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LEGAL UPDATES

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OCC Aims to Streamline Bank Merger Reviews

On May 8, 2025, the Office of the Comptroller of the Currency (OCC) announced its adoption of an interim final rule (IFR) that amends its 2024 final rule related to its regulations for business combinations involving national banks and federal savings associations. The OCC also rescinded its 2024 policy statement on its review of applications under the Bank Merger Act.

The move is largely considered supportive of merger activity in the banking industry, which has seen subdued deal volumes since 2021. Acting Comptroller of the Currency Rodney E. Hood commented that the IFR should make “it easier for well-managed and well-capitalized banks to merge.”

This week’s IFR sought to accomplish two ends. First, it amends implementing regulations concerning the Bank Merger Act that were published in September 2024 and that had eliminated certain expedited review procedures contained in 12 CFR 5.33(i) and the streamlined application form found in 12 CFR 5.33(j). The IFR restores without change § 5.33(i) and (j) that were removed by the OCC in September 2024.

Second, the OCC had issued a Policy Statement in conjunction with its September 2024 Final Rule with the stated aim of promoting clarity in how bank mergers would be evaluated and processed. The new IFR rescinds this Policy Statement, reasoning that it “did not succeed in providing additional clarity to banks or the public. Further, the banking industry may be unwilling to engage in economically beneficial mergers in light of the confusion and uncertainty caused by the Policy Statement.” Essentially, the OCC reasoned that the general principles of its bank merger application review are “sufficiently captured in the policies underlying the restored streamlined application and expedited review,” which procedures existing prior to the Policy Statement.

OCC's rescission echoes a move made by the Federal Deposit Insurance Corporation (FDIC) in March 2025, which proposed rescinding its Statement of Policy on Bank Merger Transactions published in 2024 and reinstating its prior Statement of Policy on Bank Merger Transactions.

What this means to you

The OCC's announcement of the IFR comes amid a congressional effort to nullify the September 2024 Final Rule. Earlier this week, the U.S. Senate voted to overturn the September rule on Congressional Review Act grounds; a House vote is to follow. It is unclear at this point whether the Trump administration will sign on to Congress' CRA resolution—assuming its passes in the House—or allow the OCC's IFR to proceed.

While there are important administrative law implications to which solution is ultimately implemented, either effort would likely result in a more merger-friendly regulatory environment, including expedited review procedures, a streamlined application form, and a more permissive public policy framework. Financial institutions contemplating covered business combinations should closely follow this regulatory change and, if needed, utilize the public comment window to influence the direction of future implementing regulation.

Contact us

If you have questions regarding the OCC IFR or the pending congressional resolution, please contact Art Coren or your Husch Blackwell attorney.