

Statement by Acting Chairman Travis Hill

Proposal to Improve the Branch Approval Process

July 15, 2025

The Federal Deposit Insurance Act requires all FDIC-supervised banks to obtain prior written consent from the FDIC before opening or relocating a branch.¹ The FDIC receives an average of more than 650 branch applications per year, a meaningful burden for the agency and the industry, with limited supervisory value.

In my view, it is extremely rare that the FDIC would have a supervisory interest in precluding a bank from opening a new branch.² Even in the era of online and mobile banking, brick-and-mortar branches continue to fulfill a role, enabling banks to reach new customers and serve a broader community. Meanwhile, the days when limiting branch openings was a mechanism to limit a bank's growth are long past, as banks have ample ability to grow through other means.

The proposal being considered today will enhance the speed and certainty of the branch approval process. It would (1) provide near-immediate, automatic approvals for institutions deemed to satisfy the statutory criteria based on supervisory ratings and other objective criteria, (2) eliminate the public comment process,³ and (3) exclude certain *de minimis* branch facility moves from the need to make filings altogether.⁴

I thank the staff for their work on this proposal and look forward to the comments.

¹ See 12 U.S.C. § 1828(d)(1).

² A theoretical example of such a case is an undercapitalized bank that is losing money and needs to cut costs that seeks to open a high-cost branch. The proposal would not preclude the FDIC from objecting in such a case.

³ Public comments on branch applications are rarely relevant to the application at hand, yet significantly prolong the approval process.

⁴ As described in the proposal, a *de minimis* branch facility change involves a change of address where the surviving branch is in approximately the same location.