

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Parts 303 and 345

RIN 3064-AG10

Establishment and Relocation of Branches and Offices

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Final rule.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is amending the processes by which an insured State nonmember bank may establish a branch or relocate a main office or branch by eliminating certain filing requirements, reducing processing timelines, and updating public notice procedures. The FDIC is also making corresponding changes to procedures applicable to the relocation of an insured branch of a foreign bank.

DATES: The final rule will be effective **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: Sandra Macias, Chief, (202) 898-3642, smacias@fdic.gov; Scott Leifer, Senior Review Examiner, (781) 794-5645, sleifer@fdic.gov, Division of Risk Management Supervision; Tara Oxley, Associate Director, (202) 898-6722, toxley@fdic.gov, Division of Depositor and Consumer Protection; Benjamin Klein, Senior Counsel, (202) 898-7027, bklein@fdic.gov; Julia Dempewolf, Acting Supervisory Counsel, (202) 898-3645, jdempewolf@fdic.gov, Kali Fleming, Attorney, (571) 637-1896, kfleming@fdic.gov, Legal Division; Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

I. Policy Objectives

The objectives of the final rule are to improve the speed and certainty of, and reduce the regulatory burden associated with, the filing process for insured State nonmember banks seeking to establish a branch or relocate a main office or branch and for foreign banks seeking to relocate an insured branch (collectively, FDIC-supervised banks). The final rule would also make certain definitional clarifications to further improve regulatory efficiency and certainty.

As discussed further in sections III.A and III.C of this Supplementary Information, the FDIC's experience with branch filings has demonstrated that aspects of the filing process should be modified or eliminated. For example, through its supervisory programs, the FDIC has access to much of the information an applicant must provide under the existing regulation. In addition, branch filings are subject to a public comment process that is not mandated by statute, causes a meaningful delay in the amount of time to render a final decision, and typically does not yield information that materially aids the FDIC's evaluation of the statutory factors pursuant to which these filings are considered. The FDIC also has found that branch filings generally present minimal supervisory concerns, particularly where a branch changes its physical address but remains in approximately the same location.

Accordingly, the final rule accelerates expedited processing for institutions that satisfy certain criteria, removes select informational requirements, eliminates the public comment process, extends the expiration date for an approved filing, and excludes from the scope of filing requirements *de minimis* changes in address. The revisions in the final

rule are expected to reduce the regulatory burden imposed on FDIC-supervised banks and the FDIC to complete the filing process.

II. Background

A. Statutory Requirements

Section 18(d)(1) of the Federal Deposit Insurance Act (FDI Act) requires the FDIC's prior written consent for an insured State nonmember bank to establish and operate a new domestic branch or to move its main office or any domestic branch from one location to another.¹ This section also prohibits a foreign bank from moving an insured branch from one location to another without the FDIC's prior written consent.

When considering whether to grant or withhold such consent, the FDIC must consider the factors listed in section 6 of the FDI Act (statutory factors). The statutory factors are as follows: (1) the financial history and condition of the depository institution; (2) the adequacy of the depository institution's capital structure; (3) the future earnings prospects of the depository institution; (4) the general character and fitness of the management of the depository institution; (5) the risk presented by the depository institution to the Deposit Insurance Fund; (6) the convenience and needs of the community to be served by the depository institution; and (7) whether the depository institution's corporate powers are consistent with the purposes of the FDI Act. In addition, when evaluating an application to establish a branch, relocate a branch, or relocate a main office, the Community Reinvestment Act (CRA) requires the FDIC to take into consideration the bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe

¹ 12 U.S.C. 1828(d)(1).

and sound operation of the bank.² With respect to a bank establishing a *de novo* interstate branch that is not in the State nonmember bank's home State and in which the bank does not already have a branch, the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (IBBEA),³ as amended, imposes certain additional restrictions and requirements codified in sections 18(d) and 44 of the FDI Act. Section 38 of the FDI Act imposes additional requirements and restrictions on undercapitalized institutions seeking to establish a branch.

B. FDIC Rules and Regulations

Subpart C of title 12, part 303 of the FDIC Rules and Regulations (subpart C) implements section 18(d) of the FDI Act and sets forth the filing requirements and procedures for insured State nonmember banks to establish a branch, relocate a branch or main office, and retain an existing branch after the interstate relocation of a main office. Subpart C requires all insured State nonmember banks to submit an application to the appropriate FDIC office prior to establishing a new branch, relocating a branch or a main office, or retaining a branch after the interstate relocation of a main office.⁴ All applicants are required to submit the same information regardless of the type of proposed change and regardless of the bank's supervisory history, except that, consistent with section 38 of the FDI Act, undercapitalized institutions must submit relatively more information. Further, the FDIC retains the right to request additional information to complete application processing.⁵

² 12 U.S.C. 2903(a).

³ Pub. L. 103-328, 108 Stat. 2338 (1994). IBBEA also imposes restrictions on out-of-State banks opening a new interstate branch in a host State in which the appropriate Federal banking agency has determined that the bank is not reasonably helping to meet the credit needs of the communities served by the bank in the host State. *See also* 12 CFR Part 369.

⁴ 12 CFR 303.42(a).

⁵ *See* 12 CFR 303.42(b) through (d).

The application processing timeline depends primarily upon whether the bank meets the definition of an “eligible depository institution.”⁶ An application submitted by an eligible depository institution is generally subject to expedited processing, and applications submitted by all other insured State nonmember banks are subject to standard processing.⁷ Part 303 of the FDIC Rules and Regulations (part 303) defines an “eligible depository institution” as a depository institution that meets 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 CRA rating from its primary Federal regulator at its most recent examination, if the depository institution is subject to examination under 12 CFR part 345; (3) received a compliance rating of 1 or 2 from its primary Federal regulator at its most recent examination; (4) is well-capitalized, as defined in the appropriate capital regulation and guidance of the institution’s primary Federal regulator; 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.⁸

Under the current rule, the FDIC retains the right to move an application from expedited processing to standard processing when appropriate.⁹ Absent such removal, an application processed under expedited processing is deemed approved the latest of: (1) 21 days after the FDIC receives a substantially complete application, (2) 5 days after the public comment period expires, or (3) in the case of an interstate branch application that

⁶ See 12 CFR 303.43.

⁷ 12 CFR 303.2(r).

⁸ 12 CFR 303.2(r).

⁹ 12 CFR 303.43(a).

represents new entry into a State where the applicant does not maintain a branch, 5 days after the FDIC receives the requisite confirmation from the host State that its filing requirements have been satisfied. The FDIC must provide the applicant with written notification of the final action when the decision is rendered.¹⁰

Subpart J of part 303 (subpart J) sets forth the procedures for an insured branch of a foreign bank seeking the FDIC's consent to move from one location to another at 12 CFR 303.184. The requirements in subpart J largely mirror the requirements found in subpart C.

C. Branch Application Statistics

From 2015 to September 30, 2025, the FDIC received 7,043 branch applications: 5,366 applications to establish a branch, 489 to relocate a main office, 1,183 to relocate a branch, and 5 applications related to an insured branch of a foreign bank, for an average of 655 applications received per year. During this period, the FDIC approved an average of 624 branch applications annually (479 branch establishment applications, 102 branch relocation applications, and 43 main office relocation applications). On average, 531 applications per year were approved under expedited processing (85 percent) and 92 were approved under standard processing (15 percent). From 2015 to September 30, 2025, the average time between the FDIC's receipt of an application to establish a branch or relocate a branch or main office and the application being approved, denied, returned to the applicant, or withdrawn, was 25 days for applications subject to expedited processing and 70 days for applications subject to standard processing.

D. Public Comments

¹⁰ 12 CFR 303.43(b).

On July 18, 2025, the FDIC published in the *Federal Register* a Notice of Proposed Rulemaking on the Establishment and Relocation of Branches and Offices (NPR).¹¹ The FDIC invited public comment on all aspects of the NPR. The comment period ended on September 16, 2025. The FDIC received 8 total comments from 7 different individuals, financial institutions, industry groups, and consumer organizations.

Several comments were supportive of the NPR. More specifically, several commenters supported the FDIC's efforts to shorten filing processing timelines, simplify certain filing requirements, and eliminate unnecessary delays. Two of these commenters generally supported the elimination of public notice and comment requirements, and one of these commenters supported providing reasonable advance notice to customers for *de minimis* changes in address but requested clarification on what would constitute reasonable advance notice.

Two commenters supported the proposed changes to expedited processing, with one of these commenters noting that the NPR would shorten expedited processing timelines and another of these commenters noting that the NPR would expand the number of eligible institutions. One commenter requested clarification on what would constitute a "substantially complete" filing and guidance on how the FDIC would determine an institution's eligibility for expedited processing.

One commenter expressed support for the proposed definitions. In particular, the commenter noted that clarification of terms, including "branch," "remote service unit," and "*de minimis* change in address," will help to ensure consistent interpretation and application. One commenter requested clarification on several definitions, including

¹¹ 90 FR 33898 (July 18, 2025).

examples of what features distinguish a remote service unit (RSU) from other service models and examples of what qualifies as an intrastate relocation. The commenter also requested that the FDIC clarify whether the same streamlined filing requirements apply to intrastate relocations of main offices.

One commenter requested that the FDIC make an additional change to 12 CFR 303.45(c) to extend the expiration date for an approved filing from 18 months to 36 months. The commenter reasoned that preparations for a relocation generally take longer than the 18 months provided by the current regulation, and a longer expiration period would enable institutions to seek regulatory approval earlier in the process.

Several commenters opposed aspects of the NPR. Four commenters asserted that some of the proposed changes may be inconsistent with the CRA. Specifically, three of these commenters expressed concerns regarding the proposed elimination of the provisions concerning public comments and public hearings, two of these commenters opposed the elimination of public notice and filing requirements, and one of these commenters objected to the removal of local newspaper posting requirements. These commenters argued that, by eliminating public notice and comment processes, the FDIC would be unable to fulfill its obligations under the CRA with respect to branch filings.

One commenter opposed the creation of a new definition for *de minimis* changes in address. The commenter asserted that the proposed exclusion of *de minimis* changes in address could have negative community impacts.

Three commenters expressed concerns regarding the proposed changes to expedited processing. Two of these commenters expressed concerns regarding the proposed shortening of the filing approval period and the proposed elimination of the

FDIC's discretion to remove a filing from expedited processing. One of these commenters expressed concerns about making UFIRS 3-rated institutions eligible for expedited processing. The commenter reasoned that UFIRS 3-rated institutions are underperforming institutions and should not be permitted to receive "fast-tracked" approval under the proposed rule. Another of these commenters objected to the proposed eligibility of intrastate branch and main office relocation filings for expedited processing.

III. Description of the Final Rule

A. Rules of General Applicability

1. Public notice requirements

Public notice requirements under subpart A of part 303 of the FDIC Rules and Regulations (subpart A) generally apply to applications submitted under subpart C.¹² The NPR proposed to eliminate the public notice and related public comment period from subpart C and to make conforming changes to subpart A. Specifically, the FDIC proposed to strike the provisions in 12 CFR 303.7(a) and (c) that reference the establishment of a branch or a branch or main office relocation as being subject to the public notice requirements in subpart A. In addition, the FDIC proposed to make technical conforming changes to the CRA regulations in 12 CFR part 345, which cross reference the public notice provisions of subpart A.

Three commenters generally supported the FDIC's efforts to streamline subpart C filings, with two of these commenters specifically supporting the elimination of the public notice and comment period. Four commenters objected to the elimination of the public notice and related public comment period.

¹² 12 CFR 303.44.

Some commenters argued that the elimination would violate the CRA. As explained in the NPR, elimination of the public notice and related public comment period does not change the FDIC's obligations under the CRA. The FDIC will continue to take into consideration a bank's CRA rating.¹³ An institution's ability to qualify for expediting processing as an eligible depository institution depends on a satisfactory or better CRA rating. The FDIC does not propose to alter this element of the definition of eligible depository institution. Accordingly, eliminating the public notice and comment period does not impact the FDIC's existing obligations under the CRA.

Furthermore, as noted in the NPR, the FDIC expects that a bank will provide reasonable advance notice to customers affected by a branch or main office relocation. One commenter asked the FDIC to clarify the scope of this expectation and to provide additional details regarding compliance. As discussed in Section III.E of this Supplementary Information, the FDIC is adopting a regulatory customer notification obligation and includes additional details regarding compliance below.

The FDIC is adopting the changes to 12 CFR 303.7(a) and (c) as proposed. The FDIC will continue to comply with its obligations under the CRA, which does not require public notice or comment for branch establishments or branch and main office relocations.

2. Hearings and other meetings

Applications submitted under subpart C are generally subject to subpart A's provisions concerning hearings and other meetings.¹⁴ The NPR proposed to eliminate

¹³ See 12 U.S.C. 2902(3)(C) through (D).

¹⁴ See generally 12 CFR 303.10.

branch filings from the hearings and other meetings provisions in subpart A. Specifically, the FDIC proposed to strike the provisions in 12 CFR 303.10(a) that reference the establishment of a branch or a branch or main office relocation because these public hearing provisions are not statutorily required. The NPR also explained that public hearings do not materially aid the FDIC's consideration of the statutory factors when evaluating an application to establish a branch or to relocate a main office or branch.

Three commenters objected to the elimination of branch filings from the hearings and other meetings provisions in subpart A. Two of these commenters urged that the small number of requests for hearings received and granted by the FDIC is not a justification for eliminating the right of the public to request hearings. One of these commenters claimed that the elimination of branch filings from the hearings and other meetings provisions in subpart A, coupled with the proposed reduction of filing processing timelines, would provide limited opportunity for community feedback.

The FDIC is adopting the changes to 12 CFR 303.10(a) as proposed. The FDI Act does not require the FDIC to hold public hearings for applications submitted under subpart C, and they have not materially aided the FDIC's consideration of the statutory factors when evaluating an application to establish a branch or to relocate a main office or branch.

B. Definitions

1. Branch

The FDIC is revising the definition of "branch" at 12 CFR 303.41(a) to clarify that a branch does not include an RSU to reflect the FDI Act's statutory exclusion of

RSUs from the definition of “domestic branch.”¹⁵ One commenter supported the proposed definition for the term “branch” with this clarification. No commenters opposed the proposed definition of “branch.” The FDIC is adopting the change as proposed.

2. Branch relocation

The FDIC is establishing a rule of construction within the definition of “branch relocation” at 12 CFR 303.41(b) in the final rule to provide that a branch relocation does not include a *de minimis* change in address. The rule of construction defines a “*de minimis* change in address” as occurring when a branch exchanges one physical facility for another within the same approximate location, such as where (1) a direct line of sight exists between the two facilities, (2) the facilities share the same parking area, or (3) the facilities are located on contiguous properties or on the same block.

The FDIC has found that in some situations a change in facility may be in a bank’s best interest for a business, operational, or other reason outside the control of a bank, such as the same landlord expanding a shopping center and offering more advantageous lease terms for the exchange of one suite in the shopping center for another. Such changes are often time-sensitive due to external circumstances. In the FDIC’s experience, the exchange of one physical facility for another that results in such a *de minimis* change in address is not appropriately contemplated under the filing requirements of subpart C. The final rule recognizes the absence of a significant supervisory purpose to processing filings for such *de minimis* changes in address by removing the requirement to submit a filing for such changes.

¹⁵ See 12 U.S.C. 1813(o).

Although a *de minimis* change in address is not subject to the requirements in 12 CFR 303.42 through 303.44, the final rule requires a bank undertaking a *de minimis* change in address to provide reasonable advance written notice to customers of the branch undergoing a *de minimis* change in address and the appropriate FDIC office.

Several commenters supported the exclusion of *de minimis* changes in address from filing requirements. One commenter noted that the clarification of key terms like “*de minimis* change in address” will help ensure consistent interpretation and application of filing requirements. Another commenter opposed the proposal to exclude *de minimis* changes in address from filing requirements. The commenter reasoned that, by “fast-tracking” these filings, the FDIC would be unable to gather enough information to assess potential community impacts resulting from *de minimis* changes in address. For example, the commenter hypothesized that a *de minimis* change in address could result in the closing of a street level branch in favor of a new branch in a high rise building that is less accessible to customers.

The FDIC is adopting 12 CFR 303.41(b) as proposed. The FDIC has retained the definition of *de minimis* change in address and the corresponding exception from filing requirements because the expected reductions in regulatory burden and cost for both banks and the FDIC outweigh the potential risks. The purpose of the exception is to allow a bank to move to a nearby facility when it is in its best interest for a business, operational, or other reason outside the control of a bank, and therefore the FDIC does not expect that FDIC-supervised banks would utilize the *de minimis* change in address exception to move to a branch that would be more difficult for its customers to access.

3. De novo interstate branch

The FDIC is replacing the term “de novo branch” with “de novo interstate branch” in subpart C. The term “de novo branch” is defined in section 18(d)(4)(C) of the FDI Act within the more narrow context of interstate branching. However, the current definition of “de novo branch” in subpart C does not account for the interstate context of the statutory definition. The FDIC is revising 12 CFR 303.41(c) to change the defined term to “de novo interstate branch” and updating the definition to indicate that it is a branch of a bank that is established by the bank as a branch in a State other than the bank’s home State or one in which the bank does not maintain a branch, and does not become a branch of such bank as a result of (1) the acquisition by the bank of an insured depository institution or a branch of an insured depository institution, or (2) the conversion, merger, or consolidation of any such institution or branch.

The final rule makes conforming changes to account for the new defined term by replacing “de novo branch” with “de novo interstate branch” where it is used in subpart C. Under the final rule, this defined term is only relevant to ensure that a filing for a de novo interstate branch will be deemed approved only after relevant host State filing requirements have been satisfied. The FDIC did not receive any comments regarding these conforming changes.

4. Remote service unit

The FDIC is defining the term “remote service unit” in subpart C at 12 CFR 303.41(f). Section 3(o) of the FDI Act excludes automated teller machines (ATMs) and RSUs from the definition of “domestic branch” but does not define either term.¹⁶ The final rule adopts a definition of RSU that aligns the FDIC Rules and Regulations with the

¹⁶ 12 U.S.C. 1813(o).

regulations of the Office of the Comptroller of the Currency (OCC).¹⁷ The final rule defines “remote service unit” as an automated or unstaffed facility, operated by a customer of a bank with at most delimited assistance from bank personnel, that conducts banking functions such as receiving deposits, paying withdrawals, or lending money.

An RSU includes an ATM, automated loan machine, automated device for receiving deposits, personal computer, telephone, other similar electronic devices, and drop boxes. An RSU may be equipped with a telephone or tele-video device that allows contact with bank personnel. The final rule excludes a drop box from the definition of “branch” by including a drop box in the definition of “remote service unit” to avoid the incongruous result where the definition of “branch” encompasses a drop box but not an ATM.¹⁸

The FDIC’s definition of an RSU is intended to accommodate most facilities commonly referred to as “interactive teller machines” (ITMs). In 2024, the FDIC issued a Financial Institution Letter stating that an ITM would qualify for the RSU exclusion, and thus would not be a branch, under the following circumstances: (1) the ITM is an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank, which is equipped to enable existing customers to initiate an interactive session with remotely located bank personnel, and, (2) to the extent that bank personnel have the ability to remotely assist the customer with the operation of the ITM to perform core banking functions, customers must also be able to perform such transactions without the involvement of bank personnel and must have the sole discretion to initiate and terminate

¹⁷ See 12 CFR 7.1027.

¹⁸ See also OCC, “Activities and Operations of National Banks and Federal Savings Associations,” 85 FR 83686, 83703 (Dec. 22, 2020).

interactive sessions with bank personnel.¹⁹ As part of the proposal, the FDIC sought comment on whether those criteria should be retained or modified.

One commenter supported the exclusion of RSUs from the definition of “branch,” but suggested that the FDIC provide examples or frequently asked questions (FAQs) to help banks distinguish RSUs from other types of staffed service channels. The commenter noted that, as technology evolves, the line between RSUs and other staffed service channels may become less clear. The FDIC recognizes that technological advancements can make it difficult to assess what may distinguish an RSU from other staffed service channels. The FDIC intends to provide the industry with flexibility as innovations drive new methods of serving customers in a rapidly evolving technology landscape, and the agency may issue additional guidance based on future technological advancements at a later date.

C. Filing Procedures

1. General

The NPR proposed eliminating the timing requirement for the submission of a subpart C filing. 12 CFR 303.42(a) currently requires applicants to submit an application to the appropriate FDIC office on the date the bank’s required newspaper notice is published or within 5 days after the date of the last required newspaper publication. The FDIC proposed eliminating the timing requirement because it is tied to the newspaper publication requirement, which the NPR also eliminated. The FDIC did not receive

¹⁹ See FDIC, FIL-53-2024, “Classification of Interactive Teller Machines as Domestic Branches or Remote Service Units” (Aug. 9, 2024), *available at* <https://www.fdic.gov/news/financial-institution-letters/2024/classification-interactive-teller-machines-domestic>.

comments regarding this proposed change. The FDIC is adopting the revisions to 12 CFR 303.42(a) as proposed.

2. Content of filing

The NPR proposed to streamline the information required to be included with a branch filing under 12 CFR 303.42(b). The FDIC explained that through its routine examination and supervisory processes, it maintains sufficient information to consider the statutory factors without requiring a bank to compile and submit all the information currently required by subpart C.

The FDIC asked commenters for feedback on whether the proposed filing content requirements are appropriate to garner sufficient information for the FDIC to evaluate the statutory factors in the context of a branch establishment or a branch or main office relocation. Two commenters supported the proposed streamlining of filing content, noting that the result would reduce cost and regulatory burden for applicants. One commenter, however, noted that the sixth statutory factor under section 18(d)(1) of the FDI Act requires the FDIC to consider “the convenience and needs of the community to be served,”²⁰ and argued that the elimination of public notice, comment, and hearing procedures would prevent the FDIC from appropriately considering that factor. One commenter requested clarification regarding whether the proposed streamlined filing content requirements apply to intrastate main office relocations.

The FDIC is adopting the revisions to 12 CFR 303.42(b) as proposed. The FDIC reiterates that it maintains sufficient information to consider the statutory factors without

²⁰ 12 U.S.C. 1828(d)(1) includes a cross-reference to 12 U.S.C. 1816, which outlines the relevant statutory factors that the FDIC must consider in connection with a branch application.

requiring a bank to compile and submit all of the information currently required by 12 CFR 303.42(b). Moreover, the FDIC is satisfied that it can obtain additional information necessary to analyze a branch establishment or a branch or main office relocation in accordance with the statutory factors, notwithstanding the streamlined content filing requirements in the final rule. In addition, the FDIC notes that the filing content requirements under 12 CFR 303.42 apply to all subpart C filings, which include intrastate main office relocations.

D. Processing

1. Expedited processing for eligible depository institutions

The NPR proposed to shorten the approval period for expedited processing for eligible depository institutions and eliminate the FDIC's discretion to remove a filing from expedited processing in 12 CFR 303.43(a). An application processed under expedited processing is currently deemed approved on the latest of the following: (1) 21 days after receipt by the FDIC of a substantially complete application; (2) 5 days after expiration of the comment period described in 12 CFR 303.44; or (3) in the case of an application to establish a de novo branch in a State that is not the applicant's home State and in which the applicant does not maintain a branch, 5 days after the FDIC receives confirmation from the host State that the applicant has both complied with the filing requirements of the host State and submitted a copy of the application with the FDIC to the host State bank supervisor.²¹

The NPR proposed that a filing submitted by an eligible depository institution that is processed under expedited processing would be deemed approved on the later of the

²¹ 12 CFR 303.43(a).

following: (1) the third business day after receipt by the FDIC of a substantially complete filing; or (2) in the case of a filing to establish and operate a de novo interstate branch in a State that is not the applicant's home State and in which the applicant does not maintain a branch, the fifth day after the FDIC receives confirmation from the host State that the applicant has both complied with the filing requirements of the host State and submitted a copy of the filing with the FDIC to the host State bank supervisor.²² The FDIC proposed to retain the definition of "eligible depository institution."²³ The final rule reflects the statutory prohibition against interstate deposit production offices by clarifying that a filing will not receive expedited processing if the filer is subject to sanctions under 12 CFR 369.5.²⁴

Some commenters expressed concern that the abbreviated approval period would not provide the FDIC with sufficient time to conduct a meaningful review of a subpart C filing. As explained in the NPR, the FDIC determined that qualification as an eligible depository institution,²⁵ in tandem with the relative immateriality of a branch establishment or relocation, enables the FDIC to conclude that a proposed branch establishment or relocation satisfies the statutory factors. The FDIC continues to believe

²² Filings involving a de novo interstate branch typically involve a lengthier approval timeline because they are subject to additional statutory requirements. *See* 12 U.S.C. 1828(d)(4)(B). Specifically, the bank must comply with State filing requirements, satisfy concentration limits, be adequately capitalized, and be well capitalized and well managed upon establishment of the branch. *See* 12 U.S.C. 1831u(b)(1), (3), and (4).

²³ 12 CFR 303.2(r).

²⁴ 12 CFR 369.5 implements 12 U.S.C. 1835a, which provides that an out-of-State bank may not open a new interstate branch in the host State unless the bank provides reasonable assurances to the satisfaction of the FDIC that the bank will reasonably help to meet the credit needs of the community that the new branch will serve. Accordingly, expedited processing would be inappropriate for filers subject to sanctions under 12 CFR 369.5.

²⁵ 12 CFR 303.43(a) (providing the criteria that an institution must satisfy to qualify as an "eligible depository institution").

the proposed approval timelines are appropriate to enhance the speed and certainty of filings and is therefore adopting those timelines as proposed.

One commenter encouraged the FDIC to explain how eligibility for expedited processing would be determined in practice. The FDIC notes that this would entail confirming that the institution meets the definition of “eligible depository institution” based on existing supervisory information.

The FDIC currently retains discretion to remove a filing from expedited processing for any reason described in 12 CFR 303.11(c)(2). Under the NPR, a subpart C filing from an eligible depository institution that satisfies the criteria for expedited processing would be deemed approved in accordance with the statutory factors, and the FDIC would not have discretion to remove the filing from expedited processing. The FDIC rarely exercised discretion to remove a subpart C filing from expedited processing and the proposed change would provide more certainty to filers who satisfy the expedited processing criteria.

One commenter supported the proposal to eliminate the FDIC’s discretion to remove a filing from expedited review, noting that the change would provide greater certainty to filers and reduce delays. However, this commenter requested clarification on what constitutes a “substantially complete” filing, such that the expedited timeline would begin. Given that branch filings will not be information-intensive or require iterative information requests, rather than define “substantially complete” for the purposes of branch filings, the final rule deems a filing eligible for expedited processing (other than a *de novo* interstate branch) to be approved on the third business day after the FDIC receives a letter filing that includes the information set forth in 12 CFR 303.42.

Two commenters expressed concern that the FDIC would be unable to appropriately exercise its supervisory authority if its discretion to remove a filing from expedited processing was eliminated. The FDIC believes that the goal of providing more certainty to filers who satisfy the criteria for expedited processing supports elimination of its rarely exercised discretion to remove a filing from expedited processing. Accordingly, the final rule is adopted as proposed, with modifications. These modifications include eliminating the reference to a “substantially complete” application and clarifying that a filing will be processed under expedited processing if the informational requirements of 12 CFR 303.42 are satisfied. Furthermore, a modification to 12 CFR 303.43 clarifies that filers subject to sanctions under 12 CFR 369.5 are ineligible for expedited processing.

2. Expedited processing for branch relocations and main office relocations

The NPR proposed to revise 12 CFR 303.43(b) to establish a new category of expedited processing for intrastate branch and main office relocation filings submitted by a bank that received an FDIC-assigned composite UFIRS rating of 3 or better as a result of its most recent Federal or State examination. Expedited processing would apply to intrastate branch and main office relocation filings by institutions rated 3 or better under 12 CFR 303.43(b) regardless of whether the institution satisfied the other criteria in 12 CFR 303.2(r) for an eligible depository institution.

Section 303.41(b) defines a “branch relocation” narrowly as a move within the same immediate neighborhood of the existing branch that does not substantially affect the nature of the business of the branch or the customers of the branch.²⁶ This definition also specifies that moving a branch to a location outside its immediate neighborhood is

²⁶ 12 CFR 303.41(b).

considered the closing of an existing branch and the establishment of a new branch. A main office relocation, while not defined, would not be expansionary in nature regardless of the distance involved, because the bank may only have a single main office. For these reasons, a branch or main office relocation typically presents a limited set of facts and circumstances for review and consideration of the statutory factors.

One commenter recommended the FDIC provide examples of what qualifies as an intrastate main office relocation. To promote clarity, the final rule adopts a definition of an “intrastate main office relocation” to be the relocation of a main office of a bank within the same state such that there is no change in the bank’s home state.

One commenter objected to expanding expedited processing for intrastate branch and main office relocations so as to include banks that received an FDIC-assigned composite rating of 3 or better under the UFIRS. The commenter characterized these banks as “underperforming” and argued that offering expedited processing to these banks would disincentivize them from correcting deficiencies. The final rule retains expedited processing for intrastate branch and main office relocations because, as discussed above, these relocations are non-expansionary in nature. The FDIC notes that, under the final rule, expedited processing for branch establishments, as opposed to relocations, remains limited to eligible depository institutions.

Other commenters expressed concern that the FDIC would not have discretion to remove an intrastate branch or main office relocation filing submitted by a bank with a composite rating of 3 or better from expedited processing. As discussed above, expedited processing for these non-expansionary filings by banks with a composite rating of 3 or

better would promote the FDIC's goal of providing more certainty and clarity regarding processing. The final rule adopts the provisions of 12 CFR 303.43(b) as proposed.

3. FDIC internal processes

The NPR noted the FDIC was evaluating and updating its internal processes to further streamline and expedite the review and consideration of filings submitted under subpart C. One commenter recommended that the FDIC confirm that acknowledgement letters will clearly state when the expedited timeline begins and asked the FDIC to clarify how eligibility for expedited processing will be determined in practice. The FDIC intends to take these recommendations into account as it continues to update its internal processes and related publicly available materials to reflect the provisions of the final rule and comments received on the NPR.

E. Public Notice Requirements

The NPR proposed to eliminate the newspaper publication requirement in 12 CFR 303.44(a) and related provisions. One commenter urged the FDIC to maintain the newspaper publication requirement. The commenter reasoned that newspaper media outlets continue to play a role in educating the public. However, the NPR also noted the FDIC's expectation that banks seeking to relocate a branch or main office provide reasonable advance notice to customers and the appropriate FDIC office. The FDIC believes that this will accomplish the underlying goal of ensuring that customers are aware of proposed branch and main office relocations and able to conveniently access banking services.

One commenter requested that the FDIC provide clear guidance on what constitutes reasonable advanced notice to customers. The FDIC intends to provide the

industry with flexibility in determining how to best provide reasonable advance notice to customers. An applicant can choose the best method or methods of communicating a proposed branch or main office relocation with its affected customer base. Although the requirements of section 42 of the FDI Act do not apply to relocations, the type of notice provided in such contexts, such as a notice in a regular account statement, would necessarily be considered reasonable advance notice.²⁷ The final rule eliminates this provision of 12 CFR 303.44(a) as proposed, and, like the NPR, would continue to require confirmation of advance customer notice as part of a branch or main office relocation, and would require such notice in connection with a *de minimis* change in address. Specifically, the final rule would adopt the provision proposed in the NPR that would make confirmation of advance written notice to customers part of the information requirements for a branch or main office relocation filing. With respect to *de minimis* changes in address, the final rule would adopt the provision proposed in the NPR that requires reasonable advance written notice to customers of a branch undergoing a *de minimis* change in address.

F. Expiration of Approval

One commenter requested that the FDIC extend the expiration date for an approved filing under 12 CFR 303.45(c) from 18 months to 36 months. The commenter reasoned that preparations for a relocation generally take longer than the 18 months provided by the current regulation, and a longer expiration period would enable banks to seek regulatory approval earlier in the process. In the final rule, the FDIC is modifying 12 CFR 303.45(c) to extend the expiration date for an approved filing to 24 months. The

²⁷ See 12 U.S.C. 1831r-1 and Joint Policy Statement on Branch Closings, 84 FR 34844 (June 29, 1999).

final rule adopts this 24-month expiration period, as it is the FDIC's expectation that 24 months would provide a reasonable timeframe for banks to consummate a branch establishment or relocation.

G. Moving an Insured Branch of a Foreign Bank

The NPR proposed making changes to subpart J to correspond to those proposed for subpart C. The FDIC did not receive comments on its proposed revisions to subpart J. The final rule adopts the previously proposed changes to subpart J to correspond with the changes to subpart C discussed in this Supplementary Information.

IV. Expected Effects

As previously discussed, the objective of the final rule is to improve the speed and certainty of, and reduce the regulatory burden associated with, the filing process for insured State nonmember banks seeking to establish a branch or relocate a main office or branch and for foreign banks seeking to relocate an insured branch (collectively, FDIC-supervised banks).

This analysis utilizes all regulations and guidance applicable to FDIC-supervised banks, as well as information on their financial condition as of the quarter ending June 30, 2025, as the baseline to which the effects of the final rule are estimated.

The final rule applies to FDIC-supervised banks seeking to establish a branch, relocate a main office or branch, or relocate an insured branch of a foreign bank. As of the quarter ending June 30, 2025, the FDIC supervises 2,776 State nonmember banks or insured branches of foreign banks which collectively operate 25,250 branches and main offices.²⁸ In the period from January 1, 2015 to September 30, 2025, the FDIC received

²⁸ FDIC Call Report and Structure Data, June 30, 2025.

7,043 branch applications: 5,366 applications to establish a branch, 489 to relocate a main office, 1,183 to relocate a branch, and 5 applications relating to an insured branch of a foreign bank, for an average of 655 applications received per year.²⁹ Based on this historical average, the FDIC estimates that the final rule would affect approximately 700 branch filings per year on average.³⁰

The final rule reduces the regulatory requirements for branch filings. Specifically, it only requires FDIC-supervised banks that seek to make a *de minimis* change in the address of a branch to notify the FDIC and customers of the branch undergoing such a change,³¹ rather than submit a filing. For all other branch filings, the final rule reduces filing content requirements from six to four items. The final rule also greatly reduces public notice requirements for filings and extends the expiration date for an approved filing from 18 months to 24 months.

For FDIC-supervised banks that seek a *de minimis* change in address, the FDIC estimates that the final rule would eliminate the entire estimated five-hour burden of preparing and submitting a branch filing.³² At a conservative estimate of \$200 per hour per application,³³ the resulting savings would be \$1,000 per *de minimis* change in

²⁹ FDIC supervisory data. 7,043 applications / 10.75 years = 655 applications per year (rounded to the nearest integer).

³⁰ Although the final rule would result in a decrease in the burden for a branch application, the FDIC does not believe the final rule would likely result in a material increase in the number of branch applications. To the extent that the final rule results in a greater number of branch applications, the historical average of 655 branch applications per year may be an undercount of the number of applications affected by the final rule. The FDIC believes that using 700 as the number of branch applications per year is a conservative estimate for purposes of estimating the effects of the final rule.

³¹ Final 12 CFR 303.41(b).

³² Based on Paperwork Reduction Act hourly burden estimates for branch applications by State nonmember banks under Information Collection Request OMB No. 3064-0070 (See https://www.reginfo.gov/public/do/PRAICList?ref_nbr=202301-3064-006). Hourly burden estimates for branch applications by foreign banks under Information Collection Request OMB No. 3064-0114 are not used for this analysis because only 5 out of 7,043 historical branch applications were submitted by a foreign bank.

³³ In recent Information Collection Requests, the FDIC estimated that the fully loaded costs of preparing and submitting branch applications are approximately \$147 per hour for State nonmember banks and \$135

address. For the purpose of estimating the number of *de minimis* changes in address per year, the FDIC assumes that the distances of such relocations would be less than 0.1 miles.³⁴ Of the 7,043 branch applications used in this analysis, 325 involved a relocation distance of less than 0.1 miles. As such, the FDIC estimates that approximately 30 branch applications per year would involve a *de minimis* change in address, resulting in an estimated aggregate benefit of \$30,000 annually.³⁵

For the remaining 670 branch applications that do not involve *de minimis* changes in address, the final rule would reduce the regulatory requirements for preparing and submitting branch filings. Specifically, it reduces filing content requirements from six to four items. The final rule also eliminates public notice requirements for these filings. The FDIC estimates these changes would benefit filers by reducing the time spent preparing and submitting branch filings by approximately two hours, on average.³⁶ At a conservative hourly burden estimate of \$200 per hour,³⁷ the final rule would result in aggregate cost savings of approximately \$268,000 per year.³⁸

Summing up the quantified effects for the approximately 700 affected branch applications, the FDIC estimates that the final rule would result in approximately \$298,000 in savings per year from the reduction of labor costs associated with preparing

per hour for foreign banks. See https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202312-3064-001, respectively.

³⁴ *De minimis* changes in address would only involve relocations “within the same approximate location,” as per final 12 CFR 303.41(b)(1)(i).

³⁵ \$30,000 savings annually = \$1,000 per relocation application × 30 applications per year; and 30 branch applications per year = 325 applications / 10.75 years (rounded to the nearest integer).

³⁶ See section VI.A of this Supplementary Information.

³⁷ In recent Information Collection Requests, the FDIC estimated that the fully loaded costs of preparing and submitting branch applications are approximately \$147 per hour for State nonmember banks and \$135 per hour for foreign banks. See https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202312-3064-001, respectively.

³⁸ \$268,000 cost savings per year = 670 branch applications per year * 2 hours saved per application * \$200 per hour saved.

and submitting branch filings. As previously discussed, the final rule would generally reduce the time it takes for the FDIC to process a filing. In particular, the final rule would establish a deadline of three days for approval after receipt of a letter filing that includes the information set forth in 12 CFR 303.42; a reduction of between 18 days and 28 days, respectively.³⁹ Further, the final rule would expand expedited processing for intrastate branch filings and main office relocations to a bank that received an FDIC-assigned composite rating of 3 or better under the UFIRS as a result of its most recent Federal or State examination. The final rule also extends the expiration date of an approved filing from 18 months to 24 months. Finally, the final rule would eliminate the FDIC's discretion to remove a filing from expedited processing. As noted above, a filing to establish a branch, or to relocate a branch or main office, subject to expedited processing takes an average of 25 days to process.⁴⁰

The final rule's reduction in processing times for certain branch filings would have benefits for eligible depository institutions. Faster processing times would reduce uncertainty and costs associated with downtime while waiting for a decision from the FDIC. FDIC-supervised banks would be able to more swiftly respond to changes in local conditions that affect their branch network, such as a change in landlord for a bank's current location or a time-sensitive opportunity to relocate to a more desirable location. The FDIC does not have the information necessary to further quantify the benefits

³⁹ As noted above, intrastate branch filings are deemed approved under expedited processing on the latest of: the 21st day after receipt by the FDIC of a substantially complete filing, or the fifth day after expiration of the comment period described in 12 CFR 303.44, which at most could be 23 days (consisting of 8 days to meet the newspaper publication requirement plus a 15 day comment period), and $5 + 23 = 28$. The final rule's deadline of three days (down from 21) for intrastate branch filings represents a decrease of 18 days from baseline, and the elimination of the public notice requirements and associated five-day processing period represents a decrease of 28 days from baseline.

⁴⁰ Based on branch applications received from 2015 to September 30, 2025.

associated with the reduction in the time it takes for the FDIC to process filings, but believes that processing time reductions would improve productivity and competitiveness for applicants.

As previously discussed, the final rule would clarify certain definitions. Specifically, the final rule would clarify that the term “branch” does not include RSUs or drop boxes. In practice, the FDIC has not considered such locations branches. Finally, the final rule clarifies the definition of “de novo interstate branch.” The FDIC does not have the information necessary to quantify the benefits to prospective filers associated with these aspects of the final rule. However, the FDIC believes that these clarifications would benefit filers and the industry by reducing uncertainty.

As previously discussed, the FDIC does not believe that the final rule would pose any material direct costs to filers. The FDIC acknowledges that there may be ancillary costs to the public. For example, the elimination of the public notice and comment requirements for branch establishments and branch and main office relocations may have impacts that are difficult to quantify.⁴¹ The final rule eliminates any potential customer confusion by requiring confirmation of advance written notice to customers of a relocating branch or office as part of the filing information requirements. The FDIC does not have the data necessary to quantify the effect of the elimination of the public notice and comment requirements. However, given the limited historical number of public comments received in response to subpart C applications, and the advance notice provision, the FDIC does not believe this effect to be material. Moreover, the final rule does not affect the responsibility of FDIC-supervised banks to help meet the credit needs

⁴¹ See final 12 CFR 303.44.

of the communities in which they are headquartered or operate branches. Therefore, the FDIC believes that the final rule would pose no substantiative indirect costs to customers.

Finally, the FDIC believes that the final rule could provide indirect benefits to customers. To the extent that the shorter processing periods, reduced filing content requirements, and clarifications within the final rule reduce the time it takes banks to establish new branches and begin providing banking products and services at applicable locations, customers may benefit. The FDIC does not have the necessary information to quantify such benefits.

V. Other Alternatives Considered

The FDIC considered implementing internal process changes related to the review of subpart C filings that would result in abbreviated review periods without implementing a regulatory change. However, the FDIC determined that improving the speed, certainty, and regulatory burden associated with the processes for subpart C filings would be better achieved through a formal notice and comment rulemaking that considered feedback from all stakeholders.⁴² As discussed above, the FDIC also expects to implement changes to its internal processes and related publicly available materials addressing subpart C filings consistent with the amendments set forth in this final rule to further support these objectives.

VI. Regulatory Analysis

A. Administrative Procedures Act

The Administrative Procedure Act (APA) requires an agency to publish a substantive rule not less than 30 days before its effective date, except when an agency

⁴² See sections II and III of this Supplementary Information for the FDIC's responses to comments.

otherwise publishes in the final rule good cause for providing for an earlier effective date.⁴³ Accordingly, the final rule is effective as of the date set forth above in this Notice under the EFFECTIVE DATE heading.

B. The Paperwork Reduction Act

Certain provisions of the final rule contain “collections of information” within the meaning of the Paperwork Reduction Act (PRA) of 1995.⁴⁴ In accordance with the requirements of the PRA, the FDIC may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Budget and Management (OMB) control number. The information collections contained in the final rule have been submitted to OMB for review and approval by the FDIC under section 3507(d) of the PRA⁴⁵ and § 1320.11 of OMB’s implementing regulations.⁴⁶ The FDIC proposes to extend for three years, with revision, the following information collections:

Title of Information Collection: Application for a bank to establish a branch or move its main office or branch.

OMB Control Number: 3064–0070.

Respondents: Insured State nonmember banks.

Current Actions: The final rule revises the currently-approved information collection as follows:

⁴³ 5 U.S.C. 553(d).

⁴⁴ 44 U.S.C. 3501.

⁴⁵ 44 U.S.C. 3507(d).

⁴⁶ 5 CFR 1320.

Section 303.42, *Application for a bank to establish a branch or move its main office or Branch*. Pursuant to sections 13(f), 13(k), 18(d) and 44 of the FDI Act, insured State nonmember banks must obtain FDIC approval before establishing a branch, relocating a branch or main office, or retaining existing branches after the interstate relocation of the main office. This information collection represents the occasional reporting requirement associated with those banks' applications for FDIC approval. The final rule would reduce reporting burden by eliminating the requirement that the applicant provide information regarding insider involvement in the proposed branch office, comments on changes in services offered or the effect the proposal may have on the applicant's compliance with the CRA, and a copy of and information related to the required newspaper publication. As such, the FDIC estimates average time per response would be reduced from 5 hours to 3 hours. However, to account for additional applications that may result from changes in the final rule as well as historical data since the most recent PRA renewal, the FDIC also estimates an increase in respondents from 436 to 700. Thus, the total estimated annual burden for OMB No. 3064-0070 is 2,100 hours, a decrease of 80 hours from the most recent PRA renewal.⁴⁷

Title of Information Collection: Foreign Banks.

OMB Control Number: 3064-0114.

Respondents: Insured branches of foreign banks.

Current Actions: The final rule revises the currently-approved information collection as follows:

⁴⁷ FDIC Application for a bank to establish a branch or move its main office or branch, OMB No. 3064-0070, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202301-3064-006.

The FDIC is proposing to remove the information collection “Section 303.184, Moving a Branch” from the ICR under the OMB Control No. 3064–0114 and include it in the ICR under OMB Control No. 3064–0070. Under 12 CFR 303.183, insured branches of foreign banks seeking approval from the FDIC to move locations complete a substantially similar application as domestic banks seeking FDIC approval to move locations. To ensure consistent burden estimates between similar respondents completing similar applications, the FDIC will include burden estimates from the information collection “Section 303.184, Moving a Branch” in the information collection “Application for a bank to establish a branch or move its main office or Branch.” Combining these two information collections does not affect the FDIC estimates of respondents for the information collection under OMB Control No. 3064–0070 because historically the FDIC rarely receives applications to move insured branches from foreign banks. In the most recent PRA renewal for OMB Control No. 3064–0114, the FDIC used a placeholder of a single respondent to maintain the information collection.

C. Congressional Review Act

Pursuant to the Congressional Review Act, the OMB makes a determination regarding whether a final rule constitutes a “major rule,” defined in the Congressional Review Act as any rule that the Administrator of the Office of Information and Regulatory Affairs of the OMB finds has resulted in or is likely to result in (A) an annual effect on the economy of \$100,000,000 or more; (B) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions; or (C) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises

to compete with foreign-based enterprises in domestic and export markets. If OMB determines a rule is “major,” the Congressional Review Act generally provides that the rule may not take effect until at least 60 days following its publication. If a rule is not a “major rule,” it may take effect after the Federal agency submits to Congress a report required under the Congressional Review Act.

OMB has determined the final rule is not a major rule under the Congressional Review Act. Accordingly, the FDIC will submit the report to Congress required by the Congressional Review Act and proposes an effective date for the final rule as set forth under the EFFECTIVE DATE heading, above.

D. The Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires an agency, in connection with a final rule, to prepare and make available for public comment a final regulatory flexibility analysis that describes the impact of the final rule on small entities.⁴⁸ However, a final regulatory flexibility analysis is not required if the agency certifies that the final rule will not have a significant economic impact on a substantial number of small entities. The Small Business Administration (SBA) has defined “small entities” to include banking organizations with total assets of less than or equal to \$850 million.⁴⁹ Generally, the FDIC considers a significant economic impact to be a quantified effect in excess of 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses.

⁴⁸ 5 U.S.C. 601 *et seq.*

⁴⁹ The SBA defines a small banking organization as having \$850 million or less in assets, where an organization’s “assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.” *See* 13 CFR 121.201 (as amended by 87 FR 69118, effective Dec. 19, 2022). In its determination, the “SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates.” *See* 13 CFR 121.103. Following these regulations, the FDIC uses an insured depository institution’s affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the insured depository institution is “small” for the purposes of RFA.

The FDIC believes that effects in excess of one or more of these thresholds typically represent significant economic impacts for FDIC-supervised banks.

The final rule applies to certain FDIC-supervised banks seeking to establish a branch, relocate a main office or branch, or relocate an insured branch of a foreign bank. As of the quarter ending June 30, 2025, the FDIC supervised 2,776 banks, of which 2,055 were considered “small” for the purposes of RFA.⁵⁰ These 2,055 small banks collectively operated 8,204 branches and main offices.⁵¹ In the period from January 1, 2015 to September 30, 2025,⁵² small banks submitted 2,145 applications to establish a branch, 368 applications to relocate a branch, and 308 applications to relocate a main office, for a total of 2,821 applications and an average of 262 applications per year.⁵³ Based on this historical average, the FDIC estimates the final rule would affect approximately 300 branch applications from small banks per year on average.⁵⁴

In general, the final rule would reduce the regulatory requirements for establishing or relocating a branch. Specifically, it would eliminate filing requirements for *de minimis* changes in address and reduce filing content requirements from six to four

⁵⁰ FDIC Call Report data, June 30, 2025.

⁵¹ FDIC Call Report and Structure Data, June 30, 2025.

⁵² To estimate whether a bank was “small” for purposes of the RFA during the quarter ending September 30, 2025, the FDIC relied on banks’ status as of June 30, 2025, because bank holding company regulatory reports for the quarter ending September 30, 2025, were not available at the time this analysis was conducted.

⁵³ FDIC supervisory and Call Report data. For the purpose of these application counts, an FDIC-supervised bank is considered “small” for purposes of the RFA if it is identified in the FDIC’s data as “small” as of the quarter-end in which it sent a relevant application to the FDIC, with the exception for the quarter ending September 30, 2025, described in the previous footnote. Note that no insured branches of foreign banks are considered “small” for purposes of the RFA. $2,821 \text{ applications} / 10.75 \text{ years} = 262 \text{ applications per year}$ (when rounded to the nearest integer).

⁵⁴ Although the final rule would result in a decrease in the burden imposed by a branch application, the FDIC does not believe the final rule would likely result in a material increase in the number of branch filings. To the extent that the final rule results in a greater number of branch filings from small banks, the historical average of 262 branch applications per year may be an undercount of the number of applications affected by the final rule. The FDIC believes that using 300 as the number of branch applications from small banks per year is a conservative estimate for purposes of the RFA.

items for all other filings. The final rule would also eliminate or greatly reduce public notice requirements for all branch establishments and relocations, and extend the expiration date of an approved filing from 18 months to 24 months.⁵⁵

As discussed in the Expected Effects section of this Supplementary Information, the FDIC estimates that there would be upwards of 30 *de minimis* changes in address per year. Based on supervisory and Call Report data, the FDIC estimates that upwards of 10 *de minimis* changes in address would involve small banks. The final rule would reduce the burden for these *de minimis* changes in address by five hours, or \$1,000, per relocation.⁵⁶ Based on Call Report data for the quarter ending June 30, 2025, a cost savings of \$1,000 is in excess of 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses for one small bank.

For the remaining 290 branch applications from small banks that do not involve *de minimis* changes in address, the FDIC estimates the final rule would benefit small filers by reducing the time spent preparing and submitting branch filings by approximately two hours, on average, or \$400 per application.⁵⁷ Based on Call Report data for the quarter ending June 30, 2025, a cost savings of \$400 is in excess of 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses for one small bank (the same small bank previously identified).

⁵⁵ A bank completing a *de minimis* change in address would still be required to provide reasonable advance notice to customers of the branch per final 12 CFR 303.41(b).

⁵⁶ Based on a conservative hourly burden estimate of \$200 per hour. In recent Information Collection Requests, the FDIC estimated that the fully loaded costs of preparing and submitting branch applications are approximately \$147 per hour for state nonmember banks and \$135 per hour for foreign banks. See https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202301-3064-006 and https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202312-3064-001, respectively.

⁵⁷ Details of the time to prepare and submit branch applications are provided in section VI.A., Paperwork Reduction Act, of this Supplementary Information.

Based on the quantified effects of the final rule described above, the FDIC estimates that the rule would not significantly affect more than one small bank.

As discussed in the Expected Effects section of this Supplementary Information, the final rule would also reduce the time it takes for the FDIC to process a filing. In particular, the final rule would establish a deadline of three days for approval after receipt of a letter filing that includes the information set forth in 12 CFR 303.42; a reduction of between 18 days and 28 days, respectively.⁵⁸ Further, the final rule would expand expedited processing for intrastate branch filings and main office relocations to a bank that received an FDIC-assigned composite rating of 3 or better under the UFIRS as a result of its most recent Federal or State examination. Finally, the final rule would eliminate the FDIC's discretion to remove a filing from expedited processing. As mentioned above, a filing to establish a branch, or to relocate a branch or main office, subject to expedited processing takes an average of 25 days to process.⁵⁹

The final rule's reduction in processing times for certain branch filings would have benefits for eligible small depository institutions. Faster processing times would reduce the period of uncertainty for filers and reduce costs associated with downtime while waiting for a decision from the FDIC. Banks would be able to more swiftly respond to changes in local conditions, such as a change in landlord for a bank's current location or a time-sensitive opportunity to relocate to a more desirable location. The FDIC does

⁵⁸ As noted above, intrastate branch filings are deemed approved under expedited processing on the latest of: the 21st day after receipt by the FDIC of a substantially complete filing, or the fifth day after expiration of the comment period described in 12 CFR 303.44, which at most could be 23 days (consisting of 8 days to meet the newspaper publication requirement plus a 15-day comment period), and $5 + 23 = 28$. The final rule's deadline of three days (down from 21) for intrastate branch filings represents a decrease of 18 days from baseline, and the elimination of the public notice requirements and associated five-day processing period represents a decrease of 28 days from baseline.

⁵⁹ Based on applications received from January 1, 2015 to September 30, 2025.

not have the information necessary to further quantify the benefit associated with the reduction in the time it takes for the FDIC to process filings, but believes that processing time reductions would improve productivity and competitiveness for filers.

As mentioned above, the final rule extends the expiration date of an approved filing from 18 months to 24 months, lengthening the period of time an affected bank has to complete a branch relocation or establish a branch. This aspect of the final rule would benefit small applicants by providing greater flexibility for the planning and execution of the establishment or relocation of a branch or office. The FDIC does not have the information necessary to identify which small, FDIC-supervised institutions will utilize the additional time in future periods.

As previously discussed, the final rule would clarify certain definitions. Specifically, the final rule would clarify that “branch” does not include RSUs, drop boxes, or financial education programs that include the provision of bank products and services. In practice the FDIC has not considered such locations branches. Finally, the final rule clarifies the definition of de novo interstate branch for the purposes of the filings requirements for establishing a branch, relocating a main office or branch, or relocating an insured branch of a foreign bank. The FDIC does not have the information necessary to quantify the benefits to prospective filers associated with these aspects of the final rule. However, the FDIC believes that these clarifications would benefit filers and the industry by reducing uncertainty.

The unquantified benefits discussed above are in addition to the quantified benefits. Conservatively, if each branch filing affected by the final rule were submitted by a distinct small bank, then the final rule would affect 300 small banks. The FDIC does

not believe that the unquantified benefits would likely result in a significant effect for the vast majority of the 300 affected banks.

Finally, the FDIC concludes that the final rule does not pose any material direct costs to filers.

In light of the foregoing, the FDIC certifies that the final rule does not have a significant economic impact on a substantial number of small entities. Accordingly, a final regulatory flexibility analysis is not required.

E. Plain Language

Section 722 of the Gramm-Leach-Bliley Act requires Federal banking agencies to use plain language in all proposed and final rules published after January 1, 2000. The FDIC invited comments regarding the use of plain language but did not receive any relevant comments. The FDIC sought to clearly state the provisions of the rule in a simple and straightforward manner.

F. Riegle Community Development and Regulatory Improvement Act of 1994

Section 302 of the Riegle Community Development and Regulatory Improvement Act of 1994 (RCDRIA) requires that the Federal banking agencies, including the FDIC, in determining the effective date and administrative compliance requirements of new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions (IDIs), consider, consistent with principles of safety and soundness and the public interest, any administrative burdens that such regulations would place on depository institutions, including small depository institutions, and customers of depository institutions, as well as the benefit of such regulations. New regulations and amendments to regulations prescribed by a Federal banking agency that impose

additional reporting, disclosure, or other new requirements on IDI shall take effect on the first day of a calendar quarter that begins on or after the date on which the regulations are published in final form, with certain exceptions, including for good cause.

The final rule does not impose additional reporting, disclosure, or other new requirements on IDIs. As such, the provisions of RCDRIA do not apply to the FDIC's determination of the final rule's effective date.

G. Executive Orders 12866 and 13563

Under Executive Order 12866, as affirmed and supplemented by Executive Order 13563, "significant regulatory actions" are subject to review by OMB. The FDIC has submitted this regulatory action to OMB for review. OMB has determined the rule is not a significant regulatory action as defined by section 3(f) of Executive Order 12866. For more information on the analysis conducted in connection with Executive Order 12866, refer to other sections of this Supplementary Information.

H. Executive Order 14192

Executive Order 14192 directs agencies, unless prohibited by law, to identify at least 10 existing regulations to be repealed when the agency publicly proposes for notice and comment or otherwise promulgates a new regulation with total costs greater than zero. Executive Order 14192 further requires that new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations. An Executive Order 14192 deregulatory action is an action that has been finalized and has total costs less than zero. This final rule is considered an Executive Order 14192 deregulatory action.

List of Subjects

12 CFR Part 303

12 CFR Part 345

Authority and Issuance

For the reasons stated in the preamble and under the authority of 12 U.S.C. 1819 (Seventh and Tenth), the FDIC Amends 12 CFR parts 303 and 345 as follows:

Branching Final Regulatory Text

List of Subjects

12 CFR Part 303

Administrative practice and procedure, Bank deposit insurance, Banks, banking, Reporting and recordkeeping requirements, Savings associations.

12 CFR Part 345

Banks, banking, Community development, Credit, Investments, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons stated in the preamble, the Federal Deposit Insurance Corporation proposes to amend 12 CFR parts 303 and 345 as follows:

PART 303—FILING PROCEDURES

1. The authority citation for part 303 continues to read as follows:

Authority: 12 U.S.C. 378, 1464, 1813, 1815, 1817, 1818, 1819(a) (Seventh and Tenth), 1820, 1823, 1828, 1829, 1831a, 1831e, 1831o, 1831p-1, 1831w, 1835a, 1843(l), 3104, 3105, 3108, 3207, 5414, 5415, and 15 U.S.C. 1601-1607.

2. In § 303.7, revise paragraphs (a) and (c)(1)(i) to read as follows:

§ 303.7 Public notice requirements.

(a) *General.* The public must be provided with prior notice of a filing to engage in a merger transaction, initiate a change of control transaction, or request deposit insurance. The public has the right to comment on, or to protest, these types of proposed transactions during the relevant comment period. In order to fully apprise the public of this right, an applicant shall publish a public notice of its filing in a newspaper of general circulation. For specific publication requirements, consult subparts B (Deposit Insurance), D (Merger Transactions), and E (Change in Bank Control) of this part.

* * * * *

(c) * * *

(1) * * *

(i) In the case of an application for deposit insurance for a *de novo* depository institution, include the names of all organizers or incorporators. In the case of a merger application, include the names of all parties to the transaction. In the case of a notice of acquisition of control, include the name(s) of the acquiring parties.

* * * * *

§ 303.10 [Amended]

3. In § 303.10, remove paragraphs (a)(2) and (3) and redesignate paragraphs (a)(4) through (6) as paragraphs (a)(2) through (4), respectively.

§ 303.40 [Amended]

4. In § 303.40:

a. In paragraph (a), remove the word “application” and add, in its place, the word “filing”; and

b. In paragraph (c), remove the word “Applications” and add, in its place, the word “Filings”.

5. Amend § 303.41 by revising paragraph (a) introductory text, revising and republishing paragraph (b), revising paragraph (c) introductory text, and adding paragraph (f) to read as follows:

§ 303.41 Definitions.

* * * * *

(a) *Branch*, except as provided in this paragraph, includes any branch bank, branch office, additional office, or any branch place of business located in any State of the United States or in any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern

Mariana Islands at which deposits are received or checks paid or money lent. A branch does not include a remote service unit or a facility described in § 303.45. The term branch also includes the following:

* * * * *

(b) *Branch relocation* means a move within the same immediate neighborhood of the existing branch that does not substantially affect the nature of the business of the branch or the customers of the branch. Moving a branch to a location outside its immediate neighborhood is considered the closing of an existing branch and the establishment of a new branch. Closing of a branch is covered in the FDIC Statement of Policy Concerning Branch Closing Notices and Policies. 1 FDIC Law, Regulations, Related Acts 5391; see § 309.4 (a) and (b) of this chapter for availability.

(1) *Rule of construction.* For the purposes of this subpart, a *de minimis* change in address is neither a branch establishment nor a branch relocation.

(i) A *de minimis* change in address occurs when a branch exchanges one physical facility for another within the same approximate location, such as where:

(A) A direct line of sight exists between the two facilities;

(B) The facilities share the same parking area; or

(C) The facilities are located on contiguous properties or on the same block.

(ii) *Notice required.* Notwithstanding the inapplicability of §§ 303.42 through 303.44, an insured State nonmember bank is required to provide reasonable advance written notice to customers of the branch undergoing a *de minimis* address change and advance notice to the appropriate FDIC office.

(2) [Reserved]

(c) *De novo interstate branch* means a branch of a bank that is established by the bank as a branch in a State other than the bank's home State or one in which the bank does not maintain a branch, and does not become a branch of such bank as a result of:

* * * * *

(f) *Intrastate main office relocation* means the relocation of a main office of a bank within the same state such that there is no change in the bank's home state.

(g) *Remote service unit (RSU)* is an automated or unstaffed facility, operated by a customer of a bank with at most delimited assistance from bank personnel, that conducts banking functions such as receiving deposits, paying withdrawals, or lending money. An RSU includes an automated teller machine, automated loan machine, automated device for receiving deposits, personal computer, telephone, other similar electronic devices, and drop boxes. An RSU may be equipped with a telephone or tele-video device that allows contact with bank personnel.

6. Amend § 303.42 by revising paragraph (a), revising and republishing paragraph (b), and revising paragraph (c) to read as follows:

§ 303.42 Filing procedures.

(a) *General*. Filings shall be submitted to the appropriate FDIC office.

(b) *Content of filing*. A complete letter filing shall include the following information:

(1) A statement of intent to establish a branch, or to relocate the main office or a branch;

(2) The exact location of the proposed site including the street address. With regard to messenger services, specify the geographic area in which the services will be available. With regard to a mobile branch, specify the community or communities in which the vehicle will operate and the manner in which it will be used;

(3) When a filing is submitted to relocate the main office of the bank from one State to another, a statement of the bank's intent regarding retention of branches in the State where the main office exists prior to relocation; and

(4) With respect to a branch relocation or a main office relocation, confirmation that advance written notice was provided to customers of the branch or main office being relocated.

(c) *Undercapitalized institutions*. Filings to establish a branch by banks subject to section 38 of the FDI Act (12 U.S.C. 1831o) also should provide the information required by § 303.204. Filings pursuant to sections 38 and 18(d) of the FDI Act (12 U.S.C. 1831o and 1828(d)) may be filed concurrently or as a single filing.

* * * * *

7. Amend § 303.43 by revising paragraph (a), redesignating paragraph (b) as paragraph (c) and adding a new paragraph (b), and revising the newly redesignated paragraph (c) to read as follows:

§ 303.43 Processing.

(a) *Expedited processing for branch establishments.* Filings to establish a branch by an eligible depository institution as defined in § 303.2(r) will be acknowledged in writing by the FDIC and will receive expedited processing if the depository institution is not currently subject to sanctions under § 369.5. A filing processed under expedited processing will be deemed approved on the later of the following:

(1) The third business day after receipt by the FDIC of a letter filing that includes the information set forth in § 303.42; or

(2) In the case of a filing to establish and operate a *de novo* interstate branch, the 5th day after the FDIC receives confirmation from the host State that the bank has both complied with the filing requirements of the host State and submitted a copy of its filing with the FDIC to the host State bank supervisor.

(b) *Expedited processing for branch relocations and main office relocations.* Filings for intrastate branch relocations or intrastate main office relocations will be acknowledged in writing by the FDIC and will receive expedited processing if the bank received an FDIC-assigned composite rating of 3 or better under the Uniform Financial Institutions Rating System as a result of its most recent federal or state examination. A filing processed under expedited processing will be deemed approved on the third business day after receipt by the FDIC of a letter filing that includes the information set forth in § 303.42.

(c) *Standard processing.* For those filings that are not processed pursuant to the expedited procedures, the FDIC will provide the bank with written notification of the final action when the decision is rendered.

8. Remove § 303.44, redesignate § 303.45 as § 303.44 and revise to read as follows:

§ 303.44 Special provisions.

(a) Emergency or disaster events.

(1) In the case of an emergency or disaster at a main office or a branch that requires that an office be immediately relocated to a temporary location, banks shall notify the appropriate FDIC office within 3 days of such temporary relocation.

(2) Within 10 days of the temporary relocation resulting from an emergency or disaster, the bank shall submit a filing to the appropriate FDIC office, that identifies the nature of the emergency or disaster, specifies the location of the temporary branch, and provides an estimate of the duration the bank plans to operate the temporary branch.

(3) As part of the review process, the FDIC will determine on a case by case basis whether additional information is necessary.

(b) Redesignation of main office and existing branch. In cases where a bank desires to redesignate its main office as a branch and redesignate an existing branch as the main office, a single filing shall be submitted.

(c) Expiration of approval. Approval of a filing expires if within 24 months after the approval date a branch has not commenced business or a relocation has not been completed.

9. Redesignate § 303.46 as § 303.45 and revise the introductory text to read as follows:

§ 303.45 Financial education programs that include the provision of bank products and services.

No filing or prior approval is required in order for a State nonmember bank to participate in one or more financial education programs that involve receiving deposits, paying withdrawals, or lending money if:

* * * * *

10. Amend § 303.184 by:

a. Revising and republishing paragraphs (a) and (b);

b. Removing paragraph (c);

c. Redesignating paragraphs (d) and (e) as paragraphs (c) and (d), respectively;

and

d. Revising and republishing newly redesignated paragraphs (c) and (d).

The revisions read as follows:

§ 303.184 Moving an insured branch of a foreign bank.

(a) *Filing procedures* —

(1) *Where and when to file.* A filing by an insured branch of a foreign bank seeking the FDIC's consent to move from one location to another, as required by section

18(d)(1) of the FDI Act (12 U.S.C. 1828(d)(1)), shall be submitted in writing to the appropriate FDIC office.

(2) *Content of filing.* A complete letter filing shall include the exact location of the proposed site, including the street address.

(3) *Comptroller's application.* If the filer is submitting an application with the Comptroller that contains the information required by paragraph (a)(2) of this section, the filer may submit a copy to the FDIC in lieu of a separate filing.

(4) *Additional information.* The FDIC may request additional information to complete processing.

(b) *Processing—*

(1) *Expedited processing for eligible insured branches.* A filing submitted by an eligible insured branch as defined in § 303.181(c) will be acknowledged in writing by the FDIC and will receive expedited processing if the filer is proposing to move within the same State. A filing processed under expedited processing will be deemed approved on the third business day after the FDIC's receipt of a letter filing that includes the information set forth in § 303.42.

(2) *Standard processing.* For those filings that are not processed pursuant to the expedited procedures, the FDIC will provide the filer with written notification of the final action as soon as the decision is rendered.

(c) *Other approval criteria.*

(1) The FDIC may approve a filing under this section if the criteria in paragraphs (c)(1)(i) through (vi) of this section are satisfied.

(i) The factors set forth in section 6 of the FDI Act (12 U.S.C. 1816) have been considered and favorably resolved;

(ii) The filer is at least adequately capitalized as defined in subpart H of part 324 of this chapter;

(iii) Any financial arrangements that have been made in connection with the proposed relocation and that involve the filer's directors, officers, major shareholders, or their interests are fair and reasonable in comparison to similar arrangements that could have been made with independent third parties;

(iv) Compliance with the CRA and any applicable related regulations, including part 345 of this chapter, has been considered and favorably resolved;

(v) No CRA protest as defined in § 303.2(l) has been filed that remains unresolved or, where such a protest has been filed and remains unresolved, the Director or designee concurs that approval is consistent with the purposes of the CRA and the filer agrees in writing to any conditions imposed regarding the CRA; and

(vi) The filer agrees in writing to comply with any conditions imposed by the FDIC, other than the standard conditions defined in § 303.2(dd) that may be imposed without the filer's written consent.

(2) [Reserved]

(d) *Relocation of insured branch from one State to another.* If the foreign bank proposes to relocate an insured State branch to a State that is outside the State where the branch is presently located, in addition to meeting the approval criteria contained in paragraph (c) of this section, the foreign bank must:

(1) Comply with any applicable State laws or regulations of the States affected by the proposed relocation; and

(2) Obtain any required regulatory approvals from the appropriate State licensing authority of the State to which the insured branch proposes to relocate before relocating the existing branch operations and surrendering its existing license to the appropriate State licensing authority of the State from which the branch is relocating.

PART 345—COMMUNITY REINVESTMENT

11. The authority citation for part 345 continues to read as follows:

Authority: 12 U.S.C. 1814-1817, 1819-1820, 1828, 1831u, 2901-2908, 3103-3104, and 3108(a).

12. In appendix G to part 345, revise § 345.29(c) to read as follows:

Appendix G to Part 345—Community Reinvestment Regulations

* * * * *

§ 345.29 Effect of CRA performance on applications.

* * * * *

(c) *Interested parties.* The FDIC takes into account any views expressed by interested parties that are submitted in accordance with the FDIC's procedures set forth in part 303 of this chapter in considering CRA performance in an application listed in paragraphs (a)(3) and (4) and (b) of this section.

* * * * *

Federal Deposit Insurance Corporation.
By order of the Board of Directors.
Dated at Washington, DC on December 16, 2025.
Jennifer M. Jones,
Deputy Executive Secretary.