

Comptroller of the Currency, Treasury

§ 157.20

you engage in any activities using electronic means or facilities.

(b) *Activities requiring advance notice.* You must file a written notice as described in §155.310 before you establish a transactional web site. A transactional web site is an Internet site that enables users to conduct financial transactions such as accessing an account, obtaining an account balance, transferring funds, processing bill payments, opening an account, applying for or obtaining a loan, or purchasing other authorized products or services.

(c) *Other procedures.* If the OCC informs you of any supervisory or compliance concerns that may affect your use of electronic means or facilities, you must follow any procedures it imposes in writing.

§ 155.310 How do I notify the OCC?

You must file a written notice with your OCC supervisory office at least 30 days before you establish a transactional Web site. The notice must do three things:

- (a) Describe the transactional web site.
- (b) Indicate the date the transactional web site will become operational.
- (c) List a contact familiar with the deployment, operation, and security of the transactional web site.

PART 156 [RESERVED]

PART 157—DEPOSITS

Sec.

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AUTHORITY: 12 U.S.C. 1462a, 1463, 1464, 5412(b)(2)(B).

SOURCE: 76 FR 49025, Aug. 9, 2011, unless otherwise noted.

§ 157.1 What does this part do?

This part applies to the deposit activities of Federal savings associations.

§ 157.10 What authorities govern the issuance of deposit accounts by Federal savings associations?

A Federal savings association (“you”) may raise funds through accounts and may issue evidence of accounts under section 5(b)(1) of the HOLA (12 U.S.C. 1464(b)(1)), your charter, and this part. Additionally, 12 CFR parts 204 and 230 apply to your deposit activities.

§ 157.11 To what extent does Federal law preempt deposit-related state laws?

State law applies to the deposit activities of Federal savings associations and their subsidiaries to the same extent and in the same manner that those laws apply to national banks and their subsidiaries.

§§ 157.12–157.13 [Reserved]

§ 157.14 What interest rate may I pay on accounts?

- (a) You may pay interest at any rate or anticipated rate of return on accounts, either in deposit or in share form, as provided in your charter and the account’s terms.
- (b) You may pay fixed or variable rates. If you pay a variable rate, you must base it on a schedule, index, or formula that you specify in the account’s terms.

§ 157.15 Who owns a deposit account?

You may treat the holder of record as the account owner, even if you receive contrary notice, until you transfer the account on your records.

§ 157.20 What records should I maintain on deposit activities?

You should establish and maintain deposit documentation practices and records that demonstrate that you appropriately administer and monitor deposit-related activities. Your records should adequately evidence ownership, balances, and all transactions involving each account. You may maintain

records on deposit activities in any format that is consistent with standard business practices.

PART 158 [RESERVED]

PART 159—SUBORDINATE ORGANIZATIONS

Sec.

159.1 What does this part cover?

159.2 Definitions.

159.3 What are the characteristics of, and what requirements apply to, subordinate organizations of Federal savings associations?

159.4 What activities are preapproved for service corporations?

159.5 How much may a Federal savings association invest in service corporations or lower-tier entities?

159.10 How must separate corporate identities be maintained?

159.11 What notices are required to establish or acquire a new subsidiary or engage in new activities through an existing subsidiary?

159.12 How may a subsidiary of a Federal savings association issue securities?

159.13 How may a Federal savings association exercise its salvage power in connection with its service corporation or lower-tier entities?

AUTHORITY: 12 U.S.C. 1462, 1462a, 1463, 1464, 1828, 5412(b)(2)(B).

SOURCE: 76 FR 49025, Aug. 9, 2011, unless otherwise noted.

§ 159.1 What does this part cover?

(a) The OCC is issuing this part 159 pursuant to its general rulemaking and supervisory authority under the Home Owners' Loan Act, 12 U.S.C. 1462 *et seq.*, and its specific authority under section 18(m) of the Federal Deposit Insurance Act, 12 U.S.C. 1828(m). This part 159 applies to subordinate organizations of Federal savings associations. The OCC may, at any time, limit a Federal savings association's investment in any of these entities, or may limit or refuse to permit any activities of any of these entities for supervisory, legal, or safety and soundness reasons.

(b) Notices under this part are applications for purposes of statutory and regulatory references to "applications." Any conditions that the OCC imposes in approving any application are enforceable as a condition imposed

in writing by the OCC in connection with the granting of a request by a Federal savings association within the meaning of 12 U.S.C. 1818(b) or 1818(i).

§ 159.2 Definitions.

For purposes of this part:

Control has the same meaning as in part 174 of this chapter.

GAAP-consolidated subsidiary means an entity in which a Federal savings association has a direct or indirect ownership interest and whose assets are consolidated with those of the savings association for purposes of reporting under Generally Accepted Accounting Principles (GAAP). Generally, these are entities in which the savings association has a majority ownership interest.

Lower-tier entity includes any company in which an operating subsidiary or a service corporation has a direct or indirect ownership interest.

Operating subsidiary means any entity that satisfies all of the requirements for an operating subsidiary set forth in §159.3 of this part and that is designated by the parent Federal savings association as an operating subsidiary pursuant to §159.3 of this part. More than 50% of the voting shares of an operating subsidiary must be owned, directly or indirectly, by a Federal savings association and no other person or entity may exercise effective operating control. An operating subsidiary may only engage in activities permissible for a Federal savings association.

Ownership interest means any equity interest in a business organization, including stock, limited or general partnership interests, or shares in a limited liability company.

Service corporation means any entity that satisfies all of the requirements for service corporations in 12 U.S.C. 1464(c)(4)(B) and §159.3 of this part and that is designated by the investing Federal savings association as a service corporation pursuant to §159.3 of this part. A service corporation must be organized under the laws of the state where the Federal savings association's home office is located, may only be owned by savings associations with home offices in that state, and may engage in the activities identified in §§ 159.3(e)(2) and 159.4 of this part.