

This handbook section provides information for the thrift institution applicant on filings for establishing, relocating or closing a branch office.

12 C.F.R. § 545.92(a) defines a branch office of a Federal savings institution as “any office other than its home office, agency office, administrative office, data processing office, or an electronic means or facility under part 555 of this chapter.”

12 C.F.R. § 545.91 states that “all operations of a Federal savings institution shall be subject to direction from the home office;” this office should be the same office indicated in Section 2 of the institution’s charter.

A Federal savings institution must receive OTS approval or nonobjection prior to establishing or relocating a branch office. A state-chartered thrift institution is not required to file an application or notice (notice is an application for the purposes of this section) with OTS in connection with the establishment or relocation of a branch office. In addition, the installation of an automated teller machine (ATM) does not require the filing of an application or notice with OTS.

An institution may change the permanent location of a home or branch office, without notifying OTS, to a site within the market area of the current office site. The proposed relocation of the office must satisfy one of the following distance relocation requirements:

- The area within a 1,000-foot radius of the site if it is located within a central city of a Metropolitan Statistical Area (MSA) designated by the U.S. Department of Commerce;
- The area within a one-mile radius of the site if it is located within an MSA designated by the U.S. Department of Commerce but not within a central city; or
- The area within a two-mile radius of the site if it is not located within an MSA.

## **FILING REQUIREMENTS**

### **Delegated Authority**

Generally, applications filed under this section may be processed by the Regional Office under delegated authority. Applications that are not delegated to the Regional Office are those that raise a significant issue of law or policy or request approval of waivers of statutes, regulations, OTS policy, or significant application requirements. See Delegation Section 040 of the handbook for information on the delegation process.

### **Expedited and Standard Processing Procedures**

OTS processes applications using two procedures, expedited treatment and standard treatment.

#### *Expedited Processing*

The institution is eligible for expedited treatment if it satisfies all of the following criteria:

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1. Has a composite CAMELS rating of “1” or “2;”
  2. Has a CRA rating of “Satisfactory” or better;
  3. Has a Compliance rating of “1” or “2;”
  4. Meets or exceeds the minimum capital requirements set forth in 12 C.F.R. Part 567; and
  5. Has not been notified that it is in troubled condition.

If the institution qualifies for expedited processing, a notice is filed with the appropriate Regional Office. OTS considers a filing to be appropriately filed when sufficient information to evaluate the proposal is received from the applicant in its notice and all appropriate filing fees have been received. Please refer to the “Processing Procedures and Time frames” discussion of this section for more information on processing procedures and applicable time frames for notices.

Notices submitted by institutions eligible for expedited treatment are deemed “applications” for purposes of statutory and regulatory requirements referring to applications.

#### *Standard Processing*

If the applicant does not qualify for expedited processing, it must file an application subject to standard application processing time frames. Specifically, the institution is subject to standard processing if any of the following conditions exist regarding the institution:

1. Has a composite CAMELS rating of “3,” “4” or “5;”
2. Has a less than “Satisfactory” CRA rating;
3. Has a Compliance rating of “3,” “4” or “5;”
4. Has inadequate capital or fails at least one of its capital requirements;
5. Has been notified that it is in troubled condition;
6. The applicant is not a savings institution; or
7. The applicant has not received a composite CAMELS rating, a CRA rating, or a compliance rating from any federal banking regulator.

Please refer to the “Processing Procedures and Time Frames” discussion of this section for more information on applicable time frames for applications.

#### **Prefiling Meeting Requirements**

Prefiling meetings are not required for this filing. However, applicants are encouraged to contact the Regional Office, particularly in the event the transaction involves unique or novel issues, to determine if a prefiling meeting will expedite the application review process.

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**Information and Form Requirements**

If delegated, all applications/notices should be filed with the appropriate Regional Office in accordance with 12 C.F.R. Part 516. The applicant is required to file the original and two conformed copies of each application/notice. All copies are to be clearly marked as to the type of filing, and should contain all exhibits and other pertinent documents. One copy must contain original signatures on all executed documents. For applications that are not delegated to the Regional Office, an additional three copies of the application should be filed with the Applications Filing Room in OTS-Washington.

An institution eligible for expedited treatment is required to submit all information set forth in OTS Form 1558 “Notice to Establish a Branch Office or for Change of Location of an Office.”

Institutions not eligible for expedited processing are required to submit all documents and information set forth in OTS Form 1450 “Application for Permission to Establish a Branch Office Change of Location of an office or Redesignation of Home and Branch Office.”

Institution that apply for a change of office location or redesignation of office must post notice of the application/notice for 25 days from the date of the first newspaper publication in a prominent location in the office to be closed or redesignated.

**Confidentiality**

The applicant must submit in writing, concurrently with the submission of the application, any requests to keep specific portions of the application confidential. In accordance with the Freedom of Information Act, the request should discuss the justification for the requested treatment and should specifically demonstrate the harm (e.g., to competitive position, invasion of privacy) that would result from the public release of information. OTS will not treat as confidential the portion of an application describing the plan to meet the Community Reinvestment Act objectives.

Information for which confidential treatment is requested should be: (i) specifically identified in the public portion of the application by reference to the confidential section; (ii) separately bound; and (iii) labeled “confidential.” The applicant should follow these same procedures when filing supplemental information to the application. OTS will determine whether information designated as confidential must be made available to the public under the Freedom of Information Act. OTS will advise the applicant before it makes information designated as confidential available to the public.

**Special Considerations***Interstate Branching*

12 C.F.R. § 556.5(b) sets forth limitations on a Federal savings institution’s ability to branch. No branching will be permitted that will result in the following:

- Establishment or operation of a branch outside of the state of the institution's home office if such branching would violate section 5(r) of the HOLA. Section 5(r) generally permits a

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Federal savings institution to branch outside of its home state if the institution meets the domestic building and loan test of section 7701(a)(19) of the Internal Revenue Code or the asset composition test of that section, or qualifies as a qualified thrift under section 10(m) of the HOLA, and if, with respect to each state outside of its home state where the institution has established branches, the branches, taken on a state-by-state basis, also satisfy one of the two tests.

Section 5(r)(1) of the HOLA does not apply if: (1) the branch results from an emergency acquisition authorized under section 13(k) of the Federal Deposit Insurance Act ("FDIA"); (2) the branch was authorized for the institution prior to October 15, 1982; (3) a state-chartered institution organized under the laws of the Federal institution's home office state would be permitted, under relevant state law, to operate in the other state; or (4) the branch was operating lawfully, under state law, prior to the institution's conversion to a Federal charter. The law also gives OTS Director, or his designee, the discretion to allow the institution, for good cause, up to two years to comply with the law.

- Branching that would result in the formation of a multiple savings and loan holding company that would control savings institutions in more than one state in violation of section 10(e)(3) of the HOLA. Formation of multi-state multiple savings and loan holding companies are prohibited unless one of three exemptions, as set forth in section 10(e)(3)(A) through (e)(3)(C) of the HOLA, are met.

These exemptions include: (a) a savings and loan holding company or any of its savings institution subsidiaries may acquire an institution or operate branches in additional states pursuant to the supervisory acquisition provisions of section 13(k) of the FDIA; (b) a savings and loan holding company that, as of March 5, 1987, controlled an institution subsidiary that operated an office in the additional state or states may acquire another institution or branch in that state; and (c) if the statutes of the state in which the institution to be acquired specifically authorizes acquisition of state-chartered institutions by state-chartered institutions or their holding companies by the state where the acquiring institution or holding company is located, interstate holding company operations may acquire an institution or branch.

- Establishment and operation of new branch offices by an institution in violation of section 13(k)(4) of the FDIA. Section 13(k)(4) generally permits savings institutions eligible for assistance under section 13(c) of the FDIA that are acquired by banks or bank holding companies, pursuant to section 13(k) of the FDIA, to retain and continue to operate branches existing at the time of the acquisition.

### *Publication Requirements*

The applicant must publish notice of the branch or change of office location application or notice no earlier than seven days before and no later than the date of filing of the application, in accordance with the requirements of 12 C.F.R. Part 516, Subpart A. Notice must be published in a newspaper printed in the English language and having a general circulation in the community in which the home office of the savings institution is located and in a newspaper having a general circulation in the community to be served by the branch office. In addition, for branch relocation and redesignation

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applications, the required newspaper notice must be published in the community where the office is to be closed or the home office is to be redesignated as a branch. If the Regional Office determines that the primary language of a significant number of adult residents of the community is a language other than English, the applicant may also be required to publish notice simultaneously in the appropriate language(s).

OTS may require an applicant to publish a new public notice of the application in circumstances when an applicant submits a revision to the application, or submits new or additional information, or when a major issue of law or change in circumstance arises after filing the application. OTS has the discretion in these circumstances to require republication if it determines that the public has not had adequate notice and opportunity to comment on the application due to the substantial change. OTS will notify the applicant if a new public notice of a revised application must be published.

Additional public notice requirements may apply for transactions involving permission to organize applications filed pursuant to 12 C.F.R. § 543.2, merger applications filed pursuant to 12 C.F.R. § 563.22, or holding company applications filed pursuant to 12 C.F.R. § 574.3. Combined public notice may be published consistent with existing OTS policy. See Publication Forms Section 020 of the handbook for examples of publication language.

- **Comment Procedures**

Any person may submit a written comment to the Regional Office supporting or opposing the application within 25 days after the filing date of the application. OTS will not consider any late filed comments unless: the commenter demonstrates good cause for why they could not submit a timely comment, or, OTS concludes that the comment addresses a significant regulatory concern and will assist in the disposition of the application. OTS can extend the 25-day comment period with demonstrated good cause for why a commenter was unable to submit a timely comment. The duration of an extension request is subject to the discretion of OTS on a case-by-case basis, after consideration of the unique circumstances of each extension request.

The comment should recite relevant facts, including any demographic economic or financial data supporting the commenter's position. If the commenter opposes the application, the comment should also: 1) address at least one reason for denial based upon regulatory criteria for denial; 2) support the reason for denial with relevant facts and supporting data; and 3) address how the approval of the application is harmful to the community or the commenter. While OTS will accept and consider all comments, including those that do not meet all of the content criteria, commenters are encouraged to include all relevant information and arguments. The commenter may also request an informal meeting pursuant to 12 C.F.R. §§ 516.120 and 516.170 with their comment, along with a description of the issues and facts to be discussed and justification for why written submissions are insufficient to adequately address those facts or issues.

If the commenter has filed a written request for a meeting and the request contains the required information set forth in 12 C.F.R. § 516.120(b), OTS will arrange a meeting. If an informal meeting is requested, the commenter must simultaneously send a copy of the written

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request to the applicant. OTS will generally provide an applicant an appropriate opportunity and period of time to respond to submitted comments.

OTS will facilitate the informal meeting between the applicant, the commenter(s) and any other interested person(s). OTS has discretion to determine the format of the meeting, including telephone conference or face-to-face meetings. OTS will inform the applicant and commenters requesting an informal meeting of its decision on a request for a meeting, or of its decision to hold an informal meeting on its own initiative. OTS may also invite any other interested persons to attend. OTS will inform the participants of the date, time, location and format for the meeting in reasonable time in advance. OTS anticipates that informal meetings will be sufficient to facilitate the resolution of issues in most cases.

If an informal meeting fails to facilitate the resolution of issues to the satisfaction of any participant in an informal meeting, OTS may proceed to conduct a formal meeting before a presiding officer upon the filing of a request. Any participant requesting a formal meeting, pursuant to 12 C.F.R. §§ 516.170 and .180, should submit a request to OTS within three days after the informal meeting, and provide copies of its request to the other participants of the informal meeting. The request must describe the nature of the issues or facts to be presented, must demonstrate that material issues or facts have not been adequately addressed by the informal meeting, and that a formal meeting is necessary to develop a record sufficient to support a determination on those facts or issues. OTS will not arrange an informal meeting where a request is clearly frivolous or clearly lacking a factual basis. OTS may elect to hold a formal meeting on its own initiative if deemed necessary to assist in the disposition of the application or issues raised by the application.

OTS will issue a Notice of Formal Meeting if it decides to hold a formal meeting, and send the notice to the applicant, to any person requesting a formal meeting, and to any interested person, in its discretion, it desires to invite. Any person receiving the Notice of Formal Meeting must notify OTS within ten days of receipt of the notice of their intent to participate in the meeting. All participants in the formal meeting must provide the names of their presenters and copies of proposed exhibits to OTS, to the applicant, and to any other person designated by OTS, no later than five days before the date of the formal meeting. All presenters of documentary material must furnish copies of the material to OTS and to each other participant. OTS will arrange for a transcript of the meeting, with each participant bearing the cost of any copies of the transcript it requests for its use.

OTS anticipates that most formal meetings will follow an informal meeting. Accordingly, OTS will not grant a request for a formal meeting unless an informal meeting has occurred. However, OTS has the authority to conduct a formal meeting without holding an informal meeting if the meeting is beneficial to the review process and will facilitate a resolution of the issues raised by application.

If OTS has arranged an informal or formal meeting, the processing time frames for the application are suspended until OTS determines that a sufficient record has been developed to address the issues raised in the comments.

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*Branch Closings*

Section 42 of the Federal Deposit Insurance Act (FDIA) contains the procedures for closings. No later than 90 days prior to closing, the institution must:

- Provide a notice to OTS identifying the branch to be closed, describing the reasons for closing the branch, the date of closing, and statistical or other information to support the reasons for closing;
- Provide notice of the proposed branch closing to its customers. The notice must be included in at least one of any regular account statements mailed to customers of the branch proposed to be closed, or in a separate mailing no later than 90 days prior to the proposed closing date;
- Post a notice in a conspicuous manner on the premises of the branch to be closed at least 30 days prior to the proposed closing date; and
- Adopt policies for closing branch offices.

Section 42 of the FDIA does not expressly grant the regulatory agencies with approval or denial authority for branch office closings. OTS has determined that failure to comply with the FDIA's requirements can be best addressed at the time of the institution's compliance examination. If the institution fails to fulfill its requirements under the FDIA, documentation will be placed in its CRA file and be used in judging the institution's success in meeting and serving the credit needs of its communities.

Additional guidance on prior notice that institutions must give before closing branches may be found in OTS Transmittal TR-220, *Joint Interagency Policy Statement on Branch Closing Notification Requirements*.

*Branch Names*

The banking regulatory agencies issued an Interagency Statement on Branch Names that was transmitted under CEO Memorandum #86, dated June 11, 1998. The statement sets forth guidance that institutions should follow if they operate branches under different trade names to insure that depositors will not inadvertently exceed the Federal Deposit Insurance Corporation insurance limits by depositing more than \$100,000 in differently named facilities of the same institution. Institutions choosing to use trade names for branches should develop measures that include, but are not limited to:

- Disclosing, clearly and conspicuously, in signs, advertising, and similar materials that the facility is a branch, division, or other unit of the insured institution;
- Using the legal name of the institution for legal documents, certificates of deposit, signature cards, loan agreements, account statements, checks, drafts, and other similar documents;
- Educating the staff of the institution regarding the possibility of customer confusion with respect to deposit insurance; and

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- Obtaining from depositors opening new accounts at the branch a signed statement acknowledging that they are aware that the branch and other facilities are in fact parts of the same insured institution and that deposits held at each facility are not separately insured.

### *National Historic Preservation Act*

If the institution proposes to establish its home or branch office in any historical district, site, building, structure, object or archaeological site, included in, or eligible for inclusion in, the National Register of Historic Places pursuant to the National Historic Preservation Act (NHPA), 16 U.S.C. § 470, the application is subject to the requirements set forth in Section 106 of the NHPA.

Section 106 of the NHPA requires Federal agencies to consider the effects of their actions on historic properties and provide the Advisory Council on Historic Preservation (Advisory Council) an opportunity to comment with regard to such actions. To successfully complete Section 106 review, OTS must:

- Determine if Section 106 of NHPA applies to a given project and, if so, initiate the review;
- Gather information to decide which properties in the project area are listed on or eligible for the National Register of Historic Places;
- Determine how historic properties might be affected;
- Explore alternatives to avoid or reduce harm to historic properties; and
- Reach agreement with the State Historic Preservation Officer (SHPO) or Tribal Historic Preservation Officer (THPO) (where tribal lands or historic properties of significance to such tribes are involved) on measures to deal with any adverse effects or obtain advisory comments from the Advisory Council, which are sent to the head of the agency.

The SHPO/THPO coordinates state participation in the implementation of the NHPA, is a key individual in the Section 106 process, and should be involved in each step.

In order to facilitate the Section 106 review, the institution must indicate in the application if the proposed main office and/or any branch site affects any district, site, building, or structure listed in, or eligible for listing in, the National Register of Historic Places, specify how such determination was made (e.g., National Register, SHPO/THPO or other), and provide documentation of consultation with SHPO/THPO.

The involvement of Section 106 of NHPA in an application is considered an issue of law or policy. As a result, the analysis of the application must address the requirements set forth in Section 106 of the NHPA, and the analysis must address the requirements set forth in Section 106 of the NHPA.

### *National Environmental Policy Act*

Similarly, with respect to the application, the institution should provide a statement on the impact of the proposal on the human environment, including information on changes in air and/or water quality, noise levels, energy consumption, congestion of population, solid waste disposal, or environmental



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integrity of private land within the meaning of the National Environmental Policy Act, 42 U.S.C. § 3421, et. seq.

### *Inter-affiliate Banking Arrangements*

OTS, in a legal opinion dated December 30, 1994, opined that Federal savings institutions no longer have to file a branch application to enter into inter-affiliate banking arrangements. Therefore, affiliated Federal savings institutions may now offer basic banking services to each other's customers without the need to obtain regulatory approval, even when the services are provided across state lines. In entering into an inter-affiliate arrangement, however, savings institutions must address various safety and soundness and supervisory issues as discussed in the December 30, 1994, opinion.

## **REVIEW GUIDELINES**

### **Processing Procedures and Time Frames**

As noted in the Delegated Authority section, certain applications are not subject to delegated authority and are processed concurrently with OTS-Washington staff. As a general matter, correspondence from OTS regarding applications that are nondelegated will be transmitted from OTS-Washington. Correspondence on delegated applications will generally come from the Regional Office.

Within five business days of receipt of the application and the appropriate application fee, the Regional Office must notify the applicant of the application's receipt. The appropriate application fee must accompany each application in order for it to be considered filed. For nondelegated applications, the application will not be considered filed until received by both OTS-Washington and the Regional Office.

Within 30 calendar days of receipt of a properly submitted application, OTS shall take the following actions.

- Deem the application complete;
- Request, in writing, any additional information necessary to deem the application complete;  
or
- Decline to further process the application if it is deemed by OTS to be materially deficient and/or substantially incomplete.

Failure by OTS to act within 30 calendar days of receipt of the application for processing shall result in the filed application being deemed complete, commencing the period for review.

OTS must review requests for a waiver of an application requirement that certain information be supplied, in a timely manner. Unless OTS requests, in writing, additional information about the waiver request, or denies the waiver request, the waiver request shall be deemed granted.

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If additional information is requested, a response must be submitted within 30 calendar days of the letter requesting such information. The applicant may, in writing, request a brief extension of the 30-calendar day period for responding to a request for additional information, prior to the expiration of the 30-calendar day time period. OTS, at its option, may grant the applicant a limited extension of time in writing. Failure to respond to a written request for additional information within 30 calendar days of such request may be deemed to constitute withdrawal of the application or may be treated as grounds for denial or disapproval of the application.

After the timely filing of any additional information in response to an initial or subsequent request by OTS for additional information, OTS has 15 calendar days to review the additional information for completeness or appropriateness and take one of the following actions.

- Request, in writing, any additional information necessary to deem the application complete;
- Deem the application complete; or
- Decline to further process the application if it is deemed by OTS to be materially deficient and/or substantially incomplete.

The 15-day review period commences when OTS receives a response that purports to respond to all questions in the information request. OTS may extend the 15-day review period for an additional 15 calendar days, if OTS requires the additional time to review the response. OTS will notify the applicant that it has extended the period before the end of the initial 15-day period.

Failure by OTS to act within 15 calendar days of receipt of the additional information shall result in the filed application being deemed complete, commencing the period for review.

Once the application has been deemed complete, there is a 60-calendar day review period during which time OTS will take into consideration all factors present in the application and render a decision thereon. If, upon expiration of the 60-day review period, assuming no extension has been granted, OTS has failed to act, the application is deemed approved automatically, and the applicant may thereafter consummate the transaction. If multiple applications are submitted in connection with one transaction, the applicable review period for all applications is the review period for the application with the longest review period, subject to statutory review periods.

During the review period, OTS may request additional information if the information is necessary to resolve or clarify the issues presented in the application. OTS may also notify the applicant that the application is incomplete and require that the applicant to submit additional information to complete the application. The review period can be extended an additional 30 calendar days if OTS determines that additional time will be required to analyze the proposed transaction. In such cases, OTS must notify an applicant before the expiration of the period for review. In situations in which an application presents a significant issue of law or policy, OTS may extend the applicable period for review of such application beyond the time period for review. In these cases, written notice shall be provided to an applicant no later than the expiration of the time period.

For purposes of calculating processing time frames, OTS does not include the day of the act or event, in determining the date the time period commences. In determining the conclusion of a time period,

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when the last day of the time period is a Saturday, Sunday, or a Federal holiday, the last day will become the next day that is not a Saturday, Sunday, or Federal holiday.

Under 12 C.F.R. § 516.290, if OTS has not acted on a pending application within two calendar years after the filing date, OTS may deem the application withdrawn unless OTS determines that the applicant is actively pursuing a final determination on the application. Applications that are subject to this withdrawal provision are those that have failed to timely take action such as filing required additional information, or OTS has suspended processing of an application based on circumstances that are, in whole or in part, within the applicant's control and have failed to take reasonable steps to resolve these circumstances.

#### *For Notices*

The applicant may establish the office, or change the location of an existing office, upon the expiration of 30 calendar days after the filing date of its notice, unless OTS takes one of the following actions before expiration of that time period:

- Request, in writing, any additional information necessary to supplement the notification;
- Notifies the applicant that the notice is subject to standard treatment as it raises a supervisory concern, raises a significant issue of law or policy, or required significant additional information;
- Suspends the time frames pursuant to 12 C.F.R. § 516.190; or
- Disapproves of the notice.

Failure by OTS to act within 30 calendar days of receipt of the notice for processing shall result in the filed notice being accepted. If supplemental information is requested, the applicant will have 30 days to provide such information. The 30-day time frame will begin anew upon receipt of such information.

#### **Regulatory Criteria**

In order to receive approval or nonobjection to establish a branch or change the location of an existing office, the institution must meet the requirements of 12 C.F.R. §§ 545.92 and 556.5. OTS must find that:

- The institution's overall policies, condition and operation are satisfactory and, as a whole, afford no basis for supervisory objection.
- The institution's record in meeting the credit needs of its entire community is satisfactory and no CRA-based comments remain outstanding or unresolved.

#### **Decision Guidelines**

The regulatory requirements are designed to ensure the viability and safe and sound operation of the institution. In general, the analysis should conclude that the policies, condition, and operation of the

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institution are satisfactory and afford no basis for supervisory objection. OTS should consider the following factors in analyzing the application to determine if the branch activity satisfies the applicable regulatory criteria for approval:

- Will the institution meet the minimum regulatory capital requirements of 12 C.F.R. § 567.2, except as otherwise permitted under section 38(e)(4) of the FDIA, and be adequately capitalized under the Prompt Corrective Action guidelines (12 C.F.R. Part 565)?
- Will the new branch office have an adverse effect on the operations of the institution (fixed asset investment, projected savings growth, earnings)?
- Will the investment in the proposed branch increase the institution's level of real estate for its offices and/or related facilities above the limitations set forth in 12 C.F.R. § 560.37?
- How does the proposed branch fit into the overall business plan?
- In the case of a branch or home office relocation, what is the rationale behind the decision and, in particular, are there any cost benefits as a result of the relocation?
- Does management have the expertise to cope with any unforeseen problems, and the ability to adapt to change, and depth to adequately staff the proposed branch without depleting staff or services at the home or other branch offices?
- Have all matters of supervisory concern been resolved?
- Has the institution been examined recently for CRA compliance? If so, is the institution's CRA performance considered acceptable? Will the institution continue to comply with the CRA after the proposed branching?
- Has the institution submitted a notice of publication?

### **Conditions**

For branch applications/notices, the following conditions will appear in an approval/nonobjection letter from OTS:

- The proposed branch must open within 12 months of approval unless otherwise allowed by OTS; and
- Following the opening of the branch office(s), the institution must notify the Regional Office as to the date of opening and the exact location of the office(s).

OTS may include nonstandard conditions in its approval of the branch or change of office location application or notice. If such nonstandard conditions are utilized, the Regional Office's digest must include appropriate justification for imposing such condition.

Any nonstandard conditions incorporated into the approval letter must be summarized in the National Applications Tracking System record for the application. This requirement helps OTS to provide the public a complete listing of all applications approved with nonstandard conditions of approval.

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## RECORDKEEPING REQUIREMENTS

OTS is required to consolidate all correspondence related to the processing of the notice or application into a file copy to be sent to a central file. Both the Regional Office and OTS-Washington will maintain a separate file copy for nondelegated filings. The file copy must include a copy of the original filing including all exhibits, all amendments, all internal and external correspondence between interested parties, all documentation associated with the review and analysis of the filing, and all decision, recommendation memorandum, and compliance material. The file copy must be organized and separated into public and confidential material, and clearly identified as such. The public and confidential sections must be arranged in chronological order.

## MONITORING AND CONTROL

The approval order or letter will generally include conditions of approval. The Regional Office will monitor compliance with all conditions imposed in connection with an application's approval. The applicant must submit evidence of satisfaction of the conditions included in the approval order or letter to the Regional Office within the stated time frames.

OTS should notify the appropriate staff responsible for the supervision and examination of the institution regarding the action taken on an application. In addition, OTS should provide the appropriate staff with copies of the approval order or letter. If an application is approved, the first examination of the institution following the approval should include a review of compliance with all conditions of approval and any changes in operations as a result of the transaction.

A review of the application file should be made after all compliance material is received to ensure that the file is complete. Any deficiencies should be corrected before the file is sent to storage.

OTS-Washington may conduct a post audit review of the application in the Regional Office, including a review of the documentation maintained in the application file.

## INFORMATION SOURCES

### Statutes

12 U.S.C. § 1464	Home Owners' Loan Act of 1933, Section 5(r) Branching
12 U.S.C. § 1831r-1	(Sections 42 of the FDIA) Notice of Branch Closure
12 U.S.C. § 1467a(m)	Qualified Thrift Lender Test

### Regulations

12 C.F.R. Part 516	Applications Processing Guidelines and Procedures
12 C.F.R. § 545.92	Branch Offices
12 C.F.R. § 545.95	Change of Office Location and Redesignation of Offices
12 C.F.R. § 556.5	Branching by Federal savings institutions
12 C.F.R. § 560.37	Real Estate for Office and Related Facilities

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**Other**

Paragraph 36,231	Authority of Insured Institutions to Operate on Military Installations Institutions
Paragraph 36,232	Branching by Federal Savings Associations; OTS Explanation of New Regulations
Paragraph 36,234	Branch Names: Interagency Policy Statement
Paragraph 21,290	Branch Closing Notices and Policies: Joint Policy Statement Chief Executive Memorandum #86, dated June 11, 1998: Interagency Statement on Branch Names

**OTS Opinions**

Paragraph 30,003	Interaffiliate Banking Arrangements
Paragraph 30,101	Status of Automated Teller Machines
Paragraph 30,809	Authority of Savings Associations to Establish and Operate Mobile Banking Facilities and ATMs

**Filings**

OTS Form 1450	Application for Permission to Establish a Branch Office, Change of Location of an Office or Redesignation of Home and Branch Office
OTS Form 1558	Notice to Establish a Branch Office or for Change of Location of an Office