



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC Issues Rule on Changes to the Composition of Bank Assets

WASHINGTON, DC -- The Office of the Comptroller of the Currency (OCC) today issued a final rule for national banks that substantially change the composition of assets through a sale or other disposition to become a dormant or “stripped” charter. The rule also applies to a “stripped” charter that subsequently increases in asset size or expands operations.

Specifically, national banks will be required to obtain prior OCC written approval for two types of fundamental changes in bank assets: (1) a change in composition of all, or substantially all, of bank assets through a sale or other disposition, and (2) a purchase or acquisition of assets or expansion of operations after a sale of all, or substantially all, of bank assets.

Three exemptions apply. First, the requirement does not apply to a bank that changes its asset composition in connection with a voluntary liquidation that is completed within one year after notifying the OCC. Second, a national bank is exempt if the change in the composition of assets is in response to direction from the OCC, such as an enforcement action. Third, a national bank is exempt when changes in asset composition occur as a result of a bank’s ordinary and ongoing business of originating and securitizing loans.

The OCC’s evaluation of these changes to bank operations will consider the purpose of the changes, the impact on bank safety and soundness and any impact on bank customers. The OCC can deny the bank’s application if any of these factors are affected negatively. In addition, the OCC will apply the factors governing the organization of a *de novo* bank to its review of any changes in asset composition or other expansions of operations of a dormant charter.

Today’s new application requirements in the final rule are likely to affect only a small number of national banks that propose to engage in transactions that fundamentally change the character of their operations.

The final rule appears in today’s *Federal Register*. The rule takes effect October 1.

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The OCC charters, regulates and examines approximately 2,000 national banks and 51 federal branches of foreign banks in the U.S., accounting for more than 56 percent of the nation’s banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.

