

OCC bank merger policy: What's old is new again

May 12, 2025 | Client Update | 4-minute read

The OCC has reversed recent changes to its bank merger policies through an interim final rule. Our client update is a refresher on the new state of play for Bank Merger Act applications to the OCC, which is a return to the old state of play.

OCC interim final rule on bank mergers

The Office of the Comptroller of the Currency is reversing recent changes to its bank merger policies through an [interim final rule](#), citing “confusion and uncertainty” caused by its [2024 final rule](#).

- The table below provides a refresher on the new state of play for BMA applications to the OCC, which is actually a return to the old state of play.
- The interim final rule will be effective immediately upon publication in the Federal Register.
- The OCC will consider issuing a new bank merger policy statement after reviewing any comments on the interim final rule, which will be due 30 days after publication in the Federal Register.
- Please refer to our previous client updates for more details on the OCC’s now-reversed [2024 final rule](#) and the related [proposed rule](#).

Refresher on OCC bank merger policy changes

2024 final rule	
Streamlined BMA application form	Eliminated use of the streamlined form, instead requiring all applicants to complete the full int
Expedited review procedures	Eliminated procedures in which transactions that qualify for a streamlined application would b the close of the public comment period if the OCC does not take further action
Positive and negative indicators	<p>Outlined 13 positive indicators and 6 negative indicators that set forth the likelihood of a quick application</p> <p>Notably, identified having less than \$50 billion in combined assets as a positive indicator and negative indicator</p>
BMA statutory factors	<p>Summarized the OCC's substantive approach to three BMA statutory factors: financial stabilit resources and future prospects, and convenience and needs</p> <p>Notably, said the OCC would consider "job losses or lost job opportunities from branching cha convenience and needs factor</p>
Public comment period / meetings	Described criteria informing the OCC's decision on whether to extend the 30-day public com public meeting on a BMA application

Refresher on streamlined application and expedited processing

The OCC's streamlined BMA application and expedited processing will now be available again in **four limited situations**:

- Transactions between (1) an eligible bank or eligible savings association and (2) one or more eligible banks, eligible savings associations, or eligible depository institutions, where the target's assets are **no more than 50% of the acquirer's total assets**;
-

Transactions where (1) the acquirer is an eligible bank or eligible savings association, (2) the target bank or savings association is **not** an eligible bank, eligible savings association, or an eligible depository institution, and (3) the filers obtain **prior OCC approval** to use the streamlined form;

- Transactions where (1) the acquirer is an eligible bank or eligible savings association, (2) the target bank or savings association is **not** an eligible bank, eligible savings association, or an eligible depository institution, and (3) the total assets to be acquired are **no more than 10% of the acquirer's total assets**; and
- Certain mergers of a national bank with one or more of its **nonbank affiliates**, where the filers obtain **prior OCC approval** to use the streamlined form and the total assets acquired are no **more than 10% of the acquirer's total assets**.

In each case, the resulting bank or savings association must be **well capitalized**.

“Eligible bank or eligible savings association” means a national bank or federal savings association that:

1. is well capitalized;
2. has a composite CAMELS rating of 1 or 2;
3. has a Community Reinvestment Act rating of Outstanding or Satisfactory;
4. has a consumer compliance rating of 1 or 2 under the Uniform Interagency Consumer Compliance Rating System;
and
5. does not have a cease and desist order, consent order, formal written agreement, or prompt corrective action directive or, if subject to any such order, agreement, or directive, is informed in writing by the OCC that the bank or savings association may be treated as an eligible bank or eligible savings association.

“Eligible depository institution” means the above, plus FDIC-insured state banks and savings associations meeting the above criteria.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Andrew S. Baer

+1 202 962 7027
andrew.baer@davispolk.com

Dana Seesel Bayersdorfer

+1 212 450 3423
dana.bayersdorfer@davispolk.com

Luigi L. De Ghenghi

+1 212 450 4296
luigi.deghenghi@davispolk.com

Eric McLaughlin

+1 212 450 4897
eric.mclaughlin@davispolk.com

David L. Portilla

+1 212 450 3116
+1 202 962 7155
david.portilla@davispolk.com

Margaret E. Tahyar

+1 212 450 4379
margaret.tahyar@davispolk.com

Daniel E. Newman

+1 212 450 4992
daniel.newman@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.