



Department of Business Regulation

233 Richmond Street
Providence, RI 02903

Banking Bulletin Number 2000-1

Expedited Branch Office Application Procedures

I. Applicability and Scope

The Division of Banking (“Division”) has established an alternative procedure for the consideration of an application to establish a branch office of a financial institution¹ or credit union which in its most recent Community Reinvestment Act (“CRA”) examination had received a rating of an “Outstanding” or “High Satisfactory” record of performance in meeting the financial institution’s or credit union’s community credit needs. This Bulletin governs branch office openings, branch office relocations and the acquisitions of existing branch offices of another financial institution or credit union by a financial institution or credit union which meets the eligibility requirements.

Transactions covered by this Bulletin include an eligible financial institution’s or credit union’s establishment of a branch office de novo or as part of a purchase and assumption transaction under R. I. Gen. Laws §19-2-11 as well as a relocation of a branch office under R. I. Gen. Laws §19-2-12.

II. Policy

A. Eligibility Standards

In order to be eligible for the alternative procedure set out herein, an applicant financial institution or credit union (hereinafter “Applicant”) must meet all of the following standards:

1. CRA Rating

An Applicant has been assigned a CRA Performance Evaluation Rating of “Outstanding” or “High Satisfactory” with respect to its record of performance in meeting its community credit needs in its most recent state or federal CRA compliance examination, if applicable.

2. Capitalization Requirements

An Applicant must be sufficiently capitalized.

An Applicant shall be deemed to be sufficiently capitalized if it is considered either “well capitalized” or “adequately capitalized” as defined under federal prompt corrective

¹ Financial institution is defined in R. I. Gen. Laws §19-1-1 as any entity other than a credit union, duly organized under the laws of the State of Rhode Island which has the statutory authority to accept money on deposit pursuant to Title 19, including an entity which is prohibited from accepting deposits by its own bylaws or agreement to form.

action provisions of the applicable Federal Deposit Insurance Corporation or the National Credit Union Administration laws, regulations or rules.

3. Uniform Financial Institutions Ratings System (“CAMEL”) Rating

An Applicant has been assigned a supervisory Uniform Financial Institution Rating or CAMEL composite rating of “1” or “2” in its most recent state or federal financial safety and soundness examination. An Applicant which has one or more individual CAMEL component ratings of “3” or higher, may be subject to additional review and supplementary filings.

4. Lack of Regulatory Enforcement Proceedings

An Applicant is not currently subject to any formal or informal supervisory or compliance regulatory action by the Division or any federal bank regulatory agency. For the purposes of this Bulletin the term regulatory action shall mean a Cease and Desist Order, Capital Directive, Memorandum of Understanding, Board Resolution, Letter of Understanding and Agreement, Preliminary Warning Letter or Written Agreement or any other regulatory enforcement proceeding.

B. Application Procedure

An Applicant must submit the information required on the form entitled “Expedited Application for Approval to Establish and Maintain a Branch Office for a Financial Institution or Credit Union under Banking Bulletin 2000-1” or the form entitled “Expedited Application for Approval to Relocate a Branch Office for a Financial Institution or Credit Union Under Banking Bulletin 2000-1”.

Applicants are advised that the application is a public record. Therefore reference to CAMEL ratings may not be used in any narrative or financial analysis as support for the transaction. The Division reserves the right to notify the Applicant within thirty (30) days of filing that the application will be subject to additional procedures which may include the submission of additional information and that the application is no longer subject to the provisions of this Bulletin. The Division’s action to negate the continued applicability of this Bulletin to a specific Applicant may be on the basis of issues raised internally or externally. The Division may take any and all action used in its review of a standard application filing including holding a public hearing if deemed appropriate.

Marilyn Shannon McConaghy, Esq.
Director, Department of Business Regulation

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