



25th Anniversary

RECENT LICENSING
DECISIONS

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Cases Published during January, February, and March 2006

Community Reinvestment Act (CRA) Decision

On December 22, 2005, the OCC approved the application to merge Hudson United Bank, Mahwah, New Jersey, (Hudson) into TD Banknorth, National Association, Portland, Maine, under the charter and title of the latter. The OCC received comments from two community organizations opposing the merger because of concerns that TD Banknorth has not reinvested in lower income and minority communities, possessed no experience in the urban inner city, has not developed working relationships with community-based organizations, has a low level of lending to minorities and higher denials rates compared to whites, and may potentially close branches in lower-income communities resulting from the merger. After considering TD Banknorth's response to the commenters and its latest CRA performance evaluation issued by the OCC with an "outstanding" rating as well as other findings, the OCC determined that the applicants' records of CRA performance are consistent with approval of the proposed transaction. The OCC also determined not to conduct a public hearing requested by one commenter because the commenter did not indicate why written submissions would be insufficient to make an adequate presentation of issues or facts to the OCC. [CRA Decision No. 131]

Federal Branch

On January 3, 2006, the OCC granted preliminary conditional approval for La Caisse centrale Desjardins du Québec (CCD) to establish a limited federal branch with the title Caisse centrale Desjardins U.S. Branch to be located in Hallandale, Florida. This conditional approval was subject to standard conditions imposed on initial federal branch applications. These conditions are enforceable under 12 CFR 1818. Federal branch applications are infrequent. [Conditional Approval No. 727]

Operating Subsidiary

On February 16, 2006, the OCC conditionally approved the application filed by CornerBank, N.A., Winfield, Kansas to establish a wholly owned operating subsidiary to provide Internet access to its customers and nonbank customers as part of its package of Internet banking services. The bank will acquire all the assets and liabilities of BroadBand Kansas, Inc., Winfield, Kansas (BroadBand), a Kansas corporation and a high-speed Internet service provider (ISP), including its related contract with Cox Communications. In addition, the bank will purchase certain assets, customer accounts, and contract rights of Key Creations, Inc., Udall, Kansas (Key), a Kansas corporation. Key, a dial-up ISP, provides services to the bank's existing customers and also to some nonbank customers. The name of the newly established operating subsidiary is Right Angle Internet and Networking, Inc. This conditional approval was subject to the condition that the bank may offer ISP services to the existing nonbank customers of Key and BroadBand for a two-year period from the date of acquisition, but may not sell ISP services to new nonbank customers unless it provides information satisfactory to demonstrate compliance with 12 CFR 7.5004 and obtains the OCC's prior approval. [Conditional Approval No. 733]