

other federal or state regulatory authorities will be sufficient. Other information will be requested only as needed by the FDIC.

By order of the Board of Directors.

Dated at Washington, DC, this 3rd day of December, 2002.

Federal Deposit Insurance Corporation.

Valerie J. Best,

Assistant Executive Secretary.

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FEDERAL DEPOSIT INSURANCE CORPORATION

FDIC Statement of Policy on Bank Merger Transactions

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Final agency policy statement; amendment.

SUMMARY: The FDIC is amending its Statement of Policy on Bank Merger Transactions to reflect changes made pursuant to an internal reorganization. The reorganization merged the Division of Supervision and the Division of Compliance and Consumer Affairs. The amended Statement of Policy is intended to be read in conjunction with the merger provisions of the FDIC's revised regulations governing applications filed with the FDIC, which appears elsewhere in this issue of the **Federal Register**.

EFFECTIVE DATE: December 27, 2002.

FOR FURTHER INFORMATION CONTACT: Mindy West, Examination Specialist, Division of Supervision and Consumer Protection, (202/898-7221); Robert C. Fick, Counsel, Legal Division, (202/898-8962), FDIC, Washington, DC 20429.

SUPPLEMENTARY INFORMATION: On June 30, 2002, the FDIC implemented an internal reorganization. The primary purpose of the reorganization was to streamline the management and decision making processes. As part of the reorganization, several divisions were merged. In particular, the Division of Supervision was merged with the Division of Compliance and Consumer Affairs to create the Division of Supervision and Consumer Protection. The reorganization has necessitated changes to the Statement of Policy on Bank Merger Transactions (Statement of Policy), to reflect the new structure since there are references to the former divisions and management structure in the prior Statement of Policy.

In conjunction with the revisions to the Statement of Policy, the FDIC is also amending 12 CFR part 303 (part 303) of

the FDIC's regulations governing application, notice, and request procedures. The amendments to part 303 reflect the FDIC's new organizational structure. The FDIC is also removing and updating the delegations of authority previously found in part 303 to provide greater flexibility when making decisions throughout the application process. As a result of these changes, the revised Statement of Policy is intended to be read in conjunction with the revised merger provisions of newly-amended part 303, notice of which is published in this issue of the **Federal Register**.

Section 307(c) of the Gramm-Leach-Bliley Act (GLBA) requires the FDIC to consult with the appropriate state insurance regulator before making any determination relating to the initial affiliation of, or the continuing affiliation of, a depository institution with a company engaged in insurance activities. On April 29, 2002, the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, FDIC and the Office of Thrift Supervision published a final notice in the Federal Register (67 FR 21014) revising the Interagency Bank Merger Act Application (Application) to add an item to the form to collect information required by GLBA. The FDIC is now amending the Statement of Policy to conform to the recently updated Application to include the specified information required therein. The information that is required is the name of the affiliated insurance company, a description of its insurance activities, a list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. The applicant must also indicate the state where the company holds a resident license or charter, as applicable.

The Statement of Policy published December 1, 1998 (63 FR 66184) is hereby amended as follows:

FDIC Statement of Policy on Bank Merger Transactions

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II. Application Procedures

1. *Application filing.* Application forms and instructions may be obtained from the appropriate FDIC office. Completed applications and any other pertinent materials should be filed with the appropriate FDIC office. The application and related materials will be reviewed by the FDIC for compliance with applicable laws and FDIC rules and regulations. When all necessary information has been received, the

application will be processed and a decision rendered by the FDIC.

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3. *Publication of notice.* The FDIC will not take final action on a merger application until notice of the proposed merger transaction is published in a newspaper or newspapers of general circulation in accordance with the requirements of section 18(c)(3) of the Federal Deposit Insurance Act. See § 303.65 of the FDIC rules and regulations (12 CFR 303.65). The applicant must furnish evidence of publication of the notice to the appropriate FDIC office following compliance with the publication requirement. See § 303.7(b) of the FDIC rules and regulations (12 CFR 303.7(b)).

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6. *Merger decisions available.* Applicants for consent to engage in a merger transaction may find additional guidance in the reported bases for FDIC approval or denial in prior merger transaction cases compiled in the FDIC's annual "Merger Decisions" report. Reports may be obtained from the FDIC Public Information Center, Room 100, 801 17th Street NW., Washington, DC 20434. Reports may also be viewed at <http://www.fdic.gov>.

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III. Evaluation of Merger Applications

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Special Information requirement if applicant is affiliated with or will be affiliated with an insurance company.

If the institution that is the subject of the application is, or will be, affiliated with a company engaged in insurance activities that is subject to supervision by a state insurance regulator, the applicant must submit the following information as part of its application: (1) The name of insurance company; (2) a description of the insurance activities that the company is engaged in and has plans to conduct; and (3) a list of each state and the lines of business in that state which the company holds, or will hold, an insurance license. Applicant must also indicate the state where the company holds a resident license or charter, as applicable.

By order of the Board of Directors.

Dated at Washington, DC, this 3rd day of December, 2002.

Federal Deposit Insurance Corporation.

Valerie J. Best,

Assistant Executive Secretary.

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