

St. Louis no. 10315-A  
November 2, 1989

To the Addressee:

Enclosed -- for depository institutions in the Second Federal Reserve District and others maintaining sets of regulations of the Board of Governors of the Federal Reserve System -- is a copy of the Board's "Rules of Organization and Rules of Procedure." The revised pamphlet supersedes the previous printing of those Rules and all amendments thereto. The new pamphlet also includes the text of the Freedom of Information Act (5 USC 552).

Circulars Division  
FEDERAL RESERVE BANK OF NEW YORK

2654C(53)2

## Rules of Organization

As amended effective June 1, 1989

## Rules of Procedure

12 CFR 262; as amended effective August 1, 1989



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# Board of Governors—Rules of Organization\*

As amended effective June 1, 1989

## SECTION 1—Basis and Scope

These rules are issued by the Board of Governors of the Federal Reserve System (the "Board") pursuant to the requirement of section 552 of title 5 of the United States Code that each agency shall publish in the *Federal Register* a description of its central and field organization.

## SECTION 2—Composition and Location

(a) *Governors, chairman, vice chairman.* The Board consists of seven members appointed by the President, by and with the advice and consent of the Senate, for 14 year terms. The members of the Board are required by law to devote their entire time to the business of the Board. One of them is designated by the President as chairman and one as vice chairman, to serve as such for terms of four years. At meetings, the chairman presides or, in his absence, the vice chairman presides. In the absence of the chairman and vice chairman, the member of the Board present with the longest service acts as chairman. The chairman of the Board, subject to its supervision, is its active executive officer. The Board meets regularly and frequently to consider matters relating to monetary and credit policies, regulatory and supervisory duties with which it has been charged by the Congress, and administrative and other questions arising in the conduct of the work of the Board.

(b) *Location and business hours.* The principal offices of the Board are at 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551. The public entrance is at 20th and C Streets, N.W. The Board's regular business hours are from 8:45 a.m. to 5:15 p.m. each weekday except Saturday, but its business hours may be changed from time to time.

## SECTION 3—Central Organization

The Board's central organization consists of the members of the Board and the following offices, divisions, and officials:

(a) *Office of Board Members* consists of the members of the Board, and assistants and special assistants to the Board assigned to public affairs and congressional liaison.

(b) *Division of Monetary Affairs*, headed by a director, is responsible for planning and coordinating programs, memoranda, and analyses and presenting decision-making options in areas of monetary and closely related financial policies. Responsibilities are carried out through various staff activities, including preparation of position papers and other documents on monetary policy issues such as open market, discount, and reserve requirement policy; performance of secretariat functions for the Federal Open Market Committee, including administration and record preparation and maintenance; coordination of regulatory and statistical issues closely related to monetary policy, including publication and interpretation of a variety of statistical series on money, reserves, and interest rates; and liaison with the trading desk at the Federal Reserve Bank of New York in connection with open market operations and market developments.

(c) *Office of Staff Director for Federal Reserve Bank Activities* is responsible for overseeing the Division of Federal Reserve Bank Operations, assisting the Board's Committee on Federal Reserve Bank Activities, and coordinating the functions of other Board divisions that relate to Federal Reserve Bank matters. The responsibilities of this office also include all Reserve Bank director matters, coordination of the annual evaluation program for Federal Reserve Banks, the Federal Reserve System's program for emergency preparedness, and representing the Board in activities pertaining to Bank operational matters in meetings with foreign central banks and other United States government agencies.

\* These are uncodified regulations, for use within the Federal Reserve System, issued pursuant to 5 USC 552.



(d) *Office of Staff Director for Management* is responsible for the planning and coordination of staff operations and organization, for resource management, and supervision of the following functions: Board building administration and operations, Board budget and accounting activities, the Automation Policy and Programs Committee, personnel-related activities, equal employment opportunity, and contingency planning operations.

(e) *Office of the Executive Director for Information Resources Management* is responsible for overseeing the Division of Hardware and Software Systems and the Division of Applications Development and Statistical Services. The office has overall responsibility for advanced planning and conceptual application of technology, for automation policy, and for coordination of automation projects with other components of the Federal Reserve System.

(f) *Office of the Secretary*, headed by the Board's secretary, coordinates and handles items requiring Board action, including actions under delegated authority; prepares agenda for Board meetings; implements actions taken at Board meetings; prepares, circulates, and indexes minutes of the Board; has responsibility for the Board's regulatory planning and review; publishes the *Federal Reserve Regulatory Service* and related manuals; provides liaison at the staff level with the Federal Advisory Council, the Thrift Institutions Advisory Council, and ad hoc groups of the Reserve Banks; makes arrangements for individuals and groups visiting the Board; maintains custody of and provides reference service to official records of the Board; handles correspondence and public requests for records; secures visas for official travel of System personnel; and provides relief secretarial and stenographic services.

(g) *Legal Division*, headed by the Board's general counsel, advises the Board in carrying out its statutory and regulatory responsibilities by the preparation of Board decisions, regulations, rules, instructions and legal interpretations of statutes and regulations administered by the Board; represents the Board in civil litigation and administrative proceedings; assists other divisions in fulfilling their re-

sponsibilities in such areas as contracting, fiscal agency activities, Federal Reserve Bank matters, labor law, personnel, and supervisory enforcement matters; and prepares testimony or comments on proposed legislation.

(h) *Division of Research and Statistics*, headed by a director, provides the Board and the Federal Open Market Committee with the economic analysis and information needed for current operations, for the formulation of monetary and credit policies, and for the exercise of responsibilities with regard to bank regulation; prepares, publishes, and interprets a variety of statistical series in the financial and nonfinancial fields; conducts basic research relating to the effects of monetary policy on economic activity and prices and to the effects of financial regulation on the structure and functioning of financial markets.

(i) *Division of International Finance*, headed by a director, provides the Board, the Federal Open Market Committee, and other System officials with assessments of current international economic and financial developments. Staff members analyze major economic and financial developments abroad, issues connected with exchange market developments, international financial flows and their implications, the international monetary and financial systems and their evolution, and the balance-of-payments adjustment process. The division provides economic data and analyses for public release. It also works with the chairman and other Board members in their roles as members of various interagency bodies dealing with international economic policy issues.

(j) *Division of Federal Reserve Bank Operations*, headed by a director, advises and assists the Board in its oversight of Reserve Bank operations. The division is responsible to the Board on matters concerning payments system policy, the price and level of Federal Reserve Bank services (check collection, funds transfer, automated clearinghouse, net settlement, securities, and coin and currency), and improvements to the efficiency of the payments mechanism. It also maintains liaison with interested parties on payments matters.

The division reviews and appraises Reserve Bank communications and automation plans



and proposals, as well as Reserve Bank building plans. It reviews proposed Reserve Bank budgets; administers expense control and budgeting system for collection and analysis of budget and expense data; prescribes accounting principles, standards, and related requirements to be followed by the Reserve Banks; and provides certain centralized financial accounting services.

The division conducts an annual financial examination of each Reserve Bank. It also conducts operational reviews of various Reserve Bank functions, including: check collection, electronic payments, coin and currency, securities, fiscal agency, open market, protection, data processing, communications, accounting, and audit.

The division maintains liaison with the Treasury and other government agencies to facilitate the System's role as fiscal agent to the United States. It also coordinates the printing and distribution of Federal Reserve notes and is jointly responsible with the Bureau of the Mint for the production and distribution of coin.

(k) *Division of Banking Supervision and Regulation*, headed by a director, coordinates the bank supervisory functions of the System and evaluates the examination procedures of the Reserve Banks; exercises general supervision of the commercial and fiduciary activities of state member banks; administers the supervisory features of laws and regulations relating to affiliates and bank holding companies; supervises various foreign banking activities of member banks and foreign banking and financing corporations; administers the public disclosure provisions of the Securities Exchange Act of 1934, as amended, in their application to state member banks, and the provisions of the act giving responsibility to the Board for regulating security credit transactions; administers the pertinent provisions of the Financial Institutions Supervisory Act of 1966, and amendments contained in the Financial Institutions Regulatory and Interest Rate Control Act of 1978, in their application to state member banks, bank holding companies, nonbank subsidiaries, Edge Act corporations, foreign banks with domestic operations, and persons related to such institutions; moni-

tors the Currency and Foreign Transactions Reporting Act in its application to state member banks and Edge Act corporations; processes and presents to the Board applications filed pursuant to the Bank Holding Company Act of 1956, as amended, and the Bank Merger Act and various other applications submitted under the provisions of the Federal Reserve Act or related statutes; and advises the Board regarding developments in banking and bank supervisory policies and procedures.

(l) *Division of Consumer and Community Affairs*, headed by a director, implements consumer affairs legislation for which the Board has responsibility. Its functions include drafting regulations and interpretations pursuant to the Truth in Lending Act, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, the Fair Credit Billing Act, the Consumer Leasing Act, the Electronic Funds Transfer Act, and the Federal Trade Commission Improvements Act, for financial institutions and other firms engaged in consumer credit, electronic funds transfers, and leasing activities. The division also administers the Board's consumer complaint-handling system and monitors enforcement activities with regard to state member banks. The legislation enforced includes the acts already mentioned above as well as the Community Reinvestment, Fair Credit Reporting, Fair Debt Collection Practices, Fair Housing, Flood Disaster Protection, and Real Estate Settlement Procedures Acts and Regulation Q, Interest on Deposits. The division assists the community affairs activities of the Reserve Banks, which are related to the Federal Reserve's Community Reinvestment Act responsibilities.

(m) *Division of Human Resources Management*, headed by a director, is responsible for the development and implementation of Board personnel policies and programs, and advises and assists the Board and the Reserve Banks on personnel matters pertaining to the Federal Reserve Banks.

(n) *Division of Support Services*, headed by a director, is responsible for duplication and distribution of Board publications, press releases, speeches, and testimony; space management; printing, contracting, and supply



services; communications; food service management; operation and maintenance of electrical and mechanical systems; building and grounds maintenance; personnel and building security.

(o) *Office of the Controller*, headed by the Board's controller, assists the Board's divisions and the Federal Financial Institutions Examination Council in establishing and operating within their organizational structures, in managing their resources, and in ensuring the propriety and accountability of resource utilization by: administering the budget functions of planning, formulating, executing, reviewing, and reporting; receiving and disbursing funds; maintaining books of account; developing means to improve operations; conducting organizational analyses; conducting program analyses; providing financial analysis and consultation; reporting results of operations; conducting special studies; maintaining records of organizational and financial transactions; ensuring that proper cost/benefit and lease/purchase analyses are a part of major capital investments; and participating in or supporting managerial committees and task forces.

(p) *Division of Hardware and Software Systems*, headed by a director, is responsible for the overall planning, acquisition, implementation, operation, and maintenance of the Board's automation and data communications equipment, environmental operating and data base systems software, data processing and communications security, mainframe linkage to distributed processing, and other hardware and environmental software required at the Board and the Contingency Processing Center (CPC). The division is responsible for providing a climate in which users share responsibility in determining needs and translating these needs into services, and providing effective and efficient improvements in all automation and communication systems services to the Board and through the CPC to the Federal Reserve System.

(q) *Division of Applications Development and Statistical Services*, headed by a director, is responsible for the design, development, and implementation of applications software; for the

collection, processing, and maintenance of statistical and regulatory data provided by commercial banks, bank holding companies, other financial institutions, and Federal Reserve Banks; and for the provision of technical consulting services relating to automation activities in other Board divisions and offices.

(r) *Office of Inspector General* is an independent office that operates under Public Law 100-504 and Board charter. It conducts and supervises audits, operations reviews, and investigations relating to the functions of the Board; recommends and provides leadership and coordination for activities that promote economy, efficiency, and effectiveness within the Board's programs and operations; detects and prevents fraud, waste, and abuse in the Board's programs and operations; and keeps the chairman and Congress fully informed about problems and deficiencies relating to the Board's programs and operations and the necessity for, and progress of, corrective actions.

(s) *Other personnel*. The Board does not employ administrative law judges or hearing officers as regular members of its staff; but, in accordance with applicable provisions of law and in individual cases as the need may arise, the Board obtains and utilizes administrative law judges and hearing officers, whose functions in such capacity are appropriately separated, as required by law, from investigative and prosecuting functions of the staff.

#### SECTION 4—Field Organization

(a) *Federal Reserve Banks*. The United States is divided into 12 Federal Reserve Districts. In one city in each Federal Reserve District there is located a Federal Reserve Bank; in 10 of the Districts there are one or more branches of the Federal Reserve Bank in other cities; and in some Districts there are offices or facilities with specialized functions. Each Federal Reserve Bank is a separate legal entity, created pursuant to the Federal Reserve Act and operating under the general supervision of the Board. The locations of the 12 Federal Reserve Banks and the 25 branches and the boundaries of the Federal Reserve district and

branch territories are shown in the appendix. Each Federal Reserve Bank, in addition to its other duties, carries out local functions for the Board pursuant to instructions of the Board, and in many matters acts as the Board's field representative in the Bank's District. Each Reserve Bank assists in the regional administration of the Board's regulations and policies, keeps the Board informed of local conditions, and recommends such actions as it thinks appropriate in particular cases. In general, persons concerned with Federal Reserve matters should deal in the first instance with the Federal Reserve Bank of the appropriate District or a branch thereof, and the Board requests all persons to follow this procedure.

(b) *Federal Reserve agents.* Each Federal Reserve Bank has nine directors, three of whom are appointed by the Board. One of the directors appointed by the Board is designated by the Board as chairman of the Board of Directors of the Bank and as Federal Reserve agent. He acts as the Board's official representative and maintains a local office of the Board on the premises of the Federal Reserve bank.

## SECTION 5—Delegations of Authority

The Board does not delegate any of its functions relating to rule-making or pertaining principally to monetary or credit policies or involving any questions of general policy. However, the Board delegates certain of its supervisory and other functions prescribed by statute or regulations of the Board to its members or employees or to the Federal Reserve Banks as provided in its Rules Regarding Delegation of Authority (12 CFR 265). In addition, the Board delegates to the Federal Reserve Banks certain functions not provided for by statute or regulations of the Board, including authority to extend the time within which certain transactions may be consummated.

## APPENDIX—Federal Reserve Banks

### BOSTON\*

600 Atlantic Avenue, Boston, Massachusetts 02106

### NEW YORK\*

33 Liberty Street (Federal Reserve P.O. Station), New York, New York 10045

#### Buffalo Branch

160 Delaware Avenue, Buffalo, New York 14202 (P.O. Box 961, Buffalo 14240-0961)

### PHILADELPHIA

Ten Independence Mall, Philadelphia, Pennsylvania 19106 (P.O. Box 66, Philadelphia 19105)

### CLEVELAND\*

1455 East Sixth Street, Cleveland, Ohio 44114 (P.O. Box 6387, Cleveland 44101)

#### Cincinnati Branch

150 East Fourth Street (P.O. Box 999), Cincinnati, Ohio 45201-0999

#### Pittsburgh Branch

717 Grant Street, Pittsburgh, Pennsylvania 15219 (P.O. Box 867, Pittsburgh 15230)

### RICHMOND\*

701 East Byrd Street, Richmond, Virginia 23219 (P.O. Box 27622, Richmond, Virginia 23261)

#### Baltimore Branch

502 S. Sharp Street, Baltimore, Maryland 21201 (P.O. Box 1378, Baltimore, Maryland 21203)

#### Charlotte Branch

530 East Trade Street, Charlotte, North Carolina 28202 (P.O. Box 30248, Charlotte 28230)

#### Culpeper Communications and Records Center

P.O. Drawer 20, Culpeper, Virginia 22701

### ATLANTA

104 Marietta Street, N.W., Atlanta, Georgia 30303 (P.O. Box 1731, Atlanta 30301-1731)

#### Birmingham Branch

1801 Fifth Avenue, North, Birmingham, Alabama 35202 (P.O. Box 830447, Birmingham 35283-0447)

#### Jacksonville Branch

800 Water Street (P.O. Box 929), Jacksonville, Florida 32231-0044

#### Miami Branch

9100 Northwest 36th Street, Miami, Florida 33178 (P.O. Box 520847, Miami 33152)



**Nashville Branch**

301 Eighth Avenue, North, Nashville, Tennessee 37203 (P.O. Box 4407, Nashville 37203-4407)

**New Orleans Branch**

525 St. Charles Avenue, New Orleans, Louisiana 70130 (P.O. Box 61630, New Orleans 70161-1631)

**CHICAGO\***

230 South LaSalle Street, Chicago, Illinois 60604 (P.O. Box 834, Chicago 60690-0834)

**Detroit Branch**

160 W. Fort Street, Detroit, Michigan 48226 (P.O. Box 1059, Detroit 48231)

**ST. LOUIS**

411 Locust Street, St. Louis, Missouri 63102 (P.O. Box 442, St. Louis, Missouri 63166)

**Little Rock Branch**

325 West Capitol Avenue, Little Rock, Arkansas 72201 (P.O. Box 1261, Little Rock 72203)

**Louisville Branch**

410 South Fifth Street, Louisville, Kentucky 40202 (P.O. Box 32710, Louisville 40232)

**Memphis Branch**

200 North Main Street, Memphis, Tennessee 38103 (P.O. Box 407, Memphis, Tennessee 38101)

**MINNEAPOLIS**

250 Marquette Avenue, Minneapolis, Minnesota 55480

**Helena Branch**

400 North Park Avenue, Helena, Montana 59601

**KANSAS CITY**

925 Grand Avenue, Kansas City, Missouri 64198

**Denver Branch**

1020 16th Street, Denver, Colorado 80202 (Terminal Annex-P.O. Box 5228, Denver 80217)

**Oklahoma City Branch**

226 Dean A. McGee Avenue (P.O. Box 25129), Oklahoma City, Oklahoma 73125

**Omaha Branch**

2201 Farnam Street, Omaha, Nebraska 68102 (P.O. Box 3958, Omaha 68103)

**DALLAS**

400 South Akard Street (Station K), Dallas, Texas 75222

**El Paso Branch**

301 East Main Street, El Paso, Texas 79901 (P.O. Box 100, El Paso 79999)

**Houston Branch**

1701 San Jacinto Street, Houston, Texas 77002 (P.O. Box 2578, Houston, Texas 77252)

**San Antonio Branch**

126 East Nueva Street, San Antonio, Texas 78204 (P.O. Box 1471, San Antonio 78295)

**SAN FRANCISCO**

101 Market Street, San Francisco, California 94105 (P.O. Box 7702, San Francisco 94120)

**Los Angeles Branch**

950 South Grand Avenue, Los Angeles, California 90015 (Terminal Annex-P.O. Box 2077, Los Angeles 90051)

**Portland Branch**

915 S.W. Stark Street, Portland, Oregon 97025 (P.O. Box 3436, Portland 97208)

**Salt Lake City Branch**

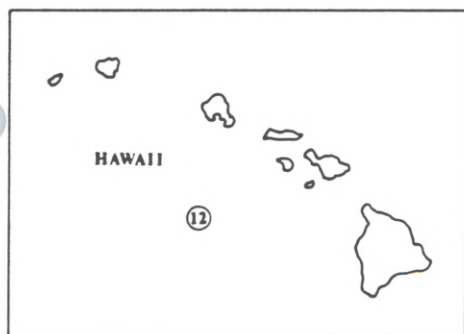
120 South State Street, Salt Lake City, Utah 84111 (P.O. Box 30780, Salt Lake City 84125)

**Seattle Branch**

1015 Second Avenue, Seattle, Washington 98104 (P.O. Box 3567, Seattle 98124)

\* Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25328; Des Moines, Iowa 50306; Indianapolis, Indiana 46206; and Milwaukee, Wisconsin 53201.

## Boundaries of Federal Reserve Districts and Their Branch Territories



## LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System

- Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility



# Board of Governors—Rules of Procedure

12 CFR 262; as amended effective August 1, 1989

## SECTION 262.1—Basis and Scope

This part is issued pursuant to section 552 of title 5 of the United States Code, which requires that every agency shall publish in the *Federal Register* statements of the general course and method by which its functions are channeled and determined, rules of procedure, and descriptions of forms available or the places at which forms may be obtained.

## SECTION 262.2—Procedure for Regulations

(a) *Notice.* Notices of proposed regulations of the Board of Governors of the Federal Reserve System (the "Board") or amendments thereto are published in the *Federal Register*, except as specified in paragraph (e) of this section or otherwise excepted by law. Such notices include a statement of the terms of the proposed regulations or amendments and a description of the subjects and issues involved; but the giving of such notices does not necessarily indicate the Board's final approval of any feature of any such proposal. The notices also include a reference to the authority for the proposed regulations or amendments and a statement of the time, place, and nature of public participation.

(b) *Public participation.* The usual method of public submission of data, views, or arguments is in writing. It is ordinarily preferable that they be sent to the Secretary of the Board, Washington, D.C. 20551, with copies to the appropriate Federal Reserve Bank. The locations of the 12 Federal Reserve Banks and the boundaries of the Federal Reserve districts are shown in the appendix to the Board's Rules of Organization. Such material will be made available for inspection and copying upon request, except as provided in section 261.6(b) of this chapter regarding availability of information.

(c) *Preparation of draft and action by Board.* In the light of consideration of all relevant matter presented or ascertained, the appropri-

ate division of the Board's staff, in collaboration with other divisions, prepares drafts of proposed regulations or amendments, and the staff submits them to the Board. The Board takes such action as it deems appropriate in the public interest. Any other documents that may be necessary to carry out any decision by the Board in the matter are usually prepared by the Legal Division, in collaboration with the other divisions of the staff.

(d) *Effective dates.* Any substantive regulation or amendment thereto issued by the Board is published not less than 30 days prior to the effective date thereof, except as specified in paragraph (e) of this section or as otherwise excepted by law.

(e) *Exceptions as to notice or effective date.* In certain situations, notice and public participation with respect to proposed regulations may be impracticable, unnecessary, contrary to the public interest, or otherwise not required in the public interest, or there may be reason and good cause in the public interest why the effective date should not be deferred for 30 days. The reason or reasons in such cases usually are that such notice, public participation, or deferment of effective date would prevent the action from becoming effective as promptly as necessary in the public interest, would permit speculators or others to reap unfair profits or to interfere with the Board's actions taken with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country, would provoke other consequences contrary to the public interest, would unreasonably interfere with the Board's necessary functions with respect to management or personnel, would not aid the persons affected, or would otherwise serve no useful purpose. The following may be mentioned as some examples of situations in which advance notice or deferred effective date, or both, will ordinarily be omitted in the public interest: The review and determination of discount rates established by Federal Reserve Banks, and changes in general requirements regarding re-

serves of member banks, maximum interest rates on time and saving deposits, or credit for purchasing or carrying securities.

### SECTION 262.3—Applications

(a) *Forms.* Any application, request, or petition (hereafter referred to as "application") for the approval, authority, determination, or permission of the Board with respect to any action for which such approval, authority, determination, or permission is required by law or regulation of the Board (including actions authorized to be taken by a Federal Reserve Bank or others on behalf of the Board pursuant to authority delegated under part 265 of this chapter) shall be submitted in accordance with the pertinent form, if any, prescribed by the Board. Copies of any such form and details regarding information to be included therein may be obtained from any Federal Reserve Bank. Any application for which no form is prescribed should be signed by the person making the application or by his duly authorized agent, should state the facts involved, the action requested, and the applicant's interest in the matter, and should indicate the reasons why the application should be granted. Applications for access to, or copying of, records of the Board should be submitted as provided in section 261.9(a) of this chapter.

(b) *Notice of applications.* (1) In the case of applications,

- (i) for membership in the Federal Reserve System where such membership would confer federal deposit insurance on a bank,
- (ii) by a state member bank for the establishment of a domestic branch or other facility that would be authorized to receive deposits,
- (iii) by a state member bank for the relocation of a domestic branch office,
- (iv) for merger, consolidation, or acquisition of assets or assumption of liabilities, if the acquiring, assuming, or resulting bank is to be a state member bank,
- (v) to become a bank holding company, and
- (vi) by a bank holding company to ac-

quire ownership or control of shares or assets of a bank, or to merge or consolidate with any other bank holding company,

the applicant shall cause to be published on the same day of each of two consecutive weeks a notice in the form prescribed by the Board. The notice shall be placed in the classified advertising legal notices section of the newspaper, and the first notice may appear no more than 90 calendar days prior to acceptance by the Reserve Bank of the application. The notice must provide an opportunity for the public to give written comment on the application to the appropriate Federal Reserve Bank for at least 30 days after the date of publication of the first notice. In addition, between publication of the first and second notice, the applicant shall submit to the appropriate Reserve Bank for acceptance copies of the application, together with a copy of the notice as it appeared in the newspaper. Such notice shall be published in a newspaper of general circulation in (A) the community in which the head office of the bank is or is to be located in the case of an application for membership that would confer deposit insurance, (B) the community or communities in which the head office of the bank and the proposed branch or other facility (other than an electronic funds transfer facility) are located in the case of an application for the establishment of a domestic branch or other facility that would be authorized to receive deposits, (C) the community or communities in which the head office of the bank, the office to be closed, and the office to be opened are located in the case of an application for the relocation of a domestic branch office, (D) the community or communities in which the head office of each of the banks to be party to the merger, consolidation, or acquisition of assets or assumption of liabilities are located in the case of an application by a bank for merger, consolidation, or acquisition of assets or assumption of liabilities, or (E) the community or communities in which the head offices of the largest subsidiary bank, if any, or an applicant and of each bank, shares of which are to be directly or indirectly ac-



quired, are located in the case of applications under section 3 of the Bank Holding Company Act.

(2) In addition to the foregoing notice, an applicant, in the case of an application to relocate a domestic branch office or other facility that would be authorized to receive deposits, shall post in a conspicuous public place in the lobby of the office to be closed a notice containing the information specified in section 262.3(b)(1). Such notice should be posted on the date of the first notice required by section 262.3(b)(1).

(c) *Filing of applications.* Any application should be sent to the Federal Reserve Bank of the District in which the head office of the parent banking organization is located, except as otherwise specified on application forms, and that Bank will forward it to the Board when appropriate; however, in the case of a foreign banking organization, as defined in section 211.23(a)(2) of this chapter, applications shall be sent to the Federal Reserve Bank of the District in which the operations of the organization's subsidiary banks are principally conducted. In the case of a foreign banking organization that is not a bank holding company but that has one or more branches, agencies, or commercial lending companies in any state of the United States or the District of Columbia, applications shall be sent to the Federal Reserve Bank of the district in which the organization's banking assets are the largest. Applications of a member bank subsidiary, however, should be filed with the Reserve Bank of the district in which the member bank is located.

(d) *Analysis by staff.* In every case, the Reserve Bank makes such investigation as may be necessary, and, except when acting pursuant to delegated authority, reports the relevant facts, with its recommendation, to the Board. In the light of consideration of all relevant matter presented or ascertained, the Board's staff prepares and submits to the Board comments on the subject.

(e) *Submission of comments and requests for hearing.* The Board is only required to consider a comment or a request for a hearing with respect to an application or notice if it is in

writing and received by the Secretary of the Board or the appropriate Federal Reserve Bank on or before the latest date prescribed in any notice with respect to the application or notice, or where no such date is prescribed, on or before the thirtieth day after the date notice is first published. Similarly, the Board will consider comments on an application from the attorney general or a banking supervisory authority to which notification of receipt of an application has been given, only if such comment is received by the secretary of the Board within 30 days of the date of the letter giving such notification. Any comment on an application or notice that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing. In every case where a timely comment or request for hearing is received as provided herein, a copy of such comment or request shall be forwarded promptly to the applicant for its response. The Board will consider the applicant's response only if it is in writing and sent to the secretary of the Board on or before eight business days after the date of the letter by which it is forwarded to the applicant. At the same time it transmits its response to the Board, the applicant should transmit a copy of its response to the person or supervisory authority making such comment or requesting a hearing. Notwithstanding the foregoing, the Board may, in its sole discretion and without notifying the parties, take into consideration the substance of comments with respect to an application, (but not requests for hearing) that are not received within the time periods provided herein.

(f) *Action on applications.* The Board takes such action as it deems appropriate in the public interest. Such documents as may be necessary to carry out any decision by the Board are prepared by the Board's staff. With respect to actions taken by a Federal Reserve Bank on behalf of the Board under delegated authority, statements and necessary documents are prepared by the staff of such Federal Reserve Bank.

(g) *Notice of action.* Prompt notice is given



to the applicant of the granting or denial in whole or in part of any application. In the case of a denial, except in affirming a prior denial or where the denial is self-explanatory, such notice is accompanied by a simple statement of the grounds for such action.

(h) *Action at Board's initiative.* When the Board, without receiving an application, takes action with respect to any matter as to which opportunity for hearing is not required by statute or Board regulation, similar procedure is followed, including investigations, reports, and recommendations by the Board's staff and by the Reserve Banks, where appropriate.

(i) *General procedures for bank holding company and merger applications.* In addition to procedures applicable under other provisions of this part, the following procedures are applicable in connection with the Board's consideration of applications under sections 3 and 4 of the Bank Holding Company Act of 1956 (12 USC 1842 and 1843), hereafter referred to as "section 3 applications" or "section 4 applications," and of applications under section 18(c) of the Federal Deposit Insurance Act (12 USC 1823), hereafter called "merger applications." Except as otherwise indicated, the following procedures apply to all such application.

(1) The Board issues each week a list that identifies section 3 and section 4 and merger applications received and acted upon during the preceding week by the Board or the Reserve Banks pursuant to delegated authority. Notice of receipt of all section 3 applications and of section 4(c)(8) applications acted on by the Board is published in the *Federal Register*.

(2) If a hearing is required by law or if the Board determines that a formal hearing for the purpose of taking evidence is desirable, the Board issues an order for such a hearing, and notice thereof is published in the *Federal Register*. Any such formal hearing is conducted by an administrative law judge in accordance with the Board's Rules of Practice for Hearings (part 263 of this chapter) except that, unless otherwise ordered by the Board, such a hearing is public.

(3) In any case in which a formal hearing

is not ordered by the Board, the Board may afford the applicant and other properly interested persons (including governmental agencies) an opportunity to present views orally before the Board or its designated representative. Unless otherwise ordered by the Board, any such oral presentation is public and notice of such public proceeding is published in the *Federal Register*.

(4) Each action taken by the Board on an application is embodied in an order that indicates the votes of members of the Board. The order either contains reasons for the Board's action (i.e., an expanded order) or is accompanied by a statement of the reasons for the Board's action. Both the order and any accompanying statement are released to the press. Each order accompanied by a statement and any order of general interest, together with a list of other orders, are published in the *Federal Reserve Bulletin*. Action by a Reserve Bank under delegated authority as provided for under part 265 of this chapter is reflected in a letter of notification to the applicant.

(5) Unless the Board shall otherwise direct, each section 3 and section 4 and merger application is made available for inspection by the public except for portions thereof as to which the Board determines that nondisclosure is warranted under section 552(b) of title 5 of the United States Code.

(j) *Special procedures for certain applications.* The following types of applications require procedures exclusive of, or in addition to, those described in paragraphs (i)(1)–(5) of this section.

(1) Special rules pertaining to section 3 and merger applications follow. (i) Each order of the Board and each letter of notification by a Reserve Bank acting pursuant to delegated authority approving a section 3 application includes, pursuant to the act approved July 1, 1966 (12 USC 1849(b)), a requirement that the transaction approval shall not be consummated before the thirtieth calendar day following the date of such order. (ii) Each order of the Board approving a merger application includes, pursuant to the act approved February 21, 1966 (12



USC 1828(c)(6)), a requirement that the transaction approved shall not be consummated before the thirtieth calendar day following the date of such order, except as the Board may otherwise determine pursuant to emergency situations as to which the act permits consummation at earlier dates. (iii) Each order or each letter of notification approving an application also includes, as a condition of approval, a requirement that the transaction approved shall be consummated within three months and, in the case of acquisition by a holding company of stock of a newly organized bank, a requirement that such bank shall be opened for business within six months, but such periods may be extended for good cause by the Board (or by the appropriate Federal Reserve Bank where authority to grant such extensions is delegated to the Reserve Bank).

(2) For special rules governing procedures for section 4 applications, refer to section 225.23 of this chapter.

(k) *Reconsideration of certain Board actions.*

The Board may reconsider any action taken by it on an application upon receipt by the secretary of the Board of a written request for reconsideration from any party to such application, on or before the fifteenth day after the effective date of the Board's action. Such request should specify the reasons why the Board should reconsider its action, and present relevant facts that, for good cause shown, were not previously presented to the Board. Within 10 days of receipt of such a request, the general counsel, acting pursuant to delegated authority (12 CFR 265.2(b)(7)), shall determine whether or not the request for reconsideration should be granted, and shall notify all parties to the application orally by telephone of this determination within 10 days. Such notification will be confirmed promptly in writing. In the exercise of this authority, the general counsel shall confer with the directors of other interested divisions of the Board or their designees. Notwithstanding the foregoing, the Board may, on its own motion if it deems reconsideration appropriate, elect

to reconsider its action with respect to any application, and the parties to such application shall be notified by the secretary of the Board of its election as provided above. If it is determined that the Board should reconsider its action with respect to an application, such action will be stayed and will not be final until the Board has acted on the application upon reconsideration. If appropriate, notice of reconsideration of an application will be published promptly in the *Federal Register*.

(l) *Waiver.* The Board, or the officer or Reserve Bank authorized to approve an application, may waive or modify any procedural requirements for that application prescribed or cited in this section and may excuse any failure to comply with them upon a finding that immediate action on the application is necessary to prevent the probable failure of a bank or company or that an emergency exists requiring expeditious action.

#### SECTION 262.4—Adjudication with Formal Hearing

In connection with adjudication with respect to which a formal hearing is required by law or is ordered by the Board, the procedure is set forth in part 263 of this chapter, entitled "Rules of Practice for Hearings."

#### SECTION 262.5—Appearance and Practice

Appearance and practice before the Board in all matters are governed by section 263.3 of this chapter.

#### SECTION 262.6—Forms

Necessary forms to be used in connection with applications and other matters are available at the Federal Reserve Banks. A list of all such forms, which is reviewed and revised periodically, may be obtained from any Federal Reserve Bank.

# Freedom of Information Act

5 USC 552; 80 Stat. 383; Pub. L. 89-554 (September 6, 1966)

(a) Each agency shall make available to the public information as follows:

(1) Each agency shall separately state and currently publish in the Federal Register for the guidance of the public—

(A) descriptions of its central and field organization and the established places at which, the employees (and in the case of uniformed service, the members) from whom, and the methods whereby, the public may obtain information, make submittals or requests, or obtain decisions;

(B) statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal and informal procedures available;

(C) rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations;

(D) substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by the agency; and

(E) each amendment, revision, or repeal of the foregoing.

Except to the extent that a person has actual and timely notice of the terms thereof, a person may not in any manner be required to resort to, or be adversely affected by, a matter required to be published in the Federal Register and not so published. For the purpose of this paragraph, matter reasonably available to the class of persons affected thereby is deemed published in the Federal Register when incorporated by reference therein with the approval of the Director of the Federal Register.

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