Final revised forms and instructions for the FR 2070 Interagency Bank Merger Act Application, FR 2081a Interagency Change in Control Notice, FR 2081b Interagency Notice of Change in Director or Senior Executive Officer, and 2081c Interagency Biographical and Financial Report

Attention: Chief Executive Officer of Each Tenth District State Member Bank and Holding Company

Highlights: On March 15, 2018, the Federal Reserve published a final notice in the Federal Register to implement the following changes, which became available July 11, 2018.

The changes are being made in order to improve transparency for filers by adding requests for information required to evaluate proposals and notices, clarifying certain existing requests, deleting requests for information no longer considered necessary to evaluate a proposal or notice, and updating the reporting forms to conform to current statutory requirements, banking regulations, and accounting rules. Certain revisions are related to information commonly requested on a follow-up basis by the respective regulators. Requesting the information upfront also should increase transparency as well as the efficiency of the review process. The changes are outlined in the attached appendix and are grouped into the following categories: additional information that is customarily requested as supplemental information for a filing or that is otherwise considered necessary to evaluate the statutory factors; clarification of certain requests; deletion of unnecessary information; updates relating to modified capital requirements and outdated accounting rules; and other minor and stylistic changes, such as improved grammar.

Contact: Please direct any questions concerning the revised forms to your Federal Reserve Bank of Kansas City central point of contact at (800) 333-1010.

Internet Link: Revised forms are available on the Board’s public web site at: https://www.federalreserve.gov/apps/reportforms/default.aspx. Institutions may subscribe to the Federal Reserve Board’s e-mail notification service to receive alerts regarding report forms and instructions updates at: https://www.federalreserve.gov/feeds/reportforms-rss.xml. These updates include changes related to proposed new and existing data collections and final reporting forms and instructions.
APPENDIX

FR 2070 Interagency Bank Merger Act Application Revisions

A. Additional requested items

1. Any contract deadlines associated with the transaction.
2. Identification of any filings to other state and federal regulators in connection with the merger transaction.
3. A discussion of the changes in the resultant institution’s business strategy and operations and integration plans along with the submission of a business plan, if available.
4. Projected financial statements and capital figures as of the end of each of the first three years of operation following consummation. The prior form’s request for only one year of projected statements was not viewed as providing sufficient information for analysis of the transaction.
5. Any changes to directors and senior executive officers due to the proposed transaction.
6. Statement of any litigation or investigations involving the applicant, the target institution, and their subsidiaries during the past two years.
8. Information regarding whether the proposed investment in branches is consistent with section 208.21 of the Board’s Regulation H. (This is a Board-only request; the FDIC and OCC will not request this information.)

B. Clarification of certain items

1. The instructions provide greater detail on what is considered an affiliate transaction.
2. The instructions provide greater detail regarding establishment of branches and branch closing.
3. The instructions now discuss publications requirements when there is no newspaper of general circulation in the community or communities in which the main office of each of the parties is located.
4. The instructions to the form now recommend consultation with the Board to determine whether biographical or financial information for new principal shareholders, directors, and senior executive officers involved in the transaction will need to be provided.
5. Questions regarding how the proposal will assist in meeting the convenience and needs of the community, including with respect to the Community Reinvestment Act, are modified or expanded to provide more detail on what is required and to enable a prospective review of the effect of the proposal on the communities involved. The form continues to ask applicants to list any significant changes in services or products anticipated in connection with the proposal; therefore, filers are expected to note reductions in products or services.
6. Questions regarding the interstate merger provisions of the Riegle-Neal Act are modified or expanded to provide more detailed information regarding the statutory requirements.

C. Deletion of unnecessary information

1. The request for cash flow projections for the parent company in certain transactions will be deleted. This request has been superseded by the enhanced financial projections now requested.
2. The request for goodwill amortization and purchase discount accretion schedules is no longer required due to accounting rule changes.
D. Updated capital information

1. Ratios included in the request for a projected regulatory capital schedule are updated to reflect the latest capital regulatory rules. The following ratios will now be required: common equity tier 1 capital, tier 1 capital, total capital, and leverage ratios.

E. Minor editing changes

1. Other changes to the form that are less significant in nature include those to improve grammar, update citations and addresses, clarify instructions, and note the option of filing electronically.

FR 2081a Interagency Change in Control Notice Revisions

A. Additional requested items

1. For a trust that is a part of the notice, a list of the trustees and beneficiaries of that trust.
2. Information regarding whether the applicant would join an existing group acting in concert. New information requested includes a list of the members of the group and whether or not a FR 2081a was previously filed for the group.
3. Statement regarding whether the submission is an after-the-fact notice and whether any exemptions apply.
4. Ownership percentage, market value, and price information for non-voting shares, warrants and debt instruments. The prior form only requested information regarding voting share ownership.
5. Any securities to be purchased, which would be broken-out by voting, nonvoting and debt categories.
6. Narrative description of the proposed transaction.
7. Information regarding the expected timing of the proposal.
8. Information regarding the source of funds used by the notificant(s) to purchase the voting shares, non-voting shares, options, or other debt instruments.

B. Clarification of certain requests

1. Voting and nonvoting shares and debt instruments information is requested in an easy-to-read table format.
2. Checklist of supporting documents pertinent to the transaction that may be required to be submitted, including purchase, sale, shareholder, trust, tender offers, and non-compete agreements.

3. Revisions to the Privacy Act Statement to provide more detail regarding how information submitted is handled by the Board.
4. The instructions now indicate that the form also applies to savings and loan holding companies and savings associations.

C. Deletion of unnecessary information

1. The request for information on tender offers will be deleted. Such information will be included in the response to another question.
2. Current book value per share, which can be calculated using other information provided.
D. Minor editing changes

1. Such changes are made to improve grammar, update citations and addresses, clarify instructions, and note the option of filing electronically.

**FR 2081b Interagency Notice of Change in Director or Senior Executive Officer Revisions**

A. Additional requested items

1. Statement regarding whether the submission is an after-the-fact notice and whether any exemptions apply.

B. Clarification of certain requests

1. Notice that providing an employment contract does not alleviate any other filing requirements.
2. Notice that an after-the-fact filing may violate applicable notice requirements that could result in legal sanctions or resignation.
3. Revisions to the Privacy Act Statement to provide more detail regarding how information submitted is handled by the Board.

C. Deletion of unnecessary information

1. None.

D. Minor editing changes

1. Other changes to the form that are less significant in nature include those to improve grammar, update citations and addresses, clarify instructions, and note the option of filing electronically.

**FR 2081c Interagency Biographical and Financial Report Revisions**

A. Additional requested items

1. Information regarding whether the applicant has failed to satisfy any federal, state or local tax obligations.
2. Details regarding any liability that is contractually delinquent.
3. Additional information regarding the notificant’s citizenship, if the applicant is a dual citizen.
4. For any “Legal and Related Matters” reported, applicant should indicate whether any insured depository institution suffered a loss as a result, including the amount of the loss and whether the institution was ever made whole.

B. Clarification of certain requests

1. Enhanced descriptions of the transactions required to be reported in “Legal and Related Matters.” This includes information regarding civil and criminal lawsuits, suspension or removal of a license, disbarment, and any consent order, written agreement, or memorandum of understanding, as well as identification of the court in which any legal proceeding occurred involving the applicant or any company with which they are or were associated.
2. Clarifying that arrests, charges, indictments, and convictions involving driving under the influence, reckless driving, and disorderly conduct should be reported.
3. Revisions to the Privacy Act Statement to provide more detail regarding how information submitted is handled by the Board.
4. Whether the applicant is being considered for a management position at any other depository institution or holding company, rather than just as a senior executive officer or director.

C. Deletion of unnecessary information

1. Removed request for a fax number.

D. Minor editing changes

1. Other changes to the form that are less significant in nature include those to improve grammar, update citations and addresses, clarify instructions, and note the option of filing electronically.