



Merger Applications

FIL-63-99
June 24, 1999

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *New Expedited Processing Procedure for Certain Applications FILEd Under the Bank Merger Act*

The Federal Deposit Insurance Corporation (FDIC) has implemented a new processing procedure for certain applications FILEd under the Bank Merger Act (Section 18(c) of the Federal Deposit Insurance Act) that are also otherwise eligible for expedited processing. An institution need not specifically request the new processing procedure in its application FILEing. This action is in keeping with the FDIC's ongoing efforts to minimize regulatory burden and streamline its application processes.

The new processing procedure allows applicants to benefit from a "prospective competitive-factors report" recently issued by the Department of Justice (DOJ). The prospective report applies to those merger transactions, such as corporate reorganizations, that are inherently competitively neutral. For such mergers, the prospective report serves as the DOJ's competitive-factors report required under the Bank Merger Act. Essentially, the new procedure allows the normally required 15-day post-approval waiting period to run concurrently with the statutory 30-day competitive-factors report period, shortening the merger application process for these transactions by up to 15 days.

The following types of transactions, when otherwise eligible for expedited processing as indicated in Subparts A and D of Part 303 of the FDIC Rules and Regulations, are eligible for the new procedure:

- Mergers of afFILIated institutions, provided all parties to the merger transaction are already commonly owned when the application is FILEd with the FDIC; or
- Mergers of a state-chartered interim bank or savings association and an operating bank or savings association undertaken to facilitate the formation of a one-bank holding company or unitary thrift holding company, provided all parties to the merger transaction are already commonly owned when the application is FILEd with the FDIC.

The FDIC intends to process qualifying applications under the expedited processing timeframes contained in Section 303.64, except that the review period relating to the Attorney General's report on the competitive factors involved is not applicable. To maximize the benefits of the new procedure, qualifying applicants should ensure that:

- The required public notice is published in a timely manner, and
- Submitted application materials are complete.

In its review, the FDIC will continue to evaluate the financial and managerial resources and future prospects of the existing and proposed institutions, as well as the convenience and needs

of the community to be served. Once the review is complete, and provided approval is considered appropriate, the FDIC will send the applicant an approval order indicating in the transmittal letter that the transaction may be consummated immediately.

For further information, please contact Examination Specialist Mindy West Schwartzstein (202-898-7221) or Review Examiner Kevin W. Hodson (202-898-6919) in the Division of Supervision; or Martha Coulter, Counsel in the Legal Division (202-898-7348).

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Director

Distribution: FDIC-Supervised Banks (Commercial and Savings)

NOTE: Paper copies of FDIC financial institutions letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).