

Federal Reserve Board Updates FAQs for Several Regulations

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On December 30, 2021, the Federal Reserve Board (Fed) published updates to its FAQs for Regulations H, O, W, and Y, as well as FAQs related to covered savings associations. These FAQs are staff interpretations and have not been approved by the Board.

[Regulation H FAQs](#) (*State Bank Membership in Federal Reserve System*)

The Fed adds five new questions which cover (i) branch closing procedures; (ii) main office relocation; (iii) acquisitions of debt obligations; and (iv) public welfare investments.

[Regulation O FAQs](#) (*Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks*)

The Fed revises a question regarding the offering of discounts on loan origination fees to insiders.

[Regulation W FAQs](#) (*Transactions Between Member Banks and Their Affiliates*)

Thirty-four new questions are added under Subparts B, C, D, and E. These questions cover different topics including (i) a bank's extension of credit to affiliates and nonaffiliates; (ii) material adverse change clauses in lines of credit; (iii) the provision of revolving credit facilities or loan commitments to nonaffiliates; (iv) asset purchases from affiliates; (v) liabilities of affiliates; and (vi) exemptions.

[Regulation Y FAQs](#) (*Bank Holding Companies and Change in Bank Control*)

New questions are added under Subparts A, E, G, and I. These questions address (i) the definition of "bank holding company"; (ii) exceptions to tying restrictions; (iii) factors considered in acting on bank acquisition proposals; (iv) transactions requiring prior notice; (v) appraisal standards for federally related transactions; and (vi) engaging in activities that are complementary to financial activities.

[Covered Savings Associations](#)

The Fed establishes a new set of FAQs that address covered savings associations (CSAs) and companies that control a CSA pursuant to section 5A of the Home Owners' Loan Act. Topics covered include (i) the scope of section 5A; (ii) membership in the Federal Reserve System; (iii) filing requirements; (iv) requirements applicable to a CSA or a company that controls a CSA; (v) mutual CSAs and mutual holding companies that control a CSA; (vi) transactions involving a CSA or a company that controls a CSA; and (vii) termination of an election to operate as a CSA.

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