OCC Issues Final Rule Allowing National Banks
To Make Organizational Changes More Efficiently

WASHINGTON – The Office of the Comptroller of the Currency today published a
final rule implementing sections of the American Homeownership and Economic
Opportunity Act of 2000 (AHEOA) that will enable national banks to make some
organizational changes more efficiently.

The new rule implements provisions of AHEOA that:

Allow a national bank to reorganize directly to become a subsidiary of a holding
company;
Increase the maximum term of service for national bank directors, permit a national
bank to adopt bylaws allowing for staggered terms for directors in accordance with OCC
regulations, and permit national banks to apply for permission to have more than 25
directors; and
Permit national banks to merge with one or more of their nonbank affiliates, subject to
OCC approval.

The final rule also revises several provisions of the corporate procedures and the bank
activities regulations to make clarifying changes or updates based on recent
developments in the law. It amends the fiduciary activities rules to modify the required
timing of valuation for certain collective investment funds. Finally, it revises a
provision of the real estate lending rules, which address the OCC’s authority with respect
to real estate lending for national banks, to conform with a change that was made to the
underlying statute.

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The OCC charters, regulates and examines approximately 2,100 national banks and 52 federal branches
of foreign banks in the U.S., accounting for more than 55 percent of the nation’s banking assets. Its
mission is to ensure a safe and sound and competitive national banking system that supports the
citizens, communities and economy of the United States.