# FDIC Should Not Adopt Change in Bank Control Act Proposal

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The FDIC should refrain from adopting a final rule based on its unilateral Change in Bank Control Act proposal, CSBS said in a comment letter. The proposal could make it more difficult for state nonmember banks with a parent holding company to access capital by creating unnecessary regulatory redundancies and uncertainties for active investors, passive investors, and their banking organization targets, the letter said.

State regulators encouraged the FDIC to explore its questions and concerns regarding matters of bank control, influence, and passivity through an interagency request for information or advanced notice of proposed rulemaking with the Federal Reserve Board and Office of the Comptroller of the Currency. Any potential Change in Bank Control Act rulemaking should only be pursued on an interagency basis, and it should harmonize the three federal banking agencies' views on matters of control, influence, and their respective approaches to passivity commitments.

State regulators further state that 1) novel questions regarding asset managers' holdings of bank equity have broad implications and should be examined through an iterative, interagency process; 2) the FDIC's proposal is premature and lacks both factual and legal support; 3) the FDIC has the ability to raise any concerns over change in control notices filed with the FRB under existing processes; and 4) duplicative CBCA reviews and potential agency divergence could delay transactions and frustrate banks' access to capital.

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