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

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Licensing Department  
250 E Street, S.W.  
Washington, D.C. 20219

**Conditional Approval #1037  
July 2012**

June 20, 2012

Patricia A. Robinson, Esq.  
Wachtell, Lipton, Rosen & Katz  
51 West 52<sup>nd</sup> Street  
New York, New York 10019-6150

Re: Application by MetLife Bank, National Association, for Prior Approval  
to Change the Composition of Substantially All of its Assets  
Application Control Number: 2012-NE-12-0010

Dear Ms. Robinson:

The Office of the Comptroller of Currency (“OCC”) hereby grants conditional approval to the application of MetLife Bank, National Association, Bridgewater, New Jersey, (the “Bank”) to change the composition of all or substantially all of its assets by sale or other disposition and subsequently to terminate its existence as a national bank. This approval is granted after a thorough review of the application, other materials the Bank or its representatives 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. This approval is also subject to the conditions set out herein.

**Background**

The Bank’s primary businesses have been deposit-taking and mortgage origination. It is wholly-owned by MetLife, Inc. (“MetLife”), a bank holding company that elected to be a financial holding company, which is primarily engaged in global insurance and employee benefits businesses. The Bank represents a very small part of MetLife’s business. MetLife and the Bank determined that it was no longer in the best interests of MetLife for it to remain in the depository and mortgage origination business and decided to exit the banking business through the disposition of the Bank’s various business lines, followed by termination of its charter as a national bank.

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The Bank is subject to a Consent Order, dated April 13, 2011, issued by the OCC, (“April 2011 OCC Consent Order”) addressing certain deficiencies and unsafe or unsound practices in residential mortgage servicing and in the Bank’s initiation and handling of foreclosure proceedings and requiring the Bank to take steps to remedy the deficiencies and unsafe or unsound practices and to compensate borrowers who suffered financial harm.

The OCC would require the Bank to remain in existence as a national bank until the review, remediation, and compensation required under the April 2011 Consent Order had been completed. Accordingly, MetLife and the Bank proposed to wind down the Bank’s operations over time, disposing of other assets and liabilities, including all of the Bank’s deposits, but continuing the mortgage servicing business until the corrective and remedial measures addressed in the April 2011 OCC Consent Order were completed.

On January 20, 2012, the Bank applied to the OCC for prior approval of a fundamental change in its asset composition under 12 C.F.R. § 5.53. Under section 5.53(c)(1)(i), a national bank must obtain prior written approval of the OCC before changing the composition of all, or substantially all, of its assets through sales or other dispositions. The Bank plans, over time, to sell or otherwise dispose of all of its assets to certain third parties or affiliates and is closing or transferring all of its deposits. The transaction is within the scope of section 5.53(c)(1)(i).

The Bank has ceased all lending activities and sold some of its business lines. It has been taking various steps to close or transfer all deposits. The final step of exiting the deposit-taking business will be the sale of all remaining deposits to GE Capital Financial, Inc.<sup>1</sup>

As a condition of approval, the OCC is requiring the Bank to enter a written Operating Agreement with the OCC that will require the Bank to submit a Wind-down Plan acceptable to the OCC that discusses the measures the Bank will take to dispose of the remaining business lines, assets, and liabilities. This Plan will also describe how the national bank charter will be terminated. The Bank must obtain the OCC’s written supervisory non-objection to the Plan. After receiving the OCC’s non-objection, the Bank must implement and adhere to the Plan. Any significant deviation from the Plan will require prior notice to the OCC and receipt of written OCC non-objection to the changes.

The principal purpose of adopting 12 CFR 5.53 was to provide the OCC with a means to monitor and address supervisory concerns raised by so called “dormant” bank charters. The Operating

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<sup>1</sup> GE Capital Financial, Inc., applied to the Federal Deposit Insurance Corporation (“FDIC”) for approval under the Bank Merger Act, 12 U.S.C. § 1828(c)(2), to assume the deposits. Upon completion of the deposit transfer, the Bank’s insured status would terminate under 12 U.S.C. § 1818(q) and 12 C.F.R. § 307.2. MetLife has requested that the FDIC terminate the Bank’s FDIC insured status immediately after the sale of the deposits to GE Capital Financial Inc.

Agreement and Wind-down Plan will allow the OCC to ensure that the charter is terminated. Thus, OCC concerns over the continuation of a “dormant” charter are addressed. The Operating Agreement will also assist the OCC in monitoring the conduct of the Bank’s winding-down to help ensure it is conducted in a safe and sound manner.

As a condition of approval, the OCC also is requiring the Bank and MetLife to enter agreements under which MetLife would indemnify the Bank for payments made by the Bank for obligations incurred under the April 2011 OCC Consent Order and provide other capital support to the Bank as needed.

### **Conditions**

This approval is subject to the following conditions:

1. The Bank shall enter into, and thereafter implement and adhere to, a written Operating Agreement with the OCC, in a form acceptable to the OCC, within five (5) days after the date of this 5.53 Approval.
2. Prior to the termination of the Bank’s status as an insured depository institution and in any event no later than thirty (30) days after the date of this 5.53 Approval if the Bank’s insured status has not been terminated by that time, the Bank shall enter into, thereafter implement and adhere to, and at all times maintain a legally enforceable Indemnification and Capital Maintenance Agreement with MetLife in a form acceptable to the OCC that sets forth the Bank’s right and obligation to seek and obtain all necessary capital and liquidity support from MetLife and MetLife’s obligation to provide the Bank with such support.
3. Prior to the termination of the Bank’s status as an insured depository institution and in any event no later than thirty (30) days after the date of this 5.53 Approval if the Bank’s insured status has not been terminated by that time, the Bank shall enter into, and thereafter implement and adhere to, a Capital Support Agreement with MetLife and the OCC in a form acceptable to the OCC, setting forth MetLife’s obligations to provide capital and liquidity support to the Bank.

These conditions of approval are conditions “imposed in writing by a Federal banking 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 conditions are enforceable under 12 U.S.C. § 1818.

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## **Conclusion**

The Bank is expected to proceed diligently to sell or dispose of its assets and wind-down the operations of the Bank. In particular, the Bank is expected to dispose of other business and reach the point at which its remaining business is generally limited to activities needed to comply with the April 2011 OCC Consent Order as soon as possible.

This conditional 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 approval is based on the representations made in the applications, other submissions, and other information available to the OCC as of this date. The OCC may modify, suspend, or rescind this conditional approval if a material change in the 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 about this decision, contact Senior Licensing Analyst Sandya Reddy at (212) 790-4055 or e-mail [sandya.reddy@occ.treas.gov](mailto:sandya.reddy@occ.treas.gov). You should include the application control number on any correspondence related to this filing.

Sincerely,

*Stephen A. Lybarger*

Stephen A. Lybarger  
Deputy Comptroller for Licensing

Enclosure: Survey Letter