

Corporate Decision #2023-02
April 2023

March 12, 2023

John P. Conneely
Director, Division of Complex Institution Supervision and Resolution
Federal Deposit Insurance Corporation
550 17th St SW
Washington, District of Columbia 20249

Subject: Application to Charter Signature Bridge Bank, National Association
Charter No.: 25296
OCC Control No.: 2023-BridgeBank-331276

Dear Director Conneely:

The Office of the Comptroller of the Currency (OCC) hereby approves the Federal Deposit Insurance Corporation's (FDIC) application to charter a bridge bank pursuant to 12 USC 1821(n) in connection with the receivership of Signature Bank, New York, New York (Signature Bank). The proposed title of the bridge bank is Signature Bridge Bank, National Association (Bridge Bank). The FDIC may commence the operations of Bridge Bank immediately upon receipt of this letter. We will forward you a Charter Certificate under separate cover.

On March 12, 2023, the FDIC was appointed receiver for Signature Bank by the Superintendent, New York State Department of Financial Services. On March 12, 2023, by Resolution of the Board of Directors of the FDIC bearing Seal Number 088728, dated March 12, 2023, the Director for the Division of Complex Institution Supervision and Resolution (Director CISR), or designee, was authorized at his discretion to form a bridge bank pursuant to 12 USC 1821(n) for the resolution of Signature Bank, in the event that Signature Bank was closed.

The Director CISR determined that: (i) the amount reasonably necessary to operate a bridge bank will not exceed the amount reasonably necessary to save the cost of liquidating, including paying the insured deposits of Signature Bank in liquidation, and (ii) a bridge bank is essential to provide adequate banking services to the community, or (iii) is in the best interest of the depositors of Signature Bank¹, and has determined that the appropriate resolution for Signature Bank is for the FDIC to contribute certain of the assets and liabilities of Signature Bank to a newly chartered bridge bank, Signature Bridge Bank, National Association.²

¹ See 12 U.S.C. 1821(n)(2)(A).

² See Letter from Leslie S. Sallberg, Counsel, FDIC, to Michael J. Hsu, Acting Comptroller of the Currency, OCC, March 12, 2023.

The materials provided by the FDIC meet the general organizational requirements for bridge banks (such as execution of Bridge Bank’s articles of association, organization certificate, bylaws, and identification of interim directors).³ The OCC understands that Bridge Bank will enter into a purchase and assumption agreement with the FDIC in its role as the receiver for Signature Bank.⁴

The FDIC represents that, at the chartering of Bridge Bank, the Bridge Bank will operate the main office and all of Signature Bank’s branches. Bridge Bank has the authority to operate the former main office and branches of Signature Bank as the main office and branches of Bridge Bank. The Bridge Bank is also authorized to operate the existing operating subsidiaries of Signature Bank.⁵

The OCC does not object to the five individuals identified in the application materials to serve as directors of Bridge Bank as proposed in the application.⁶ Once the Board has appointed a chairperson and chief executive officer of Bridge Bank, Bridge Bank and the FDIC must provide the OCC with the name and contact information for the proposed individual(s).⁷ The OCC, at the request of the FDIC, is waiving the requirement for Bridge Bank to secure a fidelity bond.⁸

The capital requirements for a national bank do not apply to a bridge bank.⁹ For supervisory purposes, the OCC will deem Bridge Bank to have capital of an amount equal to six percent (6%) of Bridge Bank’s average total assets for purposes of statutes, regulations, or supervisory guidance that use capital levels in setting requirements. The OCC has determined that Bridge Bank’s lending limit should be established as an amount equal to fifteen percent (15%) of six percent (6%) of Bridge Bank’s average total assets.¹⁰

Under the provisions contained in 12 USC 1821(n) the FDIC, as receiver, may at any time after a charter is granted to a bridge bank transfer any assets and liabilities of any insured bank in default to the bridge bank. If the FDIC, in its discretion, decides to transfer the assets and liabilities of an insured bank in default into Bridge Bank, it must inform the OCC of the transfer and provide appropriate information on the branches, if any, of the insured bank in default so that the OCC can properly track the branch offices of Bridge Bank.

As provided for in 12 USC 1821(n), Bridge Bank will terminate its operations within two years of the granting of this charter unless the Board of Directors of the FDIC, in its discretion, extends

³ See 12 USC 1821(n)(1)-(2).

⁴ See 12 USC 1821(n)(3).

⁵ See 12 USC 1821(n)(3).

⁶ Pursuant to the FDI Act, the FDIC also has waived the requirements of 12 USC 71, 71a, 72, 73, 74 and 75 pertaining to the directors of Bridge Bank. See 12 USC 1821(n)(4)(A)(iii).

⁷ See 12 USC 1821(n)(4)(E).

⁸ See 12 USC 1821(n)(4)(G).

⁹ See 12 USC 1821(n)(4)(C).

¹⁰ A national bank’s loans to one borrower are limited to an amount that does not exceed: “15 per centum of the unimpaired capital and unimpaired surplus of the association.” 12 USC 84(a)(1). The OCC is authorized to set a limit for a bridge bank without regard to capital and surplus. 12 USC 1821(n)(4)(D). In the absence of circumstances requiring a different limit, the OCC set the limit for Bridge Bank at a level comparable to other national banks (i.e., 15 percent of 6 percent of Bridge Bank’s average total assets).

the status of Bridge Bank for up to three additional 1-year periods.¹¹ Bridge Bank and the FDIC must provide the OCC with adequate notice prior to termination.

All correspondence regarding this application should reference the OCC control number. If you have any questions, please contact Yoo Jin Na, Director for Licensing Activities at (202) 805-9967 or yoojin.na@occ.treas.gov.

Sincerely,

/s/

Stephen A. Lybarger
Deputy Comptroller for Licensing

cc: Leslie S. Sallberg, FDIC

¹¹ 12 USC 1821(n)(9). Bridge Bank's status as bridge bank may also be terminated by merger or consolidation with another depository institution, sale of stock, or a purchase and assumption transaction with another depository institution. *See generally* 12 USC 1821(n)(10), (11), and (12).