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**Comptroller of the Currency  
Administrator of National Banks**

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Washington, D.C.

April 15, 2011

**Conditional Approval #996  
May 2011**

Sharon A. Cherry  
Vice President and Assistant General Counsel  
Legal Department  
JPMorgan Chase & Co.  
270 Park Avenue, 38<sup>th</sup> Floor  
New York, New York 10017-2014

Re: Application to merge Chase Home Finance Inc. and Chase Home Finance LLC, both of Iselin, New Jersey, into JPMorgan Chase Bank, N.A., Columbus, Ohio  
Application Control Number: 2010-ML-12-0660

Dear Ms. Cherry:

The Office of the Comptroller of the Currency (“OCC”) hereby conditionally approves the application to merge Chase Home Finance Inc. (“CHF Inc.”) and Chase Home Finance LLC (“CHF LLC”), both of Iselin, New Jersey, with and into JPMorgan Chase Bank, National Association, Columbus, Ohio (“JPMCB”), for the reasons and subject to the requirements set forth herein. This approval is granted after a thorough evaluation of the application, other materials you have supplied, and other information available to the OCC, including commitments and representations made in the application and by the bank’s representatives during the application process.

**The Merger**

JPMCB is a national banking association insured by the Federal Deposit Insurance Corporation (“FDIC”), and is a direct wholly-owned subsidiary of JPMorgan Chase & Co. (“JPMC”), a financial holding company headquartered in New York, New York. CHF Inc. and CHF LLC are Delaware corporations. CHF LLC’s primary activities consist of loan servicing, secondary marketing, and loan securitization for conforming and non-conforming mortgages. CHF LLC is a wholly owned direct subsidiary of CHF Inc., which, in turn, is a wholly owned direct subsidiary of JPMCB. CHF Inc. does not conduct any business; its sole asset is the membership certificate in CHF LLC. The activities of CHF Inc. and CHF LLC are permissible activities for an operating subsidiary of a national bank under 12 U.S.C. § 24(Seventh). See also 12 CFR 5.34(e)(5)(v)(D).

JPMCB requests approval, pursuant to 12 U.S.C. §215a-3, to merge CHF Inc. with and into JPMCB, immediately followed by the merger of CHF LLC with and into JPMCB. Under 12 U.S.C. § 215a-3 and 12 C.F.R. § 5.33(g)(4)(i), approval of a merger between an insured national bank and a non-bank subsidiary or affiliate is permitted, providing the law of the state under which the non-bank subsidiary is organized allows the non-bank subsidiary to engage in such mergers. Delaware law authorizes Delaware corporations to merge with foreign corporations, including national banks, with the foreign corporation as the surviving corporation.<sup>1</sup>

Under 12 C.F.R. § 5.33(g)(4), in determining whether to approve the merger, the OCC shall also consider the purpose of the transaction, its impact on the safety and soundness of the bank, and any effect on the bank's customers. We considered these factors and found them consistent with approval under the statutory conditions.

### **The Bank Merger Act**

Under the Bank Merger Act ("Act")<sup>2</sup>, no insured bank is permitted to merge with an uninsured bank or institution without FDIC approval.<sup>3</sup> JPMCB has applied to the FDIC for approval of the merger as required under the Act. Consequently, the merger cannot be consummated unless and until the FDIC approves the transaction.

### **Conditions**

This approval is subject to the condition that JPMCB adhere to the representations it made in its letter to the OCC dated April 14, 2011.

This condition of approval is a condition "imposed in writing by a Federal Agency in connection with any action on any application, notice or other request" within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

### **Conclusion**

Based upon the information provided by JPMCB, including various representations, the merger

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<sup>1</sup> See Del. Code Ann. Tit. 8, § 252 (merger of Delaware and foreign corporations generally) and § 253 (merger of parent corporations and subsidiary).

<sup>2</sup> 12 U.S.C. § 1828.

<sup>3</sup> 12 U.S.C. § 1828(c)(1)(A).

of JPMCB and CHF Inc., and the merger of JPMCB and CHF LLC, are legally authorized under 12 U.S.C. § 215a-3 and 12 C.F.R. § 5.33(g)(4), provided the applicant receives approval from the FDIC under the Act and any other applicable approvals, non-objections and waivers.

### **Consummation Procedures and Requirements**

With respect to the application, please ensure that you have submitted the following prior to your desired consummation date:

1. A Secretary's Certificate for each institution certifying that a majority of the board of directors approved the merger.
2. An executed merger agreement and, if necessary, the Amended Articles of Association for the Resulting Bank.
3. A Secretary's Certificate from each institution certifying that shareholder or member approvals have been obtained, if required.

If the transaction has not been consummated within twelve months from the approval date, the approval will automatically terminate unless the OCC grants an extension of the time period.

This approval and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our decision is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this decision if a material change in information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions regarding this filing, I may be reached at (202) 874-4588 or by e-mail at [David.Reilly@occ.treas.gov](mailto:David.Reilly@occ.treas.gov). Please include the CAIS control number on any correspondence related to this filing.

Sincerely,

*David Reilly*

David Reilly  
Large Bank Licensing Lead Expert