

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 71-203  
August 27, 1971

## A M E N D M E N T S

### Regulation Y Rules Regarding Delegation of Authority Rules of Procedure

To All Member Banks and Others Concerned in the  
Eleventh Federal Reserve District:

The Board of Governors of the Federal Reserve System announced August 19, 1971, amendments to Regulation Y (Bank Holding Companies) designed to simplify procedures for approving certain applications by bank holding companies under section 3(a)(1) and 4(c)(8) of the Bank Holding Company Act.

The announced change in the Rules Regarding Delegation of Authority places upon the Reserve Bank the basic responsibility for administering section 3(a)(1) of the Act as it relates to the formation of one-bank holding companies.

Under the amendment to Rules of Procedure, applications for permission to form one-bank holding companies are deemed approved 45 days after the application has been accepted by the Reserve Bank, unless applicant is informed otherwise within that time.

Copies of each of these amendments, which become effective September 1, 1971, are enclosed for insertion in the binder of Regulations of the Board of Governors of the Federal Reserve System and Bulletins of the Federal Reserve Bank of Dallas furnished all member banks.

Refer to the reverse side for information regarding the material which constitutes current versions of each of these publications.

Yours very truly,  
P. E. Coldwell,  
President

Enclosures

## CURRENT VERSIONS

### REGULATION Y:

1. The pamphlet, as amended, effective 3-15-68.
2. Amendments to section 222.4(a), (b) and (c), effective 6-15-71.
3. Amendment to section 222.4(d), effective 6-30-71.
4. Amendment adding section 222.4(e), effective 7-1-71.
5. Amendment adding section 222.4(a)(8), effective 7-1-71.
6. Amendment adding section 222.4(a)(9), effective 9-1-71.
7. The enclosed amendments to section 222.3(b) and 222.4(b)(3), effective 9-1-71.

### RULES REGARDING DELEGATION OF AUTHORITY:

1. The pamphlet, effective 4-2-70.
2. Amendment to section 265.2(c)(17), effective 5-14-70.
3. Amendment to section 265.1a(a)(2), effective 8-25-70.
4. Amendment to section 265.1a(a)(4), effective 9-16-70.
5. Amendment adding section 265.2(f)(19), effective 3-18-71.
6. Amendment adding section 265.2(f)(20) and (21), effective 6-15-71.
7. The enclosed amendment adding section 265.2(f)(22), effective 9-1-71.

### RULES OF PROCEDURE:

1. The pamphlet, as revised effective 8-9-67.
2. The enclosed amendment to section 262.3(f)(1) and (4), effective 9-1-71.

# BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

## BANK HOLDING COMPANIES

### AMENDMENTS TO REGULATION Y

Effective September 1, 1971, section 222.3(b) of Regulation Y is amended to read as follows:

#### SECTION 222.3—ACQUISITION OF BANK SHARES OR ASSETS

\* \* \* \* \*

(b) **Action on applications.**—Applications under this section are processed in accordance with the procedures specified in the Act and in § 262.3 of the Board's Rules of Procedure (Part 262 of this Chapter). Any application for the Board's approval of the formation of a company that controls only one bank may be consummated 45 days after the company has been informed by its Reserve Bank that its application has been accepted, unless the company is notified to the contrary within that time or is permitted to consummate the transaction at an earlier date.

Effective September 1, 1971, section 222.4(b) of Regulation Y is amended by adding subparagraph (3) to read as follows:

#### SECTION 222.4—NONBANKING ACTIVITIES

\* \* \* \* \*

(b) \*\*\*

(3) **Simplified procedures.** (i) The procedures of subparagraphs (1) and (2) of this paragraph shall not apply with respect to a holding company or a subsidiary thereof engaging in the following:

(a) making, acquiring, or servicing loans or other extensions of credit for personal, family, or household purposes if the commencement or expansion of such activity does not involve an acquisition of assets of \$10 million or more (or the acquisition of shares of a company having such assets) except that (1) no holding company may acquire more than \$50 million in assets in any calendar year under the provisions of this clause, (2) within 30 days after consummation of such an acquisition, the holding company informs its Reserve Bank of the acquisition (in substantially the same form as F.R. Y-4B), and (3) whenever necessary to effectuate the purposes of the Act, the Board may require suspension or discontinuation of any action taken, or divestiture of any acquisition made, on authority of this provision and may withdraw such authority with respect to any particular holding company;

(b) engaging in activities described in § 222.4(a) that are shifted from a bank in the holding company system and were engaged in by the bank either *de novo* or as a result of a merger transaction described in and approved by a Federal supervisory agency pursuant to section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), 45 days after the holding company has informed its Reserve Bank of its proposal to shift such activity (in substantially the same form as F.R. Y-4B), unless the company is notified to the contrary within that time or is permitted to consummate the transaction at an earlier date.

(ii) The procedures of subparagraph (1) of this paragraph shall not apply with respect to a holding company or a subsidiary thereof engaging *de novo* as insurance agent or broker with respect to the types of insurance listed in subdivisions (i), (ii), and (iii)(a) of subparagraph (a)(9) of this section, 45 days after the holding company has informed its Reserve Bank of its proposal to engage in such activity (in substantially the same form as F.R. Y-4B), unless the company is notified to the contrary within that time or is permitted to consummate the transaction at an earlier date.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

RULES REGARDING DELEGATION OF AUTHORITY

AMENDMENT REGARDING ACQUISITION BY A COMPANY OF A CONTROLLING  
INTEREST IN THE VOTING SHARES OF ONE BANK

Effective September 1, 1971, § 265.2(f) is amended by adding new subparagraph (22) as follows:

SECTION 265.2—SPECIFIC FUNCTIONS  
DELEGATED TO BOARD EMPLOYEES  
AND FEDERAL RESERVE BANKS.

\* \* \* \* \*

(f) **Each Federal Reserve Bank** is authorized, as to member banks or other indicated organizations headquartered in its district:

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(22) Under the provisions of § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842), to approve the acquisition by a company of a controlling interest in the voting shares of one bank, if

(i) no objection to the proposed acquisition has been made by the bank's supervisory authority,

(ii) no significant policy issue is raised by the proposal as to which the Board apparently has not had an opportunity to express its views, and

(iii) neither the holding company nor any of its subsidiaries or affiliates is engaged in any activities other than those specifically permissible for bank holding companies by either the Act or Part 222 of this chapter (Regulation Y).

# RULES OF PROCEDURE

## AMENDMENT

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

### Holding Company and Merger Statements

Effective September 1, 1971, Section 262.3(f) (1) and (4) is amended to read as follows:

#### SECTION 262.3 — APPLICATIONS

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**(f) Bank holding company and merger applications.\*\*\***

(1) The Board issues each week a list that identifies holding company and merger applications received during the preceding week. Notice of receipt of each holding company application is published in the Federal Register.

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(4) Except with respect to actions taken pursuant to delegated authority, the Board's action on an application is embodied in an Order that indicates the votes of members of the Board and (i) states the reasons for the Board's action or (ii) is accompanied by a separate Statement of the reasons for the Board's action. Both the Order and any accompanying Statement are released to the press. Normally, the Statement is issued at the time of issuance of the Order. Where that is not practicable, the Statement is issued as promptly as possible. Each such Order is published in the Federal Register, and each Order and Statement are published in the Federal Reserve Bulletin.