



### Mutual Alert

## **AMB Questions Elimination of OCC Expedited Merger Processing for Small Bank Mergers; OCC Extends Comment Period on Bank Merger Proposal**

The Office of the Comptroller of the Currency announced that it is extending the comment period for its proposed rule to remove expedited review from business merger applications to June 15, 2024. Comments were originally due by April 15, 2024.

America's Mutual Banks (AMB) submitted a **comment letter** prior to the extension expressing support for the OCC's efforts at transparency and ensuring adequate assessments of applications. It supports the concept that bank combinations should benefit the community and not cause unfair competitive advantages. However, it objected to the proposal's "one size fits all" approach and failure to properly analyze its impact on small financial institutions.

The letter notes the proposed rule overlooks reality that merger opportunities for mutual banks are severely limited due to a variety of factors, including business model and geographic location. Paired with the fact that the average-sized mutual has less than \$500 million in assets, the elimination of expedited processing will have a disproportionate impact on small banks. AMB believes that the OCC's failure to apply the Regulatory Flex Act (RFA) to its proposal is in error and based on faulty analysis of the impact the proposal will have on small mutual banks.

AMB's letter also highlights that the removal of the expedited application process would create an unnecessary burden for small banks. AMB notes that costs associated with prolonged application processing times could negatively affect the desirability of a merger between small banks.

AMB is concerned that the proposed rule's impact on small banks could be much greater than the OCC's conservative estimate of 38 entities over a five-year period. AMB recommends the OCC exempt banks with assets under \$10 billion.