



May 18, 2015

To Bank Holding Companies,
Financial Holding Companies, and
Savings and Loan Holding Companies
in the Twelfth Federal Reserve District

Small Bank Holding Company Policy Statement - Final Rule

On April 9, 2015, the Federal Reserve System [issued a final rule](#) to expand the applicability of the Small Bank Holding Company Policy Statement (Policy Statement). The final rule was effective May 15, 2015.

Implementing a law passed by Congress in December 2014, the final rule raises the asset threshold of the Policy Statement from \$500 million to \$1 billion in total consolidated assets. It also expands the application of the Policy Statement to Savings and Loan Holding Companies that meet certain criteria. All firms must still meet certain qualitative requirements, including those pertaining to nonbanking activities, off-balance sheet activities, and publicly-registered debt and equity.

The Policy Statement facilitates the transfer of ownership of small community banks and savings associations by allowing their holding companies to operate with higher levels of debt than would normally be permitted. While holding companies that qualify for the Policy Statement are excluded from consolidated capital requirements, their depository institution subsidiaries continue to be subject to minimum capital requirements.

Additional Information

All circulars are available via the internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking-supervision/publications>.

For additional questions, please contact:

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