



# Banking Applications Activity Semiannual Report July 1–December 31, 2024

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*This report provides information regarding the applications filed by banking organizations and reviewed by the Federal Reserve as of the most recent reporting period ending on June 30 and December 31 of each calendar year.<sup>1</sup>*

The Federal Reserve, in its role as a primary federal banking regulator, reviews applications submitted by bank holding companies (BHCs), state member banks (SMBs), savings and loan holding companies (SLHCs), foreign banking organizations, and other entities and individuals for approval to undertake various transactions, including mergers and acquisitions (M&A), and to engage in new activities.

The Federal Reserve reviews and acts on proposals filed under the Bank Holding Company Act (BHCA); the Bank Merger Act (BMA); the Change in Bank Control Act (CIBCA); the Federal Reserve Act (FRA); section 914 of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); section 10 of the Home Owners' Loan Act (HOLA); the International Banking Act; and other provisions of law.<sup>2</sup>

## Overview of Activity

The Federal Reserve reviewed 422 proposals in the second half of 2024, of which 401 were approved, 15 were withdrawn, 0 were denied, 3 were mooted, and 3 were returned (table 1).<sup>3</sup>

Total dispositions for the second half of 2024 were higher than the second half of 2023. However, the relative composition of proposals was consistent with prior periods, with a majority being branch applications, M&A proposals, and CIBCA notices.

<sup>1</sup> The data presented in the Banking Applications Semiannual Report is derived from the Federal Reserve's electronic applications platform (FedEZFile). The data is subject to minor updates reflecting data corrections or other revisions to the input. Accordingly, there may be slight data differences reflected in the current report as compared to previously reported time periods.

<sup>2</sup> For purposes of this report, the term *proposal* is defined as one filing, which may have been submitted pursuant to multiple statutes. For example, an applicant BHC with a subsidiary SMB could file to acquire another BHC, merge the target's subsidiary bank with its own SMB, and establish branches at the location of the target bank's branches. Therefore, this one proposal would include filings under the BHCA, the BMA, and the FRA. Further information on banking applications and regulation is available on the website of the Board of Governors of the Federal Reserve System (Board) at <https://www.federalreserve.gov/supervisionreg.htm>.

<sup>3</sup> A filing is mooted if the Federal Reserve determines that the filing is no longer necessary. A filing can be returned if the Federal Reserve determines upon initial receipt that the documentation and information contained therein is materially deficient.

Table 1. Dispositions and processing times of all proposals, 2021–24 and 2023:H2 and 2024:H2						
All proposals	2021	2022	2023	2024	2023:H2	2024:H2
<b>Dispositions</b>						
Approved	952	868	664	751	358	401
Withdrawn	32	46	68	45	34	15
Denied	0	1	1	0	0	0
Mooted	9	13	12	4	3	3
Returned	16	10	7	7	7	3
<b>Total</b>	<b>1,009</b>	<b>938</b>	<b>752</b>	<b>807</b>	<b>402</b>	<b>422</b>
<i>Percent withdrawn of total</i>	3.2%	4.9%	9.0%	6.0%	8.5%	3.7%
<b>Processing time (days)</b>						
Average	45	49	48	50	50	51
Median	37	37	34	41	36	36

Table 1 illustrates that the average and median number of days to approve a proposal during the second half of 2024 were 51 and 36 days, respectively, compared to the second half of 2023, at 50 and 36 days, respectively.

In the second half of 2024, applicants withdrew 15 proposals, representing 3.7 percent of the total dispositions over that period. Staff notes that nine of these proposals raised issues relevant to statutory factors, such as financial, managerial, and competitive considerations. Four proposals presented issues unrelated to supervisory or legal issues.

Applicants may choose to withdraw a proposal for any reason and at any time prior to final disposition. An applicant may choose to withdraw a proposal after Federal Reserve staff informs the applicant that staff would not be in a position to make an approval recommendation because, in staff's view, the proposal does not satisfy one or more of the statutory factors related to the proposal.<sup>4</sup> For example, there may be deficiencies regarding financial or managerial considerations or with respect to the Community Reinvestment Act (CRA) or consumer compliance record(s) of the applicant(s) or target organization(s). Other reasons proposals may be withdrawn include a business decision to no longer proceed with the transaction, a determination that another filing would be more appropriate, or an inability to provide required information. Applicants are not required to and often do not state their reasons for withdrawing proposals, though Federal Reserve staff often has a reasonable understanding of why it was withdrawn.

<sup>4</sup> The Board's Supervision and Regulation Letter SR 14-2/CA 14-1 describes the Federal Reserve's general approach to proposals that may not satisfy statutory requirements for approval or otherwise raise supervisory or regulatory concerns. This guidance applies to all financial institutions supervised by the Federal Reserve, including those with \$10 billion or less in total consolidated assets. See Board of Governors of the Federal Reserve System, "Enhancing Transparency in the Federal Reserve's Applications Process," SR letter 14-2/CA letter 14-1 (February 24, 2014), <https://www.federalreserve.gov/supervisionreg/srletters/sr1402.htm>.

## Mergers and Acquisitions

There were 50 total approved M&A proposals in the second half of 2024, matching 50 in the second half of 2023 (table 2).<sup>5</sup> Approved M&A proposals accounted for 12.0 percent of total approved proposals in the second half of 2024, which is commensurate with 2023 but lower than prior years.

**Table 2. Merger and acquisition (M&A) proposals, dispositions and processing times of all proposals, 2021–24 and 2023:H2 and 2024:H2**

Mergers and acquisitions	2021	2022	2023	2024	2023:H2	2024:H2
<b>Dispositions</b>						
Approved	184	155	96	99	50	50
Withdrawn	6	11	20	13	8	7
<i>Percent M&amp;A of total approved proposals</i>	<i>19.3%</i>	<i>17.9%</i>	<i>14.5%</i>	<i>13.0%</i>	<i>14.0%</i>	<i>12.0%</i>
<b>Processing time (days)</b>						
Average	65	87	80	101	87	102
Median	45	48	49	58	49	71

Average processing time for M&A proposals increased from the second half of 2023 at 87 days, versus the second half of 2024 at 102 days. This was due to several proposals that had been pending for extended periods of time and were resolved during the second half of 2024. M&A proposals are generally more complex than other proposals because they typically require review of more than one banking organization. As a result, M&A proposals often take more time to process. As table 2 illustrates, the average and median number of days to approve an M&A proposal in the second half of 2024 were 102 days and 71 days, respectively. In comparison, the average and median number of days to approve all proposals in the same period were 51 days and 36 days, respectively (see table 1).

Circumstances that can contribute to delays in processing include

- consideration of supervisory or policy issues that may affect relevant statutory factors,
- incomplete or untimely responses to requests for additional information from an applicant,
- inability of the applicant to obtain timely financing to consummate the transaction,
- consultations with other regulatory agencies,
- completion of background checks on principal shareholders or policymakers,
- holding public meetings, and
- consideration of adverse public comments.

<sup>5</sup> M&A proposals include proposals filed by BHCs, SLHCs, or SMBs that seek approval to acquire an ownership interest in or to merge with another banking organization, as well as BHC and SLHC formations.

In reviewing M&A proposals, the Federal Reserve considers the structure and ownership of the resulting banking organization, as well as any policy issues presented by the proposal, and is required to consider various statutory factors, including

- the applicant's current and pro forma financial condition and future prospects;
- managerial resources (including management's record of compliance with applicable laws and regulations, such as those related to consumer protection and anti-money-laundering);
- the convenience and needs of the communities to be served (including the institutions' overall record of performance under the CRA, their overall consumer compliance records, results of recent fair lending examinations, and other potential effects of the proposal on the convenience and needs of the communities to be served); and
- the effects of the proposal on competition and on the financial stability of the United States.

With limited exceptions, all M&A proposals are subject to public notice and comment.<sup>6</sup> In instances where the Federal Reserve receives one or more timely and substantive adverse public comments,<sup>7</sup> additional time is typically needed to provide the applicant the opportunity to respond to the comments and for the Federal Reserve to evaluate the comments and the applicant's response. Although comments may concern any of the statutory factors that the Federal Reserve must consider in connection with a proposal, adverse public comments often raise concerns regarding the convenience and needs statutory factor, including the applicant's CRA and fair lending records. In most cases, proposals subject to a timely and substantive adverse public comment are acted upon by the Board.<sup>8</sup> Applicants are encouraged to respond to all substantive adverse comments. [Table 3](#) compares processing times for M&A proposals that receive public comments with those that did not.

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<sup>6</sup> Applicants are generally required to publish notice of proposals that are subject to public comment in newspapers serving certain communities in which the applicant and target has operations. In addition, the Federal Reserve publishes notices in the *Federal Register* for certain types of proposals and also posts the weekly H.2A report on the Board's website, which lists all proposals that have been filed with the Federal Reserve that are subject to public comment. See <https://www.federalreserve.gov/apps/h2a/h2aindex.aspx>. These notices inform the public of the opportunity to submit written comments on the proposal.

<sup>7</sup> Section 225.16 of the Board's Regulation Y provides that a comment will be considered substantive "unless it involves individual complaints, or raises frivolous, previously considered, or wholly unsubstantiated claims or irrelevant issues." The Board's Supervision and Regulation Letter 97-10 provides additional guidance regarding certain types of comments that the Federal Reserve does not consider substantive. See Board of Governors of the Federal Reserve System, "Guidance on Protested Proposals," SR letter 97-10 (April 24, 1997), <https://www.federalreserve.gov/boarddocs/srletters/1997/sr9710.htm>.

<sup>8</sup> Provided the proposals meet the statutory factors for approval, the Federal Reserve Banks can approve under delegated authority proposals that do not receive any substantive adverse public comment; do not raise significant legal, policy, or supervisory issues; or otherwise are not required to be acted upon by the Board. See 12 CFR § 265.20.

**Table 3. Merger and acquisition approved proposals, volume and processing times by proposals that did not receive adverse public comments and those that received adverse public comments, 2021–24 and 2023:H2 and 2024:H2**

Mergers and acquisitions	2021	2022	2023	2024	2023:H2	2024:H2
<b>Proposals not receiving adverse public comments</b>						
Approved	177	139	94	94	49	47
<i>Processing time (days)</i>						
Average	62	73	76	101	85	102
Median	45	47	49	58	49	71
<b>Proposals receiving adverse public comments</b>						
Approved	7	16	2	5	1	3
Percent M&A receiving adverse public comments of total M&A proposals	3.8%	10.3%	2.1%	5.1%	2.0%	6.0%
<i>Processing time (days)</i>						
Average	160	208	263	233	162	158
Median	134	165	263	165	162	165

## Pre-filing Process

The Federal Reserve has established a pre-filing process through which prospective applicants may receive information about filing requirements, timing, and applicable forms associated with a proposal.<sup>9</sup> This process also helps to identify information that may be needed in connection with issues that the Federal Reserve typically considers with a particular type of filing, such as supervisory and statutory compliance, competition, or financial stability issues. While use of the pre-filing process can reduce delays in processing a subsequent application, it does not resolve or predetermine the outcome of any substantive issue or otherwise dispose of the application. Not all pre-filings result in a final filing.

The Federal Reserve reviewed 12 pre-filing proposals in the second half of 2024, compared to 19 in the second half of 2023. Most pre-filings concerned BHC M&A proposals.

## Consumer Compliance and CRA

In evaluating M&A proposals, the Federal Reserve reviews the consumer compliance (including fair lending) and CRA records of the acquiring and target organizations as part of its assessment of the managerial and convenience and needs statutory factors. Unaddressed consumer compliance, fair lending, or CRA weaknesses in an organization may result in longer processing times and pose barriers to approval. With respect to M&A proposals, an applicant should ensure that its consumer

<sup>9</sup> For a description of the pre-filing process, see Board of Governors of the Federal Reserve System, “Implementation of a New Process for Requesting Guidance from the Federal Reserve Regarding Bank and Nonbank Acquisitions and Other Proposals,” SR letter 12-12/CA letter 12-11 (July 11, 2012), <https://www.federalreserve.gov/supervisionreg/srletters/sr1212.htm>.

compliance program, policies, and procedures are adequate to ensure successful integration of the target and that the combined organization would maintain satisfactory consumer compliance and CRA programs following consummation.

## Community Banking Organizations

Table 4 provides the volume and processing times of the proposal types most commonly submitted by small and large community banking organizations (CBOs). *Small CBOs* are organizations with under \$1 billion in assets, and *large CBOs* are organizations with \$1 billion to \$10 billion in assets. For the second half of 2024, average processing times for M&A proposals were 107 days for small CBOs and 80 days for large CBOs, compared to the average of 102 days for all M&A proposals (see table 2). The volume of approved proposals for large CBOs in the second half of 2024 was higher than in the second half of 2023. The overall volume of approved CBO filings in the second half of 2024 was somewhat higher than in the second half of 2023.

**Table 4. Proposals from community banking organizations (CBOs), volume and processing times (days) of approved proposals, for year 2024, 2023:H2, and 2024:H2**

Proposals by applicant asset size	2024			2023:H2			2024:H2		
	Approved (number)	Average (days)	Median (days)	Approved (number)	Average (days)	Median (days)	Approved (number)	Average (days)	Median (days)
<b>Under \$1 billion</b>									
Change in control	115	70	58	40	57	57	57	66	57
Federal Reserve membership	6	76	14	6	12	13	5	91	14
FIRREA	55	8	2	12	6	2	38	8	2
Mergers and acquisitions	55	111	63	34	92	49	34	107	78
Branch establishment	32	24	23	22	27	24	17	24	23
<b>Total</b>	<b>263</b>			<b>114</b>			<b>151</b>		
<b>\$1 billion–\$10 billion</b>									
Change in control	41	76	58	12	190	60	23	83	56
Federal Reserve membership	3	20	15	1	15	15	2	15	15
FIRREA	17	7	6	2	0	0	9	5	0
Mergers and acquisitions	34	67	53	13	83	58	13	80	58
Branch establishment	46	33	26	31	26	27	21	35	28
<b>Total</b>	<b>141</b>			<b>59</b>			<b>68</b>		

## Current Initiatives to Enhance Applications Processing

The Federal Reserve is currently exploring potential enhancements to the applications process to improve interagency coordination, as well as the efficiency, timeliness, and transparency in its

review of M&A, de novo, and other proposals, including those affected by competitive screens and those that receive adverse public comments.<sup>10</sup>

Current and past Applications Activity Semiannual reports have focused primarily on volume and timing of proposals that were dispositioned during the noted time periods. In an effort to improve transparency of the applications process, future reports will incorporate enhanced metrics associated with currently pending proposals.

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<sup>10</sup> See Michelle W. Bowman, “Taking a Fresh Look at Supervision and Regulation,” speech at the Georgetown University McDonough School of Business Psaros Center for Financial Markets and Policy, Washington, D.C., June 6, 2025, <https://www.federalreserve.gov/newsevents/speech/bowman20250606a.htm>.