

MEMORANDUM TO: Board of Directors
FROM: Ryan Billingsley, Director
Division of Risk Management Supervision
DATE: December 16, 2025
SUBJECT: Final Rule: Establishment and Relocation of Branches and Offices

Summary: Staff presents for the approval of the Federal Deposit Insurance Corporation (FDIC) Board of Directors (Board) a request to publish the attached FDIC notice of final rulemaking (final rule) in the *Federal Register*. The final rule would streamline the processes for an insured State nonmember bank to establish a branch or relocate a main office or branch, and for an insured branch of a foreign bank to move from one location to another, by clarifying definitions, eliminating certain filing requirements, reducing processing timelines, and eliminating public notice procedures.

Recommendation: Staff recommends that the FDIC Board approve the attached final rule and authorize its publication in the *Federal Register*. The final rule would be effective 60 days after publication in the *Federal Register*.

Concur:

General Counsel

Matthew P. Reed

I. Legal Framework

Section 18(d) of the Federal Deposit Insurance Act (FDI Act)¹ requires the FDIC's prior written consent for (1) a State nonmember bank to establish a branch or to move its main office or any domestic branch from one location to another, and (2) a foreign bank to move any insured branch from one location to another (foreign branch filing) (collectively, branch filings). The FDIC must evaluate each branch filing in relation to the statutory factors set forth in section 6 of the FDI Act.²

Subpart C of part 303 of the FDIC Rules and Regulations (subpart C)³ implements section 18(d) of the FDI Act and sets forth the filing requirements and procedures for branch filings. Subpart A of part 303 (subpart A) contains general filing procedures relevant to branch filings. Within subpart J of part 303, section 303.184 implements section 18(d) of the FDI Act in relation to insured branches of foreign banks and sets forth the filing requirements and procedures for foreign branch filings.

II. Final Rule

The final rule would reduce the regulatory burden imposed on FDIC-supervised banks when submitting branch filings.

A. Shortened Processing Timelines

The final rule would significantly shorten the timeframe within which a branch filing is processed under expedited processing. For example, intrastate branch relocation filings that include the information set forth in § 303.42 would be automatically deemed approved on the 3rd

¹ See 12 U.S.C. 1828(d).

² 12 U.S.C. 1828(d)(1). The statutory factors are: (1) the bank's financial history and condition; (2) the adequacy of the bank's capital structure; (3) the bank's future earnings prospects; (4) the general character and fitness of the bank's management; (5) the risk presented by the bank to the Deposit Insurance Fund; (6) the convenience and needs of the community to be served by the bank; and (7) whether the bank's corporate powers are consistent with the purposes of the FDI Act. See 12 U.S.C. 1816.

³ 12 CFR 303.40 through 303.46.

business day instead of the 21st day. Filings not processed under expedited processing would remain subject to standard processing.⁴

B. Expanded Expedited Processing

Expedited processing is generally available for a filing submitted by an “eligible depository institution.”⁵ Currently, the FDIC may remove a filing from expedited processing for any of the reasons listed in 12 CFR 303.11(c)(2).⁶ The final rule would eliminate the FDIC’s discretion to remove a branch filing from expedited processing.

In addition, the final rule would provide that intrastate branch and main office relocation filings would be acknowledged in writing by the FDIC and would receive expedited processing if the bank received an FDIC-assigned composite rating of 3 or better under the UFIRS as a result of its most recent Federal or State examination, regardless of whether the institution satisfies the other criteria in 12 CFR 303.2(r) for an eligible depository institution.

C. Elimination of Public Notice Requirements

The final rule would eliminate the newspaper publication requirements from subpart C and make a conforming change to the timing requirement for a branch filing in 12 CFR 303.42(a). The final rule would make additional conforming changes by striking references to

⁴ 12 CFR 303.43(b).

⁵ A State nonmember bank is considered an “eligible depository institution” if it satisfies the following criteria: (1) received an FDIC-assigned composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (UFIRS) as a result of its most recent Federal or State examination; (2) received a satisfactory or better Community Reinvestment Act (CRA) rating from its primary Federal regulator at its most recent examination, if the depository institution is subject to examination under part 345 of the FDIC Rules and Regulations; (3) received a compliance rating of 1 or 2 from its primary Federal regulator at its most recent examination; (4) is well-capitalized; and (5) is not subject to a cease and desist order, consent order, prompt corrective action directive, written agreement, memorandum of understanding, or other administrative agreement with its primary Federal regulator or chartering authority. *See* 12 CFR 303.2(r).

⁶ This includes instances in which: (1) an adverse comment is received that warrants additional investigation or review; (2) a CRA protest is received that warrants additional investigation or review, or the appropriate Regional Director determines that a filing presents a significant CRA or compliance concern; (3) the appropriate Regional Director determines that a filing presents a significant supervisory concern, or raises a significant legal or policy issue; or (4) the appropriate Regional Director determines that other good cause exists for removal.

branch filings in the public notice and hearing provisions of subpart A. The final rule would also make conforming technical revisions to the related provisions of the FDIC's Community Reinvestment Act (CRA) regulation.⁷

D. Narrowing of Filing Content Requirements

The information required to be included with a branch filing would be narrowed under the final rule. The final rule would retain the current requirements to submit: (1) a statement of intent; (2) the exact location of the proposed branch or main office; (3) when a filing is submitted to relocate a branch or main office from one State to another, a statement of intent to retain branches in the prior State; and (4) with respect to a branch or main office relocation, confirmation that advance written notice was provided to customers. The final rule would eliminate all other informational requirements. The FDIC would rely upon the bank's prior examination and supervisory history to inform the agency's consideration of the statutory factors.

E. Extension of Expiration Period

The final rule would extend the expiration period for an approved filing from 18 to 24 months to address commenter concerns that, in some instances, the 18-month period has not provided sufficient time to establish or relocate a branch or office after receiving regulatory approval.

F. Additional Changes

The final rule would make additional changes to subpart C. First, the final rule would adopt the definition of remote service unit (RSU) found in the regulations of the Office of the

⁷ Under the FDIC's CRA regulation, the FDIC states that it takes into account views expressed by interested parties that are submitted in accordance with subpart A when considering an application for approval of, among other things, the establishment of a branch or relocation of a branch or main office. *See* 12 CFR Appendix G 345.29(c) (Mar. 29, 2024). The final rule would remove branch filings from this provision.

Comptroller of the Currency and revise the definition of “branch” to clarify that a branch does not include an RSU or a drop box.

The final rule would establish a rule of construction within the definition of “branch relocation” to exclude a “*de minimis* change in address,” which would be defined as the exchange of one physical facility for another within the same approximate location. A *de minimis* change in address would not be subject to a filing requirement, but the institution would be required to notify customers of the change in a form of communication left to the institution’s discretion. The final rule would also replace the term “*de novo* branch” with “*de novo* interstate branch” in subpart C to conform to the statutory definition found in section 18(d)(4)(C) of the FDI Act and adopt a definition of “intrastate main office relocation” to promote clarity.

III. Conclusion

FDIC staff presents to the FDIC Board for approval the attached final rule and requests authorization for its publication in the *Federal Register*.

Staff Contacts:

Sandra Macias, Chief, Division of Risk Management Supervision

Scott Leifer, Senior Review Examiner, Division of Risk Management Supervision

Tara Oxley, Associate Director, Division of Depositor and Consumer Protection

Benjamin Klein, Senior Counsel, Legal Division

Julia Dempewolf, Acting Supervisory Counsel, Legal Division

Kali Fleming, Attorney, Legal Division