

Date: February 1, 2000

Exempt Holding Company Status Pursuant to HOLA § 10(c)(3)

A savings and loan holding company's acquisition of a state-chartered savings bank by merging it into a much larger state-chartered savings bank subsidiary that the holding company acquired in a supervisory transaction and which has elected to be treated as a savings association under section 10(1) of the HOLA, would not affect a holding company's status as an exempt savings and loan multiple holding company under HOLA § 10(c)(3).

Subject: Home Owners' Loan Act/Savings Association Powers; Savings and Loan Holding Companies/Change in Control.

P-2000-3



Office of Thrift Supervision

Department of the Treasury

P-2000-3

1700 G Street, N.W., Washington, DC 20552 • (202) 906-6251

February 1, 2000

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Re: Exempt Holding Company Status Pursuant
to Section 10(c)(3) of the Home Owners'
Loan Act

Dear []:

This is in response to your letter of November 11, 1999, in which you requested our concurrence with your view that the transactions described in your letter would not affect the status of your client, [Holding Company] (“[HC]”), under section 10(c) of the Home Owners’ Loan Act (“HOLA”). Specifically, you request our concurrence that: (i) [HC] or its subsidiaries will not be subject to the activities restrictions of section 10(c) by reason of the transaction; and (ii) there will be no lapse in the exempt status of [HC] or its subsidiaries in connection with the transaction.

[HC] presently owns two []-chartered savings banks, [] (“[Thrift 1]”) and [Thrift 2]. Both institutions have elected to be treated as savings associations under HOLA section 10, pursuant to section 10(l), 12 U.S.C. § 1467a(l). [HC] acquired [Thrift 1] in an acquisition pursuant to former 12 U.S.C. § 1729(f). Thus, although [HC] is a multiple savings and loan holding company, [HC] qualifies for an exemption from the activities restrictions of sections 10(c)(1)(B) and 10(c)(1)(C) pursuant to section 10(c)(3) of the HOLA.¹

[HC] proposes to acquire a state-chartered bank that had approximately \$[] in assets as of September 30, 1999, in a multi-step transaction. [HC] would merge the state bank into [Thrift 1] and operate it as a part of [Thrift 1]. As of September 30, 1999, [Thrift 1]

¹ The Office of Thrift Supervision (‘OTS’) has treated transactions under former 12 U.S.C. § 1729(f) as being within section 10(c)(3), because section 13(c) of the Federal Deposit Insurance Act, 12 U.S.C. § 1823(c), is the successor statute to section 1729(f).

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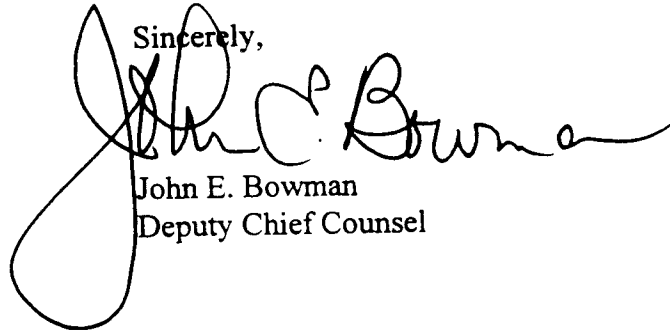
Page 2

had approximately \$[] in assets. As a result of the acquisition, certain of the state bank's officers (some of whom are directors of the state bank) would become employees of [Thrift 1] in the region where they presently work. There would be no other management changes at [HC], or its subsidiaries.

In our view, [HC] would continue to be an exempt savings and loan multiple holding company under HOLA section 10(c)(3) after the proposed transaction, and there would be no lapse in [HC]'s eligibility for the HOLA section 10(c)(3) exception.

In reaching the foregoing conclusion, we have relied on the factual representations contained in the materials submitted to us and conversations with you. Because this position is based on representations made in your letter and conversations, any different facts or conditions might require a different conclusion. If you have any questions regarding the foregoing, please contact Gary Jeffers, Senior Attorney, at (202) 906-6457.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Bowman". The signature is fluid and cursive, with a large loop at the end of the last name.

John E. Bowman
Deputy Chief Counsel

cc: Regional Director
Regional Counsel
Midwest Regional Office

Kevin A. Corcoran
Gary Jeffers
Business Transactions Division