



June 17, 2014

**Corporate Decision 2014-04
July 2014**

Robert E. Trautmann, Executive Vice President/General Counsel
People's United Bank
850 Main Street
Bridgeport, Connecticut 06604-4913

Subject: People's United Bank, Bridgeport, Connecticut
Request for Waiver of Certain Provisions of the Federal Savings Association
Securities Offering Regulation

Dear Mr. Trautmann:

This letter responds to your letter dated May 2, 2014, in which you request, on behalf of People's United Bank, Bridgeport, Connecticut, a Federal savings association (the FSA), a wholly owned subsidiary of People's United Financial, Inc., that the Office of the Comptroller of the Currency (OCC) waive certain provisions of its regulations related to the offering of securities by Federal savings associations, 12 C.F.R. Part 197 (Securities Offering regulations). The FSA requests that it be permitted to engage in an offering of non-convertible unsecured investment grade subordinated debt securities, as described in the preliminary offering circular, subject to the same requirements that are applicable to issuances of such securities by national banks under regulations promulgated by the OCC at 12 C.F.R. § 16.6 (Section 16.6). The FSA requests that OCC waive the following provisions of the Securities Offering regulations: sections 197.2, 197.5, 197.6, 197.7, 197.12, and 197.18. For the reasons discussed below, the FSA's request is granted, subject to its compliance with 12 C.F.R. section 16.6 and the other limitations described in this letter.

Background

The FSA proposes to issue up to \$400 million in nonconvertible, unsecured subordinated debt to institutional accredited investors.¹ The maturity date has yet to be determined but is expected to be between ten and twelve years from the date of issuance. A specified, fixed interest rate would be set at closing. The FSA would use an Issuing and Paying Agency Agreement (the Agreement) (rather than a trust indenture) in reliance on 12 C.F.R. § 163.81(c)(4)(ii) that will set out certain rights of the security holders and provide for various administrative matters relating to the securities. The subordinated debt offered by the FSA is subject to registration pursuant to the Securities Offering regulations, therefore, these securities would be registered with OCC. You have supplied OCC staff with draft copies of the proposed

¹ SEC Rule 501(a) defines "accredited investors." See 17 C.F.R. § 230.501(a) (2013).

Offering Circular and the Agreement to assist the staff in the review of the FSA's request. The FSA has applied to the OCC to include the subordinated debt in its regulatory capital.

The FSA's former regulator, the Office of Thrift Supervision (OTS), granted similar waiver requests prior to the transfer of the regulation and supervision of Federal savings associations to the OCC by the Dodd-Frank Wall Street Reform and Consumer Protection Act. In 1996, OTS staff considered whether to waive provisions of the Securities Offering regulations with respect to an offering of nonconvertible subordinated debt, subject to the condition that the requesting Federal savings association adhere to OCC regulations for national banks that specifically addressed the offering and sale of nonconvertible debt, *i.e.*, 12 C.F.R. § 16.6. OTS staff reviewed Section 16.6, compared and contrasted that regulation to the Securities Offering regulations, considered the reasons cited by the requesting Federal savings association for waiving the Securities Offering regulations, and concluded that OTS would waive certain provisions of the Securities Offering regulations for the registration of the requesting Federal savings association's nonconvertible debt offering, subject to the Federal savings association's compliance with Section 16.6 with respect to the offering. OTS staff's review and conclusions were set forth in the attached letter dated November 25, 1996 (the November 1996 letter). Subsequently, OTS staff granted similar waivers to other Federal savings associations subject to compliance with terms comparable to those described in the November 1996 letter. This letter includes terms identical to the last OTS waiver letter.

Discussion

The Securities Offering regulations are intended to foster integrity, confidence, and discipline in the market for Federal savings association securities.² Further, the Securities Offering regulations are designed to accomplish these purposes through regulations requiring full disclosure of relevant, material information regarding the security and the issuer.³

The Securities Offering regulations⁴ permit OCC to waive any requirement of the Securities Offering regulations if OCC determines that a particular provision is unnecessary in a particular transaction.

We have reviewed the terms of the proposed debt offering and the reasoning set forth in the November 1996 letter, and have concluded that there is an adequate basis for OCC to waive provisions of the Securities Offering regulations identified by the FSA, subject to the FSA's compliance with the requirements of Section 16.6 as if the FSA were a national bank, except as described below. Accordingly, OCC hereby waives 12 C.F.R. §§ 197.2, 197.5, 197.6, 197.7, 197.12, and 197.18, as they apply to the proposed offering, subject to the following limitations:

1. The FSA complies with the requirements of 12 C.F.R. § 16.6;

² 50 Fed. Reg. 53284 (Dec. 31, 1985).

³ *Id.*

⁴ 12 C.F.R. § 197.14 (2013). In addition, OCC regulations, at 12 C.F.R. § 100.2, include a general waiver provision, which transferred to the OCC pursuant to the Dodd-Frank Act, that provides that the "Comptroller of the Currency may, for good cause and to the extent permitted by statute, waive the applicability of any provision of parts 100 through 197."

2. OCC does not waive 12 C.F.R. § 197.5(b); and
3. At least two-thirds of the board of directors of the FSA must sign the offering circular.

In reaching the foregoing conclusions, we have relied on the factual representations contained in the materials submitted to us by the FSA. Our positions depend on the accuracy and completeness of those representations. Any material change in facts or circumstances could result in different conclusions from those expressed herein. Moreover, our conclusions represent our position on the waiver of the regulations implicated in this particular case. Accordingly, this letter may not be used as precedent by any other parties.

If you have any questions regarding the above matter, please contact Martha Vestal Clarke, Counsel, Securities and Corporate Practices Division, at 202-649-7205.

Sincerely,

signed

Thomas J. Curry
Comptroller of the Currency