

Acting Comptroller of the Currency Michael J. Hsu
Statement at the FDIC Board Meeting
September 17, 2024
Final Statement of Policy on Bank Merger Transactions

I support the FDIC's Statement of Policy on Bank Merger Transactions. It is broadly consistent with the policy statement issued by the Office of the Comptroller of the Currency (OCC) earlier today. I am pleased that both agencies have taken steps to provide additional transparency with respect to their reviews of applications under the Bank Merger Act.

This transparency should help promote a diverse and dynamic U.S. banking system – one that is safe and sound, pro-community, pro-competition, and pro-financial stability. By clarifying the factors that each agency takes into account when reviewing merger applications, these policy statements can serve as yardsticks and roadmaps, which banks can use to gauge and improve their chances of receiving regulatory approval for prospective mergers.

Our merger policy needs to be balanced to ensure that communities are well-served by a strong, vibrant, and diverse banking system. Mergers can and should strengthen individual banks and the banking system as whole. While regulators must remain vigilant and reject mergers that would weaken competition, hurt communities, or threaten financial stability, we must also be open to embracing and approving mergers where strong banks¹ that have earned the trust of their communities and regulators seek to acquire weaker ones and have credible plans and capabilities to improve them. Striking this balance will help promote a dynamic and diverse U.S. banking system by making it more competitive, more pro-community, and safer and sounder.

I want to thank FDIC staff for their hard work and for coordinating with OCC staff to achieve broad consistency across both policy statements.

¹ In general, such banks meet the factors consistent with approval outlined in the agencies' policy statements.