Comptroller of the Currency, Treasury

§ 5.46 Changes in permanent capital.

(a) Authority. 12 U.S.C. 21a, 51, 51a, 51b, 51b–1, 52, 56, 57, 59, 60, and 93a.

(b) Licensing requirements. A national bank shall submit an application and obtain OCC approval to decrease its permanent capital. Generally, a national bank need only submit a notice to increase its permanent capital, although, in certain circumstances, a national bank shall be required to submit an application and obtain OCC approval.

(c) Scope. This section describes procedures and standards relating to a transaction resulting in a change in a national bank’s permanent capital.

§ 5.42 Corporate title.

(a) Authority. 12 U.S.C. 21a, 30, and 93a.

(b) Scope. This section describes the method by which a national bank may change its corporate title.

(c) Standards. A national bank may change its corporate title provided that the new title includes the word “national” and complies with other applicable Federal laws, including 18 U.S.C. 709, regarding false advertising and the misuse of names to indicate a Federal agency, and any applicable OCC guidance.

(d) Procedures—(1) Notice process. A national bank shall promptly notify the appropriate district office if it changes its corporate title. The notice must contain the old and new titles and the effective date of the change.

(2) Amendment to articles of association. A national bank whose corporate title is specified in its articles of association shall amend its articles, in accordance with the procedures of 12 U.S.C. 21a, to change its title.

(3) Exceptions to rules of general applicability. Sections 5.8, 5.10, and 5.11 do not apply to changes in a national bank’s permanent capital.

(e) Definitions. For the purposes of this section the following definitions apply:

(1) Capital plan means a plan describing the manner and schedule by which a national bank will attain specified capital levels or ratios, including a plan to achieve minimum capital ratios filed with the appropriate district office under 12 CFR 3.7 and a capital restoration plan filed with the OCC under 12 U.S.C. 1831o and 12 CFR 6.5.

(2) Capital stock means the total amount of common stock and preferred stock.

(3) Capital surplus means the total of:

(i) The amount paid in on capital stock in excess of the par or stated value;

(ii) Direct capital contributions representing the amounts paid in to the national bank other than for capital stock;

(iii) The amount transferred from undivided profits; and

(iv) The amount transferred from undivided profits reflecting stock dividends.

(4) Permanent capital means the sum of capital stock and capital surplus.

(f) Policy. In determining whether to approve a proposed change to a national bank’s permanent capital, the OCC considers whether the change is:

(1) Consistent with law, regulation, and OCC policy thereunder;

(2) Provides an adequate capital structure; and

(3) If appropriate, complies with the bank’s capital plan.

(g) Increases in permanent capital—(1) Prior approval—(i) Criteria. A national bank need not obtain prior OCC approval to increase its permanent capital unless the bank is:

(A) Required to receive OCC approval pursuant to letter, order, directive, written agreement or otherwise;

(B) Selling common or preferred stock for consideration other than cash; or

(C) Receiving a material noncash contribution to capital surplus.