

Handbook: Application Processing  
Subject: Mergers

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## Application of the Bank Merger Act to Savings Institutions **RESCINDED**

**Summary:** Pursuant to changes made by the Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA"), the Bank Merger Act now applies to mergers, consolidations, acquisition of assets and assumptions of deposit liabilities between insured depository institutions where the resulting entity is a savings association.

**OTS Identification:**  
CASD Memorandum No. 6  
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This memorandum provides a preliminary alert regarding the applicability of the Bank Merger Act ("BMA") to savings associations. Pursuant to one of the many changes made by the Financial Institutions Reform, Recovery and Enforcement Act, the BMA now applies to mergers, consolidations, acquisitions of assets and assumptions of deposit liabilities between insured depository institutions


where the resulting entity is a savings association and provides that the Office of Thrift Supervision ("OTS") is the responsible federal agency for approving the transaction. In addition, a merger or consolidation between a savings association and certain uninsured depository institutions, or assumption of deposits of certain uninsured institutions is subject to approval by the Federal Deposit Insurance Corporation under the BMA.

A more detailed memorandum will be issued shortly describing the standards and procedures applied under the BMA, however, in brief, the Act requires (1) public notice of a filing to be made generally over a 30 day period on a weekly basis; (2) a process of furnishing copies of filings to the other federal banking agencies and the Department of Justice ("DOJ") and receiving their views on the competitive impact of the proposed transaction; (3) notification of DOJ when a transaction subject to the BMA is approved; and

(4) a mandated 30 day waiting period after approval of the transaction before it may be consummated.

The OTS merger regulations are being revised on an expedited basis to provide for the new processes that we must now follow. In addition, the detailed memorandum will set forth more information about the standards and procedures made applicable by the BMA, as well as certain internal processing procedures that will be followed by the OTS.

Following discussions with DOJ, we have determined to apply BMA standards and procedures for filings received after the publication of the revised OTS merger regulations which will incorporate necessary procedures for compliance with the BMA. This should occur within several weeks. Applications filed prior to that date will be processed under the procedures and standards of the present merger regulations.

  
Julie L. Williams, Deputy General Counsel