

§ 1831r-1. Notice of branch closure**(a) Notice to appropriate Federal banking agency****(1) In general**

An insured depository institution which proposes to close any branch shall submit a notice of the proposed closing to the appropriate Federal banking agency not later than the first day of the 90-day period ending on the date proposed for the closing.

(2) Contents of notice

A notice under paragraph (1) shall include—

(A) a detailed statement of the reasons for the decision to close the branch; and

(B) statistical or other information in support of such reasons.

(b) Notice to customers**(1) In general**

An insured depository institution which proposes to close a branch shall provide notice of the proposed closing to its customers.

(2) Contents of notice

Notice under paragraph (1) shall consist of—

(A) posting of a notice in a conspicuous manner on the premises of the branch proposed to be closed during not less than the 30-day period ending on the date proposed for that closing; and

(B) inclusion of a notice in—

(i) at least one of any regular account statements mailed to customers of the branch proposed to be closed, or

(ii) in a separate mailing,

by not later than the beginning of the 90-day period ending on the date proposed for that closing.

(c) Adoption of policies

Each insured depository institution shall adopt policies for closings of branches of the institution.

(d) Branch closures in interstate banking or branching operations**(1) Notice requirements**

In the case of an interstate bank which proposes to close any branch in a low- or moderate-income area, the notice required under subsection (b)(2) shall contain the mailing address of the appropriate Federal banking agency and a statement that comments on the proposed closing of such branch may be mailed to such agency.

(2) Action required by appropriate Federal banking agency

If, in the case of a branch referred to in paragraph (1)—

(A) a person from the area in which such branch is located—

(i) submits a written request relating to the closing of such branch to the appropriate Federal banking agency; and

(ii) includes a statement of specific reasons for the request, including a discussion of the adverse effect of such closing on the availability of banking services in the area affected by the closing of the branch; and

(B) the agency concludes that the request is not frivolous,

the agency shall consult with community leaders in the affected area and convene a meeting of representatives of the agency and other interested depository institution regulatory agencies with community leaders in the affected area and such other individuals, organizations, and depository institutions (as defined in section 461(b)(1)(A) of this title) as the agency may determine, in the discretion of the agency, to be appropriate, to explore the feasibility of obtaining adequate alternative facilities and services for the affected area, including the establishment of a new branch by another depository institution, the chartering of a new depository institution, or the establishment of a community development credit union, following the closing of the branch.

(3) No effect on closing

No action by the appropriate Federal banking agency under paragraph (2) shall affect the authority of an interstate bank to close a branch (including the timing of such closing) if the requirements of subsections (a) and (b) have been met by such bank with respect to the branch being closed.

(4) Definitions

For purposes of this subsection, the following definitions shall apply:

(A) Interstate bank defined

The term “interstate bank” means a bank which maintains branches in more than 1 State.

(B) Low- or moderate-income area

The term “low- or moderate-income area” means a census tract for which the median family income is—

(i) less than 80 percent of the median family income for the metropolitan statistical area (as designated by the Director of the Office of Management and Budget) in which the census tract is located; or

(ii) in the case of a census tract which is not located in a metropolitan statistical area, less than 80 percent of the median family income for the State in which the census tract is located, as determined without taking into account family income in metropolitan statistical areas in such State.

(e) Scope of application

This section shall not apply with respect to—

(1) an automated teller machine;

(2) the relocation of a branch or consolidation of one or more branches into another branch, if the relocation or consolidation—

(A) occurs within the immediate neighborhood; and

(B) does not substantially affect the nature of the business or customers served; or

(3) a branch that is closed in connection with—

(A) an emergency acquisition under—

(i) section 1821(n) of this title; or

(ii) subsection (f) or (k) of section 1823 of this title; or

(B) any assistance provided by the Corporation under section 1823(c) of this title.

(Sept. 21, 1950, ch. 967, §2[42], formerly §2[39], as added Pub. L. 102-242, title II, §228, Dec. 19, 1991, 105 Stat. 2308; renumbered §2[42], Pub. L. 102-550, title XVI, §1602(a), Oct. 28, 1992, 106 Stat. 4078; amended Pub. L. 103-328, title I, §106, Sept. 29, 1994, 108 Stat. 2357; Pub. L. 104-208, div. A, title II, §2213, Sept. 30, 1996, 110 Stat. 3009-411.)

CODIFICATION

Section was classified to section 1831p of this title prior to renumbering by Pub. L. 102-550.

AMENDMENTS

- 1996—Subsec. (e). Pub. L. 104-208 added subsec. (e).
1994—Subsec. (d). Pub. L. 103-328 added subsec. (d).

§ 1831s. Transferred

CODIFICATION

Section, act Sept. 21, 1950, ch. 967, §2[39], as added Dec. 19, 1991, Pub. L. 102-242, title I, §132(a), 105 Stat. 2267, as amended, which related to standards for safety and soundness, was transferred to section 1831p-1 of this title.

§ 1831t. Depository institutions lacking Federal deposit insurance

(a) Annual independent audit of private deposit insurers

(1) Audit required

Any private deposit insurer shall obtain an annual audit from an independent auditor using generally accepted auditing standards. The audit shall include a determination of whether the private deposit insurer follows generally accepted accounting principles and has set aside sufficient reserves for losses.

(2) Providing copies of audit report

(A) Private deposit insurer

The private deposit insurer shall provide a copy of the audit report—

(i) to each depository institution the deposits of which are insured by the private deposit insurer, not later than 14 days after the audit is completed;

(ii) to the appropriate supervisory agency of each State in which such an institution receives deposits, not later than 7 days after the audit is completed; and

(iii) in the case of depository institutions described in subsection (e)(2)(A) the deposits of which are insured by the private insurer which are members of a Federal home loan bank, to the Federal Housing Finance Agency, not later than 7 days after the audit is completed.

(B) Depository institution

Any depository institution the deposits of which are insured by the private deposit insurer shall provide a copy of the audit report, upon request, to any current or prospective customer of the institution.

(3) Enforcement by appropriate State supervisor

Any appropriate State supervisor of a private deposit insurer, and any appropriate

State supervisor of a depository institution which receives deposits that are insured by a private deposit insurer, may examine and enforce compliance with this subsection under the applicable regulatory authority of such supervisor.

(b) Disclosure required

Any depository institution lacking Federal deposit insurance shall, within the United States, do the following:

(1) Periodic statements; account records

Include conspicuously in all periodic statements of account, on each signature card, and on each passbook, certificate of deposit, or share certificate,¹ a notice that the institution is not federally insured, and that if the institution fails, the Federal Government does not guarantee that depositors will get back their money.

(2) Advertising; premises

(A) In general

Include clearly and conspicuously in all advertising, except as provided in subparagraph (B); and at each station or window where deposits are normally received, its principal place of business and all its branches where it accepts deposits or opens accounts (excluding automated teller machines or point of sale terminals), and on its main Internet page, a notice that the institution is not federally insured.

(B) Exceptions

The following need not include a notice that the institution is not federally insured:

(i) Any sign, document, or other item that contains the name of the depository institution, its logo, or its contact information, but only if the sign, document, or item does not include any information about the institution's products or services or information otherwise promoting the institution.

(ii) Small utilitarian items that do not mention deposit products or insurance if inclusion of the notice would be impractical.

(3) Acknowledgment of disclosure

(A) New depositors obtained other than through a conversion or merger

With respect to any depositor who was not a depositor at the depository institution before October 13, 2006, and who is not a depositor as described in subparagraph (B), receive any deposit for the account of such depositor only if the depositor has signed a written acknowledgement that—

(i) the institution is not federally insured; and

(ii) if the institution fails, the Federal Government does not guarantee that the depositor will get back the depositor's money.

(B) New depositors obtained through a conversion or merger

With respect to a depositor at a federally insured depository institution that converts

¹ So in original. The period probably should not appear.