCC issues a non-objection decision.

In reviewing a tardy notice, the OCC uses the same procedures and analysis as it does in reviewing a timely notice. Specifically, the OCC advises an acquiring party when the tardy notice is deemed technically complete and performs the same review, investigation, and verification procedures as for a notice filed prior to an acquisition.

Tender Offers

The OCC must review and clear any tender offer to purchase national bank stock that will result in a change of control of a national bank with a class of securities registered under the Securities Exchange Act of 1934 (Exchange Act). A copy of any tender offer must be provided with the notice. Stock purchase information in a tender offer that is also submitted must be summarized and incorporated by reference in the notice. Tender offer materials should be filed with the Securities and Corporate Practices Division of the OCC in Washington, D.C.

The OCC may treat confidentially notices filed in contemplation of a public tender offer that are subject to the requirements of the Exchange Act. The OCC may delay (but not waive) publication requirements for those notices up to 34 days after the notice is deemed technically complete. The public notice may be delayed at times out of concern that an acquiring party or bidder complying with the Exchange Act may be disadvantaged by the delays imposed under the notice review period. The OCC may delay publication requirements if:

- The acquiring party requests such treatment and states that a public announcement of the tender offer and the filing of appropriate forms with the OCC will occur within 34 days from the filing of the notice.
- The OCC determines that it is in the public interest to grant such treatment.

In each of those instances, the acquiring party must send proof of the publication of the announcement to the appropriate director for district licensing within 10 days of the date of its publication.

Voting Trusts

A voting trust or voting agreement allows a group of persons to act in concert with the power to control or influence the management or policies of a national bank.

The OCC generally considers certain voting trusts and agreements (voting trusts) as control persons under the CBCA.

It is possible that the voting trust or voting agreement could be considered a “company” under the BHC Act and subject to the Federal Reserve’s regulations and examination. A number of factors, such as the trust’s duration, scope of the trust’s activities and assets, and the existence of similar arrangements between the parties which relate to other business entities, may affect this determination. Because Congress has charged the Federal Reserve with administering the BHC Act provisions, the Federal Reserve Board should be consulted for such a determination.

Absolute and Non-absolute Voting Trusts

An absolute voting trust gives the trustee(s) absolute power and authority on all issues presented for shareholder voting (that is, the trustee(s) votes all bank stock subject to the voting trust at his or her discretion). Absolute voting trusts:

- Do not provide for any voting influence by the beneficiaries, except for the power to direct the sale of securities held in the trust in an amount sufficient to constitute a change in control.
- Do not allow the beneficiaries to remove the voting trustee(s), except for cause, or to dissolve the voting trust.
- May allow the trustee(s) to be changed, because of events not within the control of the beneficiaries (for example, death of trustee(s), voluntary resignation, or disability).

A non-absolute voting trust allows the beneficiaries to direct or influence the way the trustee(s) votes on any issue presented for shareholder voting and to remove the trustee(s) at will or for reasons other than for cause.

Initial Filing

The OCC's analysis includes an evaluation of each filer, as appropriate, and the filers as a group. Only one notice must be submitted for an absolute or non-absolute voting trust. All beneficiaries and trustees must be identified, and a copy of the voting trust agreement must be provided with the notice. The filers must comply with applicable publication requirements found at 12 CFR 5.50(g).

In an absolute voting trust notice, all trustees must file the notice and submit complete personal [biographical and financial information](#). If the trustees do not demonstrate the financial capacity to support the proposed acquisition, the beneficiaries should submit such information as well.

In a non-absolute voting trust notice, all trustees and any beneficiary owning 10 percent or more of the voting trust shares must file the notice and submit complete personal biographical and financial information.

The OCC may require complete biographical and financial information on any beneficiary who has been associated previously with banks subject to supervisory concern or for other reasons relevant to control considerations.

Subsequent Filings

If the trustee(s) of an absolute voting trust changes, a new notice must be submitted. If the trustee(s) of a non-absolute voting trust is changed or a new beneficiary owning 10 percent or more of the voting shares is added, a new notice must be submitted. Generally, filers must follow the guidance for initial filings. Complete biographical and financial information normally will be required only for the new trustees and, in the case of a non-absolute voting trust, beneficiaries owning 10 percent or more of the voting trust shares. If the bank is subject to supervisory concern or for other reasons relevant to control considerations, biographical and financial information on any or all beneficiaries or trustees may be required.

Expansion of Assets or Activities

In reviewing the decision criteria required under the CBCA, the OCC will consider the appropriateness of permitting an acquisition of control that would result in a substantive change in the assets or activities of a national bank. Dormant bank charters present particular concerns, including whether substantial expansion of a dormant bank's activities pose safety and soundness risks. In particular, the OCC is concerned about transactions to acquire control of the dormant bank charter. For a detailed discussion of dormant bank charters, refer to the [General Policies and Procedures](#) booklet. Any such significant changes in the asset composition of a national bank will require the approval of the OCC pursuant to 12 CFR 5.53, in addition to a determination under the CBCA. Acquiring parties should review these regulations carefully before deciding to engage in transactions to acquire control of a dormant bank charter.

Procedures

Prefiling Meeting

Licensing Staff

1. Refers acquiring party that requests instructions to the "[General Policies and Procedures](#)" booklet, the "[Background Investigations](#)" booklet, and this booklet of the *Comptroller's Licensing Manual*. Parties may also find the "[Directors Waivers](#)," "[Public Notice and Comments](#)," and "[Changes in Directors and Senior Executive Officers](#)" booklets useful.
2. Requests an optional prefiling meeting with the acquiring party to review procedures for change in bank control and factors that may influence the OCC's review of the notice; such as, when there will be a significant change to the bank's business plan or corporate structure, or the transaction will result in a parallel-owned banking organization. Submitting a draft notice may be appropriate, depending on the facts and circumstances of the particular case.
3. If any prefiling discussion or meeting reveals significant policy, legal, or supervisory issues, including creation of a parallel-owned banking organization or significant change to the bank's overall business plan, contacts Headquarters Licensing (HQ LIC) to decide whether specific issues should be carved out for headquarters action while the notice continues to be processed in the appropriate district office.
4. Prepares memoranda on all prefiling meetings and records pertinent information from telephone calls. Retains memoranda and other information in a pending file.

Rebuttal of Control

Acquiring Party

5. Submits a rebuttal of control letter to the director for district licensing, if applicable.

Licensing Staff

6. Notifies district counsel and the appropriate assistant deputy comptroller (ADC) and ADC analyst, or the large bank examiner in charge (EIC), of rebuttal of control letter. Forwards a copy and requests any comments by the 15th day after receipt.
7. Reviews rebuttal of control letter and any OCC staff comments to determine if it successfully refutes the presumption of control.
 - If yes, notifies acquiring party that presumption of control has been successfully rebutted.
 - If no, notifies acquiring party to file notice, with filing fee, and to publish notice.

8. Advises the ADC and ADC analyst, or the large bank EIC, and other OCC staff, of determination. If warranted, provides a copy of any commitments made by the acquiring party for future compliance.

Acting in Concert

Acquiring Parties

9. Submits a notice to the director for district licensing, documenting facts to establish that no persons are acting in concert.

Licensing Staff

10. Notifies district counsel, the ADC and ADC analyst, or the large bank EIC, of the acting in concert notice. Forwards a copy and requests any comments by the 15th day after receipt.
11. Reviews the acting in concert letter to determine if it successfully shows that the acquiring party is not acting in concert with others.
 - If staff agrees, notifies acquiring party that no additional persons need be included in the notice.
 - If no, notifies acquiring party to include additional persons in the notice, with the filing fee, and to publish notice.
12. Advises the ADC and ADC analyst, or the large bank EIC, and other OCC staff of the determination. If needed for future compliance, provides a copy of any commitments the acquiring party made.

Filing the Notice and Publication

Acquiring Party

13. Submits a [notice](#) (original and five copies), filing fee, and request for delay (in the case of a proposed tender offer) or waiver of publication, if applicable, to the director for district licensing. The Notice and any attachments should be as detailed as possible. Incomplete or incorrect documents may affect the OCC's decision.
14. [Publishes notice](#) within 10 days of filing with the district office.

Licensing Staff

15. Initiates and enters information into the Corporate Activities Information System (CAIS).
16. Establishes the official file to maintain all original documents.

17. Forwards the filing fee and the deposit memorandum (Form 6043-01) to the Comptroller of the Currency, Accounts Receivable, 250 E Street, S.W., MS 4-8, Washington, DC 20219. Retains a copy of the memorandum. Contacts the acquiring party if the filing fee is not received or is inaccurate.
18. Within five business days of receipt:
 - Acknowledges receipt of filing, advises acquiring party that the notice is under review to determine whether or not it is technically complete, provides CAIS Control Number, and, if applicable, advises the acquiring party that he or she may not vote shares acquired in violation of the CBCA or Part 5.50 until the OCC issues a nonobjection decision.
 - Notifies the ADC and ADC analyst, or large bank EIC, and other OCC divisions of receipt of the notice and forwards a copy of the notice to them, requesting any comments by the 15th day after receipt.
 - Sends a copy of the notice to other federal and state regulatory agencies and invites comments. On a case-by-case basis, HQ LIC shall notify Washington, DC, staff at the other affected federal agencies. Refer to PPM 6100-3 (Rev.) for the specific policy.
 - If a legal issue has been identified, or a legal opinion has been submitted with the filing, forwards relevant materials to the Law Department and requests a response on whether a significant legal issue is present by the 15th day after the receipt date.
 - Depending on the facts and circumstances, establishes a HQ LIC team to review the notice and provide comments during the initial review process so issues and concerns can be resolved as soon as possible. At the initial team meeting, explains the objectives for the team, which OCC unit is responsible for what areas, and an estimate of the timeframes involved.
 - If acquiring party has already acquired control of the bank, makes recommendation and forwards request to district counsel to determine if civil money penalties should be pursued (refer to PPM 5000-7 (Rev.) June 16, 1993).
19. Makes determination on request for delay or waiver of publication requirement, if applicable.
 - If yes, consults with HQ LIC and prepares approval waiver letter for signature by the delegated official.
 - If no, documents reasons that the filing does not qualify and sends a copy of the waiver request to HQ LIC.
20. If Licensing staff determines at any time that the filing presents significant policy, legal, or supervisory issues, including Bank Secrecy Act compliance or systems integration concerns, contacts HQ LIC to decide if and when to forward:

- The filing to HQ LIC for processing (broad policy or legal issues), or
 - Specific issues to HQ LIC for action (while continuing to process the filing in the district office).
21. Together with the ADC and ADC analyst, or large bank EIC, and other OCC staff, determines what, if any, additional information is needed to determine that the notice is technically complete. Such necessary information may include a written agreement that Licensing will develop with legal and supervisory office staffs.
 22. As appropriate:
 - Notifies the acquiring party that the notice is [technically complete](#) and specifies the latest date on which the OCC will issue its intent to disapprove, not disapprove, or extend the processing. (If technically complete, makes appropriate CAIS entries and goes to step 27); or
 - Requests [additional information](#), notifying the acquiring party that the information is required for the notice to be technically complete and specifying a date by which the information should be received. Provides a copy of the request to the supervisory and other OCC staff.
 23. Makes CAIS entries.

Acquiring Party

24. Prepares and submits additional information if requested. As appropriate, executes written agreement with the appropriate supervisory staff.

Licensing Staff

25. Receives and forwards additional information received from acquiring party to the ADC and ADC analyst, or large bank EIC, and other OCC staff, and other regulatory agencies.
26. Reviews additional information and goes to step 21.

Investigation

Licensing Staff

27. Conducts background investigations to assess competence, experience, and integrity of each acquiring party named in the notice. Also, analyzes financial ability (see the ["Background Investigations"](#) booklet).
 - Forwards completed fingerprint cards to HQ LIC for processing.
 - Completes the background investigation checklist to document responses received from the background checks and to comply with the statutory

requirement that the investigation's findings be maintained as a record of the agency.

- If applicable, notifies acquiring party of adverse information received from the background checks.
28. After consultation with the supervisory office, determines if an examination or field investigation to assess specific items warranting more extensive review is needed. If not necessary, skips to step 30.
- Requests an examination or field investigation from the supervisory office and solicits input to determine the scope of the investigation.
 - Provides the national bank examiner (NBE) with relevant materials not already sent to the supervisory office.
 - Coordinates with the supervisory office to set the scope of the exam or field investigation and estimates the number of on-site hours it will require. The NBE inputs the scope of the exam in Examiner View (EV) identifying supervisory issues and concerns. Licensing also provides the NBE with a scope memo at least two weeks prior to the examination or investigation if there are any additional specific areas where Licensing requests review. Any issues identified for review by other OCC areas should be included in the scope memo if received in time. Issues from other OCC areas may be sent by separate e-mail to the NBE if not incorporated into the scope memo.
 - Notifies the contact person that an examination or investigation will be conducted and that the NBE will call to schedule the date. Refer to the Initial Review Procedures of the Business Combinations booklet for specific details on Agreement to Pay for Examination.

Acquiring Party

29. If applicable, submits information to the director for district licensing to complete, correct, or challenge adverse information received from background checks.

Review

Licensing Staff

30. If copies of the notice are requested, follows the guidance in the "[Public Notice and Comments](#)" booklet.
31. If public comments are filed, follows the procedures in the "Public Notice and Comments" booklet.
32. Reviews the results of any examination or investigation and the ADC's, or EIC's, comments in EV. Also reviews comments received from other OCC units. Follows up as needed.

33. Reviews any comments received after the notice is technically complete. Extends, as necessary, the review period and [notifies](#) the acquiring party of the new target date for consummation. (Refer to the [30-day](#), [first 45-day](#), and [second 45-day](#) extension letters.)
34. Makes CAIS entries.

Decision

Licensing Staff

35. Reviews the file, prepares the [confidential memo](#) (including the background investigation checklist) and [decision letter](#), recommending a decision to the delegated official. Forwards the official file to the deciding official.
36. Decides notice under delegated authority or forwards the official file to HQ LIC for decision at least 14 days prior to the end of the 60-day review period or any extension thereof. If forwarded to HQ LIC, makes appropriate CAIS entries and skips step 37. (Refer to the [30-day](#), [first 45-day](#), and [second 45-day](#) extension letters.)
37. If the decision is not to object to the notice:
 - Issues a letter of [no objection](#) and forwards a [Satisfaction Survey](#) to the acquiring party.
 - Forwards a copy of the no objection letter to the bank.
 - Notifies [interested parties](#) of decision.
 - Notifies the ADC and ADC analyst, or large bank EIC, of the decision by forwarding updated CAIS comments, the confidential memorandum, decision letter, and additional material highlighting any supervisory or licensing concerns.
 - Makes entries to the “Enforcement Actions” section of EV if an agreement was executed.
 - Makes CAIS entries.
38. If the recommended decision is to disapprove or there are policy or legal issues:
 - Notifies HQ LIC of the grounds for disapproval or the issue.
 - Prepares confidential memo with decision letter, following the guidance described in 12 CFR 19.161 for the content and format.
 - Forwards the record and summarizes the issue or factors supporting disapproval to HQ LIC.

- Makes CAIS entries.

HQ LIC

39. Makes CAIS entries.
40. Reviews the file and all relevant information. Meets with or solicits comments from the Licensing team, if appropriate. Also consults with Enforcement and Compliance (E&C) and Bank Activities and Structure (BAS).
41. Determines if disapproval should be issued:
 - If useful to address the decision factors, contacts the acquiring party to request additional information.
 - Reviews and distributes any additional information received to the Licensing team.
42. Prepares the final decision letter and documents, following the guidance in 12 CFR 19.161. Transmits the complete record to E&C and BAS for review and requesting their advice if disapproval is legally supportable.
43. Forwards the confidential memorandum and decision letter recommending a decision to the signing official.
44. Notifies director for district licensing and acquiring party of the disapproval decision.
45. If acquiring party has already acquired control of a national bank, HQ LIC coordinates with E&C for appropriate action upon issuance of disapproval.
46. Notifies the ADC and ADC analyst, or large bank EIC, and other OCC interested staff of the decision by forwarding updated CAIS comments and a copy of the confidential memorandum and decision letter.
47. Sends the decision letter and forwards a [Satisfaction Survey](#) within three days of decision to the acquiring party.
48. Notifies all [interested parties](#) of the decision.
49. Notifies Washington staff and other affected federal agencies, whenever appropriate, on a case-by-case basis (see PPM 6100-3 (Rev.), January 22, 1986).
50. Makes CAIS entries.
51. Returns official file to the district if additional processing is required.

52. Where the acquiring party executed a written agreement with the OCC, sends copy of the confidential memorandum, the decision, decision letter, and a copy of the written agreement to the director, Licensing Activities.

Consummation and Close Out

Acquiring Party

53. If the OCC decision is not to disapprove, sends written notice of the consummation to the director for district licensing within 10 days of consummation.
54. If the OCC decision is to disapprove, the applicant may request a hearing by the OCC within 10 days of receipt of a disapproval (see 12 CFR part 19, subpart H, for hearing initiation procedures).

Licensing Staff

55. If notification of consummation is not received within 180 days after the decision letter, contacts the acquiring party to determine whether the acquisition has been consummated. If contact is made by telephone, documents the content of the conversation for the official file.
56. If the OCC decision is to disapprove, and filer has made a written request for a hearing within 10 days of receipt of a disapproval, follows the Hearing Order procedures outlined at 12 CFR 19.161(c).
57. Makes CAIS entries.
58. Forwards the official file to Central Records.

POSSIBLE REPRESENTATIONS OR COMMITMENTS

For CHANGE IN BANK CONTROL NOTICES RESULTING in A PARALLEL-OWNED BANKING ORGANIZATION

1. Acquiring party agrees to provide all information, without regard to whether such information is located within or without the United States, when requested, relating to:
 - (a) Enforcement or possible enforcement of, or any proceeding under, any United States Law;
 - (b) The direct or indirect ownership or control of bank [Bank Holding Company, if appropriate]; and
 - (c) The operations or activities of the bank [Bank Holding Company, if appropriate], or any institution-affiliated parties (IAP) regarding each thereof under the United States Law, including any unsafe or unsound practice or breach of fiduciary duty by bank [Bank Holding Company, if appropriate], or by any IAP with respect to each thereof.
2. Acquiring party agrees to provide the OCC and its staff access, to permit the OCC and its staff to examine, and to provide the OCC and its staff with copies of, all books and records; access to electronic records that accurately reflect the information in the books and records; and any other information, of or concerning bank, as requested by the OCC or its staff, without regard to whether such books and records or other information are located within or without the United States.
3. Based on the opinions of counsels in the foreign jurisdictions where acquiring party is a citizen, and where party resides, party understands and represents that there are no statutory or regulatory requirements of, or judicial interpretations in, these jurisdictions that would preclude or limit examination in such jurisdictions, or use in the United States, of the books and records of the acquiring party by the OCC and its staff. In addition, based on these opinions of counsels, acquiring party understands and represents that there are no statutory or regulatory requirements of, or judicial interpretations in, these jurisdictions that otherwise would limit the ability of party to comply fully with commitment or representation Nos.1 and 2 above, except to the extent that waivers of confidentiality by the acquiring party would be necessary to permit such examination or use of the acquiring party's books and records, which waivers person hereby grants and agrees to grant on a continuing basis. Acquiring party understands and represents that there are no statutory or regulatory requirements of any jurisdiction that preclude, limit, or make ineffective in whole or in part any waiver of confidentiality as described in this commitment or representation.
4. Acquiring party consents and submits to the personal jurisdiction of any United

States federal court of competent jurisdiction and of any Federal Banking Authority for purposes of any investigation or possible investigation, action, subpoena, examination, or proceeding by any Federal Banking Authority, the United States Department of Justice, or the United States Department of the Treasury, relating to the administration or enforcement of any United States Law or pursuant to any United States Law, including, in particular, section 8 of the Federal Deposit Insurance Act. For purposes of this commitment or representation, the acquiring party shall at all times maintain in the United States a designated agent, acceptable to the OCC, to accept service on the acquiring party's behalf, including service of any process, notice, order, or subpoena. The acquiring party, as of this date, designates [Name of Agent], located at [Address, City, and State], as agent to accept such service. The person will not change this designation without notice to, and consent of, the OCC or its staff.

5. The acquiring party agrees to submit the following documents to the OCC prior to the OCC's consideration of the proposal in connection with which these commitments or representations are submitted:
 - (a) A notarized and authenticated or certified document, designating the agent(s) specified in commitment or representation No. 4 above to accept service on behalf of the acquiring party;
 - (b) An opinion of independent counsel in the jurisdiction where the acquiring party is a citizen and, if different, where the acquiring party resides (i) that each of the commitments or representations is enforceable under the laws of the relevant jurisdiction, and (ii) that there are no statutory or regulatory requirements of, or judicial interpretations in, the relevant jurisdiction that would limit the ability of acquiring party to comply fully with commitments or representations Nos. 1 and 2 above, subject to the need for a waiver of confidentiality as provided in commitment or representation No. 3 above, or that would preclude, limit, or make ineffective in whole or in part any such waiver of confidentiality that is granted; and
 - (c) Properly executed written documentation to affect a full waiver of confidentiality under the law of the relevant jurisdiction, as provided in commitment or representation No. 3 above.
6. No later than the time of consummation of the transaction, acquiring party will provide to bank a list of his or her "related interests" (as defined in section 215.2 of Regulation O, 12 CFR 215.2) and a list of bank's affiliates (as defined in 12 USC 371c(b)(1)) to be maintained by bank. Acquiring party will update these lists annually or more frequently as changes occur in "related interests" or affiliates. Acquiring party and each company that from time to time is controlled directly or indirectly by the acquiring party, acting alone or in concert with one or more other persons, will be deemed to be "insiders" of bank in all dealings with bank for purposes of Regulation O (12 CFR 215).
7. [NOTE: The OCC will request one of the following commitments or representations or a similar commitment or representation after considering such factors as the adequacy of foreign supervision, the ability and willingness of the foreign supervisors to cooperate and share information cross-border, and the condition of bank and foreign bank.]

- (a) There will be no transactions between bank and foreign affiliates.
 - (b) There will be no covered transactions under 12 USC 371c and no transactions covered by 12 USC 371c-1 or Regulation W, 12 CFR 223, between bank and foreign affiliates.
 - (c) Acquiring party commits or represents that dealings between bank and any company that is an "affiliate" of bank, which may include certain companies in which the acquiring party holds an interest, will be subject to the restrictions in 12 USC 371c and 371c-1 as implemented by Regulation W. For purposes of this commitment or representation, an extension of credit also includes a deposit by bank with an affiliate.
8. Acquiring party and bank commit or represent that they will notify the OCC if bank engages in the following types of affiliate transactions: (1) transactions that will materially affect bank's capital, (2) transactions that will materially affect the affiliate's financial position, and (3) any back-to-back loan transactions between bank and any person (including affiliates) that benefit members of the control group.
 9. Acquiring party or bank will notify the OCC of any loan or deposit made by bank to an affiliate that has deposited or loaned funds to bank, provided the funding for the loan or deposit by bank is directly or indirectly linked to the affiliate's funds on loan or deposit with bank.
 10. Acquiring party or bank will notify the OCC of any increase in permanent capital when the capital funds invested were received from any person who has obtained a loan or a deposit from bank or any affiliate, provided the funds for the increase in capital are directly or indirectly linked to the funds from the loan or deposit from bank.
 11. Acquiring party will notify the OCC of any loan received by a member of the control group from any person who has obtained a loan or a deposit from bank, provided the funding for the control group loan is directly or indirectly linked to the funds from the loan or deposit from bank.
 12. While a change in control notice is pending, the acquiring party will promptly notify the OCC of any changes or pending changes in affiliation.
 13. Acquiring party and bank commit or represent that bank will not engage directly in the international transfer, remittance, or payment of customer or bank funds except through an unaffiliated correspondent bank. Approval of the OCC will be obtained before bank begins to engage directly in the international transfer of funds.

Alternatively:

Acquiring party and bank agree that bank will not engage in the international transfer, remittance, or payment of customer or bank funds except in compliance with safe and sound formally adopted internal control procedures and operational safeguards, which shall include in all cases written documentation of all relevant information concerning each such transfer, remittance and payment, as adopted as a policy of bank and in compliance with all laws, regulations, orders, and directives applicable to bank and its officers, directors, and affiliates.

14. Acquiring party represents that the funds being used to establish or purchase bank are not derived directly or indirectly from the foreign bank or its affiliates except to the extent that these funds are derived from usual profits and dividends from foreign bank or its affiliates obtained over the years.
15. Neither the acquiring party nor the bank will incur any additional debt (other than small amounts incurred in the ordinary course of business) to any third party without the prior approval of the OCC.
16. None of the capital stock of debt of the bank will be transferred or pledged to any third party without the prior approval of the OCC.
17. Acquiring party commits that the bank will maintain total risk-based capital ratios so that the bank is at all times considered well-capitalized under 12 CFR 6.

Glossary

An **acquisition** includes the purchase, assignment, transfer, pledge or other disposition of voting securities, or an increase in the percentage ownership of a bank resulting from a redemption of voting securities by another party.

Acting in concert means knowingly participating in a joint activity or parallel action toward a common goal of acquiring control whether or not pursuant to an express agreement. It also can mean combining voting or other interests for a common purpose pursuant to any contract, understanding, relationship, agreement, or other arrangement whether or not written.

A **beneficiary** includes the members, parties, or participants of a voting trust.

Control is the power, directly or indirectly, to direct the management or policies, or to vote 25 percent or more of any class of voting securities of a national bank.

Good faith, in the context of debt previously contracted, means that a person acquires control of a national bank by obtaining voting shares in satisfaction of a previously contracted debt, and that such debt was made or acquired without prior knowledge of any default.

A **dormant bank** is a bank that is no longer engaged in core banking activities other than on a *de minimis* basis. This definition includes, for example, a bank that has significantly reduced its activities and services or that has contracted out significant portions of its operations to third party service providers, other than in the ordinary course of the bank's ongoing business.

Immediate family includes a person's father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, the spouse of any of the foregoing, and the person's spouse.

A **national bank** means an insured or uninsured national banking association and any bank or trust company located in the District of Columbia operating under the OCC's supervision.

A **party or person** means an individual or a corporation, partnership, trust, association, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, voting trust or voting agreements, or any other form of entity and includes any group of persons acting in concert.

A **parallel-owned banking organization** exists when at least one national bank and one foreign bank are controlled either directly or indirectly by the same person or group of persons who are closely associated in their business dealings or otherwise acting in concert. It does not include structures in which one depository institution is a subsidiary of the other, or the organization is controlled by a company subject to the Bank Holding Company Act, 12 USC 1841 et seq., or the Savings and Loan Holding Company Act, 12 USC 1467a.

A **technically complete notice** must contain personal and biographical information, detailed financial information, details of the proposed change in control, information on any structural or managerial changes contemplated for the national bank, and other relevant information that the OCC requires.

A **trustee** is the person or persons designated by a voting trust to vote national bank stock subject to a voting trust agreement (also termed voting trustee or voting representative in the case of a voting agreement).

Voting securities mean shares of common or preferred stock, or similar interests, such as options, if the shares or interests, by statute, charter or, in any manner, allow the holder to vote for or select directors (or persons exercising similar functions) of the issuing national bank, or to vote on or to direct the conduct of the operations or other significant policies of the issuing national bank. (See section 5.50 for instances when preferred stock or similar interests will not be considered voting securities (12 CFR 5.50(d)(6)).

A **voting trust or agreement** includes any legally binding action by shareholders attempting to aggregate and control the voting of a national bank's stock subject to it.

References

Administrative Hearings Regulations	12 CFR 19.160-19.161
Asset Composition Regulation	12 CFR 5.53
Background Investigations Regulations	28 CFR 16.34 and 50.12
Bank Holding Company Act Laws	12 USC 1842-1850
Bank Secrecy Act (BSA) Law Regulation	31 USC 5311 31 CFR 103
Conditions Law	Financial Services Regulatory Relief Act of 2006, Public Law No.109-351, October 13, 2006, codified at 12 USC 1818.
Capital Requirements Laws Regulations	12 USC 51c, 56, and 59 12 CFR 3 and 6
Capital Stock Law	12 USC 52
Capital Structure Change Regulation	12 CFR 5.46
Change in Bank Control Laws Regulation Issuance	12 USC 93a and 1817(j) 12 CFR 5.50 Policies and Procedures Manual (PPM) 6100-3 (Rev.)
Civil Money Penalties Laws Issuance	12 USC 504, 18 USC 1001 PPM-5000-7 (Rev.)
Depository Institution Management Interlocks Act Law Regulation	12 USC 3201 12 CFR 26

Directors	
Law	12 USC 71
<i>Citizenship Waiver</i>	
Law	12 USC 72
<i>Convicted of a Crime</i>	
Law	12 USC 1829
<i>Engaged in Underwriting</i>	
Law	12 USC 78
<i>Number</i>	
Law	12 USC 71a
<i>Oath</i>	
Law	12 USC 73
<i>President</i>	
Law	12 USC 76
<i>Purchases and Sales</i>	
Law	12 USC 375
<i>Residency</i>	
Law	12 USC 72
<i>Qualifications</i>	
Law	12 USC 72
Regulation	12 CFR 7.2005
Exempt Transactions	
Laws	12 USC 1467a, 1828(c), 1842
Filing Fees	
Regulation	12 CFR 5.5
Financial Services Regulatory Relief Act of 2006	
Law	Public Law No.109-351, October 13, 2006
Fraudulent Schemes	
Regulations	16 CFR 801-2
Hart-Scott-Rodino Antitrust Improvements Act of 1976	
Law	15 USC 18a
Regulation	16 CFR 800
Interagency Exchange and Coordination of Corrective Action	
Issuance	PPM 6100-3 (REV)
Proxy	
Regulation	12 CFR 11
Shareholders' List	
Law	12 USC 62
Voting Trust	
Regulation	12 CFR 7.2022