

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

August 3, 2011

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, and Foreign Bank Offices
in the Twelfth Federal Reserve District

SR 11-12 Deregistration Procedures for Certain Savings and Loan Holding Companies

Under the Home Owners' Loan Act (HOLA), a savings and loan holding company (SLHC) includes any company that directly or indirectly controls either a savings association or any other company that is an SLHC.¹ The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amended HOLA to exclude from the definition of an SLHC any company that controls only one savings association subsidiary, provided that subsidiary functions solely in a trust or fiduciary capacity as described in section 2(c)(2)(D) of the Bank Holding Company Act (BHC Act).² Accordingly, as of July 22, 2011, an SLHC that qualifies for this exclusion may submit a request to the Board to deregister as an SLHC.³ All other deregistration requests (i.e., those that are not filed pursuant to 12 USC 1467a(1)(D)(ii)(II)) should be directed to the appropriate Reserve Bank.

In requesting deregistration as an SLHC, the company must affirm that its sole savings association's activities meet the requirements for this exclusion as follows:

(1) all or substantially all of the deposits of such institution are in trust funds and are received in a bona fide fiduciary capacity;

(2) no deposits of such institution which are insured by the Federal Deposit Insurance Corporation are offered or marketed by or through an affiliate of such institution;

(3) such institution does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others or make commercial loans; and

(4) such institution does not

(a) obtain payment or payment-related services from any Federal Reserve Bank, including any service referred to in 12 USC 248a; or

(b) exercise discount or borrowing privileges pursuant to 12 USC 467(b)(7).

In reviewing the request to deregister, the Board will obtain a copy of the most recent examination report of the SLHC's trust company, will consult with the primary regulator of the trust company, and may request other additional information in order to verify that the company satisfies the statutory requirements in order to qualify for the exclusion. The Board will also formally acknowledge and act on the deregistration request.

In addition, questions may be sent via the Board's public website.⁴

¹ 12 USC 1467a(a)(1)(D)(i).

² 12 USC 1467a(a)(1)(D)(ii)(II), as amended by section 604(i) of the Dodd-Frank Act. 12 USC 1841(c)(2)(D) lists the relevant factors considered for establishing that an institution functions solely in a trust or fiduciary capacity.

³ Requests should be addressed to the Domestic Applications Section, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, Mail Stop 1808, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

⁴ See <http://www.federalreserve.gov/feedback.cfm>.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(415) 974-3166