



Mutual Alert

ICBA Announces Its “Plan for Prosperity” Legislative Agenda for Regulatory Relief Endorsing Key Provisions of AMB Endorsed Grimm Bill

(February 27, 2013) -- The ICBA announced its legislative agenda in which it identifies its priorities for the new Congress. Interesting only two items peculiar to mutuals are included in its comprehensive list. One of the three relates to MHC dividend waivers. The other supports chartering authority for the OCC to charter mutual national banks. The last supports extending the small bank exemption to S&L holding companies and raising the threshold to \$5 billion in assets from \$500 million. All three provisions have been in the Grimm Bill since its introduction. The ICBA excerpt to its release dealing with mutuals is copied below. We consider this progress as at least one national trade group has gone on record in support of three key provisions in the AMB endorsed Grimm Bill. Unfortunately, there is still no mention of alternative capital instruments, bylaw protections and the right to bring injunctive action. Curiously, the ICBA seeks to make outside capital available for Sub S companies but not mutuals.

Support Mutual Banks with New Charter and Dividend Rules:

- Allow the Office of the Comptroller of the Currency to charter national mutual banks to provide flexibility for these institutions to choose the charter that best suits their needs and the communities they serve.
- In addition, mutual holding companies that have public shareholders should be allowed to pay dividends to their public shareholders without having to comply with numerous “dividend waiver” restrictions as required under a recent Federal Reserve rule. The rule makes it difficult for mutual holding companies to attract investors to support their capital levels.
- Easier payment of dividends will ensure the viability of the mutual holding company form of organization, benefiting the communities they serve.

Support Additional Capital for Small Bank Holding Companies:

- Require the Federal Reserve to revise the Small Bank Holding Company Policy Statement, a set of capital guidelines that have the force of law.
- Applying the policy statement to both bank and thrift holding companies and increasing the qualifying asset threshold from \$500 million to \$5 billion would make it easier for small bank holding companies to raise additional capital by issuing debt.
- This will help ease and simplify capital requirements for small bank and thrift holding companies.

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