

This document and any attachments are superseded by Comptroller's Handbook - Consumer Compliance - Other Consumer Protection Laws and Regulations.

Branch Closings

This section contains the examination procedures used to assess compliance with the branch closing requirements of Section 42 of the Federal Deposit Insurance Act. These procedures are drawn from the joint policy statement on branch closings (Policy Statement) adopted on September 21, 1993, by the OTS, FRB, OCC and FDIC in order to provide appropriate guidance to insured depository institutions on this matter. The evaluation of an institution's policy for providing appropriate prior notice of branch closings as outlined in the Policy Statement was originally incorporated within the Community Reinvestment Act (CRA) examination procedures under Assessment Factor G, which focused on the institution's record of opening and closing offices and providing services at its offices.

The branch closing requirements were not included in either the new CRA examination procedures disseminated by the OTS in December 1995 or the new CRA regulation published on September 21, 1993. Policy considerations lead the OTS, FRB, OCC and FDIC to eliminate the branch closing notification provisions from the CRA examination process since these provisions did not appear to further the primary objective of the new regulation to evaluate institutions based on actual performance in helping to meet the credit needs of their communities. Accordingly, the branch closing notice provisions have been completely separated from the CRA regulation and are now reflected in the examination procedures of this section. These provisions require that institutions (1) adhere to certain notification procedures prior to closing any branch and (2) establish an internal policy reflecting such procedures.

L I N K S

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