

FEDERAL RESERVE BOARD

Order Delegating Certain Actions Relating to Savings and Loan Holding Companies

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) was enacted on July 21, 2010. Title III of the Dodd-Frank Act transfers to the Board supervisory functions of the Office of Thrift Supervision (“OTS”) related to savings and loan holding companies (“SLHCs”) and their nondepository subsidiaries. With respect to the supervision of those institutions, section 312 of the Dodd-Frank Act (12 U.S.C. § 5412) provides that all functions of the OTS and its director (including authority to issue orders) and OTS rulemaking authority transferred to the Board on July 21, 2011.

Under the Home Owners’ Loan Act (12 U.S.C. § 1461 *et seq.*) (“HOLA”), the Director of OTS delegated certain responsibilities to other OTS officials or to OTS regional offices. These delegations are included in Chapter V of Title 12, as well as in public and nonpublic orders.

Pursuant to section 11(k) of the Federal Reserve Act (12 U.S.C. § 248(k)), the Board may delegate by published order or rule any of its functions, other than those relating to rulemaking or pertaining principally to monetary and credit policies, to Board members and employees, Reserve Banks, or administrative law judges. Additionally, pursuant to section 10(b)(2) of HOLA (12 U.S.C. § 1467a(b)(2)), as amended by the Dodd-Frank Act, the Board is authorized to issue such regulations and orders as may be necessary to enable it to administer and carry out the purposes of HOLA and prevent evasions thereof.

Because the delegations set forth in the OTS regulations are specific to the OTS’s structure and operations and do not correspond to the Board’s structure or practices, the Board has eliminated or modified these delegations as part of its implementation of OTS regulations in Regulation LL and MM.¹ This order extends the coverage of delegations found in 12 CFR part 265 of the Board’s regulations, and certain other delegations found in Board orders and Board actions, to actions related to the supervision and regulation of SLHCs. In certain cases, the Board is approving new delegations of authority with respect to actions for which there is no parallel action for bank holding companies.

Appendix A lists delegations in 12 CFR part 265 that will be applied to actions related to SLHCs, either because the delegation is applicable to all entities supervised by the Board or because the Board is extending the delegation to apply to actions related to SLHCs in the same manner that it is applied to bank holding companies. Appendix B lists additional delegations not found in 12 CFR part 265 that the Board will apply to actions relating to SLHCs (including those organized as mutual holding companies). Appendix C contains applicable delegations that are specific to SLHCs organized as mutual holding companies.

The Board may modify or add to these delegations as necessary to effectively administer its obligations under the law.

¹ These regulations will be codified at 12 CFR Parts 238 and 239.

By order of the Board of Governors,² effective August 12, 2011.

Robert deV. Frierson (signed)

Robert deV. Frierson

Deputy Secretary of the Board

² Voting for this action: Chairman Bernanke, Vice Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Appendix A
Applicable Delegations from 12 CFR part 265

Section 265.4 – Functions Delegated to Board Members

| Provision | Application to SLHCs |
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| (a) <u>Individual members.</u> (1) Review of denial of access to Board records; FOIA. | Applicable to all supervised entities. The Board's Rules Regarding Availability of Information (12 CFR part 261) have been modified to apply to savings and loan holding companies. |
| (2) Approval of amendments to notice of charges or cease and desist orders. | Applicable to all supervised entities. |
| (3) Requests for permission to appeal rulings. | The Board's Rules of Practice for Hearings (12 CFR part 263) have been modified to apply to savings and loan holding companies. |

Section 265.5 – Functions Delegated to Secretary of the Board

| Provision | Application to SLHCs |
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| (a) <u>Procedure.</u> (1) Extension of time period for public participation in proposed regulations. (2) Extension of time period in notices, orders, rules, or regulations. (3) Conforming citations and references in Board rules and regulations. (4) Technical corrections in Board rules and regulations. | Applicable to all supervised entities. The Board's Rules of Procedure (12 CFR part 262) have been modified to apply to savings and loan holding companies. |
| (b) <u>Availability of information.</u> (1) FOIA requests. | Applicable to all supervised entities. The Board's Rules Regarding Availability of Information (12 CFR part 261) have been modified to apply to savings and loan holding companies. |
| (c) <u>Bank holding companies; Change in bank control; Mergers.</u> (2) Reserve Bank director interlocks. | The Board will apply these delegations to actions related to savings and loan holding companies in the same manner that they are applied to bank holding companies. |

Section 265.6 – Functions Delegated to General Counsel

| Provision | Application to SLHCs |
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| (a) <u>Procedure.</u> | Applicable to all supervised entities. |

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| (1) Reconsideration of Board action. (2) Public meetings. (3) Designation of Board counsel for hearings. (4) Oaths, depositions, subpoenas. | The Board's Rules of Procedure (12 CFR part 262) and Rules of Practice for Hearings (12 CFR part 263) have been modified to apply to savings and loan holding companies. |
| (b) <u>Availability of Information.</u> (1) FOIA requests. (2) Disclosure to foreign authorities. (3) Assistance to foreign authorities. | Applicable to all supervised entities. The Board's Rules Regarding Availability of Information (12 CFR part 261) have been modified to apply to savings and loan holding companies. |
| (c) <u>Bank holding companies; Change in bank control; Mergers.</u> (2) Control determinations under section 4(c)(8) of the BHC Act. (3) Notices under CBC Act. | The Board will apply this delegation to actions related to savings and loan holding companies in the same manner that it is applied to bank holding companies. |
| (d) <u>Management interlocks.</u> (1) General exceptions. (2) Temporary exceptions. | The Board will apply these delegations to actions related to savings and loan holding companies in the same manner that they are applied to bank holding companies. |
| (e) <u>Consent enforcement orders.</u> (1) Enter into consent enforcement orders. (2) Stay, modify, terminate, or suspend consent enforcement orders. | Applicable to all supervised entities. |
| (g) <u>Conflicts of interest waivers.</u> | Applicable to all supervised entities. |

Section 265.7 – Functions Delegated to Director of Division of Banking Supervision and Regulation

| Provision | Application to SLHCs |
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| <p>(a) <u>Procedure.</u></p> <p>(1) Cease and desist orders.</p> <p>(2) Modification of commitments or conditions.</p> <p>(3) Notice of insufficient capital.</p> | <p>The Board will apply these delegations to actions related to savings and loan holding companies in the same manner that they are applied to bank holding companies. The Board's Rules of Practice for Hearings (12 CFR part 263) have been modified to apply to savings and loan holding companies.</p> |
| <p>(b) <u>Availability of Information.</u></p> <p>(1) FOIA requests.</p> <p>(2) FOIA; Availability of information.</p> | <p>Applicable to all supervised entities. The Board's Rules Regarding Availability of Information (12 CFR part 261) and Regulation G (12 CFR part 207) have been modified to apply to savings and loan holding companies.</p> |
| <p>(c) <u>Bank holding companies; Change in bank control; Mergers.</u></p> <p>(1) Bank holding company registration forms and annual reports.</p> <p>(2) Emergency action.</p> <p>(3) Waiver of notice.</p> <p>(4) Notices for addition or change of directors or officers.</p> <p>(5) ERISA violations.</p> <p>(6) Appraisal not required.</p> | <p>The Board will apply these delegations to actions related to savings and loan holding companies in the same manner that they are applied to bank holding companies.</p> |
| <p>(f) <u>Securities.</u></p> <p>(8) Making reports available to SEC.</p> <p>(9) Issuing examination manuals, forms, and other materials.</p> | <p>Applicable to all supervised entities.</p> |

Section 265.9 – Functions delegated to Director of Division of Consumer and Community Affairs

| Provision | Application to SLHCs |
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| (a) <u>Issuing examination manuals, forms, and other materials.</u> | Applicable to all supervised entities. |
| (c) <u>Determining inconsistencies between state and federal laws.</u> | Applicable to all supervised entities. |
| (d) <u>Interpreting the Fair Credit Reporting Act.</u> | Applicable to all supervised entities. |
| (g) <u>Public hearings.</u> | Applicable to all supervised entities. |

Section 265.11 – Functions delegated to Federal Reserve Banks

| Provision | Application to SLHCs |
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| (a) <u>Procedure.</u> (4) Bank holding company registration statement. (9) Bank holding company annual reports. (11) Bank holding company acquisition of shares, opening new bank, consummating merger. (15) Enforcement actions; written agreements; cease and desist orders. | The Board will apply these delegations to actions related to savings and loan holding companies in the same manner that they are applied to bank holding companies. |
| (b) <u>Availability of Information.</u> (1) Availability of Information; Board records. | Applicable to all supervised entities. The Board's Rules Regarding Availability of Information (12 CFR part 261) have been modified to apply to savings and loan holding companies. |

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| <p>(c) <u>Bank holding companies; Change in bank control; Mergers.</u></p> <p>(1) Require reports under oath.</p> <p>(2) Acquisition of going concern--authorization of consummation; early consummation.</p> <p>(3) Petition for review of decision that adverse comments are not substantive; permit proposed de novo activities; authorization of consummation; early consummation.</p> <p>(4) Permit or stay of modification or location of activities.</p> <p>(5) Notices under Change in Bank Control Act.</p> <p>(6) Failure to comply with publication requirement under Change in Bank Control Act.</p> <p>(9) Notices for addition or change of directors or officers.</p> <p>(11) Applications requiring Board approval; competitive factors reports for bank mergers.</p> | <p>The Board will apply these delegations to actions with respect to savings and loan holding companies in the same manner that they are applied to bank holding companies.</p> |
| <p>(g) <u>Management interlocks.</u></p> <p>(1) Change in circumstances requiring termination of management interlocks.</p> <p>(2) Depository Institutions Management Interlocks Act.</p> | <p>The Board will apply these delegations to actions with respect to savings and loan holding companies in the same manner that they are applied to bank holding companies.</p> |

Appendix B

Additional Delegations Applicable To Savings and Loan Holding Companies

1. Functions delegated to Secretary of the Board.

The Secretary of the Board (or Acting Secretary) is authorized to grant requests by companies to deregister as savings and loan holding companies.

2. Functions delegated to General Counsel.

The General Counsel (or General Counsel's delegee) is authorized:

- (a) With concurrence of the Director of the Division of Banking Supervision and Regulation, to act on requests for consent to become or remain an institution-affiliated party of a savings and loan holding company or an affiliate under section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (b) With concurrence of the Director of the Division of Banking Supervision and Regulation, to act on requests for consent to become or remain an institution-affiliated party of a savings and loan holding company or an affiliate under section 8(g) of the Federal Deposit Insurance Act (12 U.S.C. 1829), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (c) With concurrence of the Director of the Division of Banking Supervision and Regulation, to enter into consent notices under section 8(g) of the Federal Deposit Insurance Act suspending or prohibiting institution-affiliated parties of a savings and loan holding company or an affiliate charged with certain felonies, and to stay, modify, terminate, or suspend such consent notices, if no significant legal, policy, or supervisory issues are raised by the proposal.

3. Functions delegated to Director of Division of Banking Supervision and Regulation.

The Director of the Division of Banking Supervision and Regulation (or Director's delegee) is authorized:

- (a) With concurrence of the General Counsel, to extend the time limits in, or otherwise modify, an agreement entered into by a savings and loan holding company pursuant to section 238.66 of Regulation LL (12 CFR 238.66).
- (b) With concurrence of the General Counsel, to determine that publication of an agreement entered into by a savings and loan holding company pursuant to section 238.66 of Regulation LL (12 CFR 238.66) would be contrary to the public interest under the publication requirements of the Federal Deposit Insurance Act (12 U.S.C. 1811 *et seq.*).
- (c) With concurrence of the General Counsel, to act on requests by an individual who has been prohibited or suspended from banking by any federal banking regulatory agency to transfer or vote shares of a savings and loan holding company, or any proxy, consent, or authorization with respect to any voting rights in such savings and loan holding company.
- (d) With concurrence of the General Counsel, to act on requests for exemptions or otherwise make determinations under section 11 of HOLA (12 U.S.C. 1468), as

- implemented in Regulation W (12 CFR part 223), to the same extent authorized with respect to insured depository institutions and their affiliates and bank holding companies.
- (e) To designate, acting jointly with the Director of the Division of Consumer and Community Affairs, the Reserve Bank responsible for supervising a savings and loan holding company.

4. Functions delegated to Federal Reserve Banks.

Each Federal Reserve Bank is authorized to receive applications and registration statements and to take other actions as indicated for mutual holding companies and other indicated organization for which the Reserve Bank is responsible:

- (a) With the approval of the Director of the Division of Banking Supervision and Regulation and the General Counsel, to enter into corrective action agreements with savings and loan holding companies pursuant to section 238.66 of Regulation LL (12 CFR 238.66).
- (b) To act on notices of capital distributions filed pursuant to section 10(f) of HOLA (12 U.S.C. 1467a(f)) and section 238.103 of Regulation LL (12 CFR 238.103).
- (c) To act on elections to engage in financial holding company activities filed pursuant to section 10(c) of HOLA (12 U.S.C. 1467a(c)) and subpart G of Regulation LL (12 CFR part 238, subpart G), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (d) To act on notices and applications to engage in activities filed pursuant to section 10(c) of HOLA and subparts F and G of Regulation LL (12 CFR part 238, subparts F and G), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (e) To grant requests by companies to deregister as savings and loan holding companies, if no significant legal, policy, or supervisory issues are raised by the proposal.

Appendix C

Delegations Applicable To Savings and Loan Holding Companies in Mutual Form

For purposes of this Appendix C, references to mutual holding companies refer only to savings and loan holding companies in mutual form.

1. Functions delegated to Secretary of the Board.

The Secretary of the Board (or Acting Secretary) is authorized to approve the establishment of a mutual holding company or a subsidiary holding company of a mutual holding company pursuant to section 10(o) of HOLA (12 U.S.C. 1467a(o)) and sections 239.3 and 239.11 of Regulation MM (12 CFR 239.3 and 239.11), including issuing a charter, if both of the following conditions are met:

- (a) the appropriate Reserve Bank and relevant divisions of the Board recommend approval; and
- (b) no significant policy issue is raised on which the Board has not expressed its view.

2. Functions delegated to Federal Reserve Banks.

Each Federal Reserve Bank is authorized to receive applications and registration statements and to take other actions as indicated for mutual holding companies and other indicated organizations for which the Reserve Bank is responsible:

- (a) To act on reorganization notices filed pursuant to section 10(o) of HOLA and section 239.3 of Regulation MM (12 CFR 239.3), including with respect to the establishment of a mutual holding company, if no significant legal, policy, or supervisory issues are raised by the proposal.
- (b) To act on applications to establish a subsidiary holding company of a mutual holding company filed pursuant to section 10(o) of HOLA and section 239.11 of Regulation MM (12 CFR 239.11), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (c) To take any action related to an application by a mutual holding company to convert from mutual to stock form filed pursuant to section 10(o) of HOLA and subpart E of Regulation MM (12 CFR part 239, subpart E), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (d) To act on notices to repurchase stock filed pursuant to section 10(o) of HOLA and section 239.63(d) of Regulation MM (12 CFR 239.63(d)), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (e) To extend for an additional 60 days the 30-day period within which the Board may object to a notice to repurchase stock filed pursuant to section 10(o) of HOLA and section 239.63(d) of Regulation MM (12 CFR 239.63(d)).
- (f) To act on applications to acquire savings associations, savings and loan holding companies, and other corporations filed pursuant to section 10(o) of HOLA and section 239.7 of Regulation MM (12 CFR 239.7), if no significant legal, policy, or supervisory issues are raised by the proposal.

- (g) To act on notices and applications to engage in activities filed pursuant to section 10(o) of HOLA and section 239.8 of Regulation MM (12 CFR 239.8), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (h) To act on notices of indemnification filed pursuant to section 10(o) of HOLA and section 239.40 of Regulation MM (12 CFR 239.40), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (i) To act on notices of waiver by mutual holding companies of the right to receive dividends declared by subsidiaries of the mutual holding company filed pursuant to section 10(o) of HOLA and section 239.8(d) of Regulation MM (12 CFR 239.8(d)), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (j) To act on applications relating to charter and bylaw amendments of mutual holding companies and subsidiary holding companies filed pursuant to section 10(o) of HOLA and sections 239.14, 239.15, 239.22, and 239.23 of Regulation MM (12 CFR 239.14, 239.15, 239.22, and 239.23), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (k) To act on notices of transfer of stock and issuance of stock to insiders, associates of insiders, or tax-qualified or non-tax-qualified employee stock benefit plans filed pursuant to section 10(o) of HOLA and sections 239.7(b) and 239.8(e) of Regulation MM (12 CFR 239.7(b) and 239.8(e)), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (l) To act on notices of disposition of stock of certain subsidiaries filed pursuant to section 10(o) of HOLA and section 239.7(b) of Regulation MM (12 CFR 239.7(b)), if no significant legal, policy, or supervisory issues are raised by the proposal.
- (m) To act on applications to engage in voluntary supervisory conversions filed pursuant to section 10(o) of HOLA and section 239.65 of Regulation MM (12 CFR 239.65), if no significant legal, policy, or supervisory issues are raised by the proposal.