

104TH CONGRESS  
2D SESSION

# H. R. 3210

To amend the Bank Holding Company Act of 1956 to clarify that the Board of Governors of the Federal Reserve System has full discretion with regard to the type and amount of information required to be included in an application to become a bank holding company or to acquire a bank, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 1996

Mr. CAMPBELL introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To amend the Bank Holding Company Act of 1956 to clarify that the Board of Governors of the Federal Reserve System has full discretion with regard to the type and amount of information required to be included in an application to become a bank holding company or to acquire a bank, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bank Holding Com-  
5 pany Application Act of 1996”.

1 **SEC. 2. DISCRETION OF FEDERAL RESERVE BOARD.**

2 Section 3 of the Bank Holding Company Act of 1956  
3 (12 U.S.C. 1842) is amended by adding at the end the  
4 following new subsection:

5 “(h) DISCRETION WITH REGARD TO APPLICA-  
6 TIONS.—Except as provided in subsections (b) and (c), no  
7 provision of this section shall be construed as limiting the  
8 discretion of the Board with regard to the manner in  
9 which the Board may require any company to seek the  
10 Board’s approval under subsection (a) for a proposed ac-  
11 tion or the manner in which the Board reviews any such  
12 proposed action, including the discretion of the Board with  
13 regard to—

14 “(1) the types and amount of information  
15 which the Board may require to be included in any  
16 type of application or proposal submitted for the  
17 Board’s approval under subsection (a); and

18 “(2) waiving any requirement for an applica-  
19 tion, or reducing the scope of an application, (in-  
20 cluding an application by a corporation of a central  
21 or provincial government) in any case in which the  
22 Board determines that—

23 “(A) an applicant bank holding company  
24 does not and will not exercise significant mana-  
25 gerial control over, or otherwise holds a purely  
26 passive investment in the voting securities of, a

1 bank or another bank holding company, not-  
2 withstanding the fact that the applicant bank  
3 holding company directly or indirectly owns,  
4 controls, or has the power to vote more than 5  
5 percent of any class of voting securities of such  
6 bank or other bank holding company; or

7 “(B) requiring an application, or requiring  
8 an extensive application, by a bank holding  
9 company, in connection with the application by  
10 a bank holding company subsidiary of such  
11 bank holding company to acquire a bank, would  
12 not serve any legitimate regulatory need of the  
13 Board in rendering a decision with regard to  
14 the application of such bank holding company  
15 subsidiary.”.

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