

# Federal Reserve Bank of Boston BANK NOTES

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February 2008  
Vol. XXXVII, No. 2

## Mergers and Acquisitions

Camden National Bank of Camden, ME, completed its acquisition of Union Trust Company of Ellsworth, ME, on January 3, 2008.

In connection with the deal, Union Bankshares Company merged into Camden National Corporation of Camden, ME. The combined organization has over \$2.3 billion of assets and \$1.5 billion of deposits.

Union Trust Company will maintain its brand identity in Hancock and Washington Counties, operating as a division of Camden National Bank. (*Internal sources, 1/11/08, Camden National Corporation press release, 1/03/08*)

Community National Bank of Derby, VT, completed its acquisition of LyndonBank of Lyndonville, VT, on January 1, 2008. The combined company has total assets of approximately \$500 million and 15 branches throughout northeastern and central Vermont. (*Internal sources, 1/04/08; Community Bancorp press release, 1/02/08*)

Mt. Washington Bank of Boston, MA, and Roxbury Highland Bank of Jamaica Plain, MA, agreed to merge under the Mt. Washington Bank charter, the banks announced on January 3, 2008. The date of the expected merger was not released. Upon completion of the deal, which is subject to approval by regulators and depositors of both banks, Mt. Washington Bank will have six branches: three in South Boston, MA; two in Dorchester, MA; and one in Jamaica Plain, MA, as well as a loan office in South Boston, MA. The merged bank will have over \$525 million in assets. (*Boston Business Journal, 1/3/08; Mt. Washington press release, 1/03/08*)

On January 3, 2008, Norwood Co-operative Bank of Norwood, MA, and Walpole Co-operative Bank of Walpole, MA, announced an agreement to combine in a “merger of mutuals.” The combined entity will operate under a new name, and will have over \$750 million in consolidated assets. The date of the merger has not yet been announced. (*SNL Bank and Thrift Daily, 1/07/08*)

People’s United Financial Inc. of Bridgeport, CT, completed its acquisition of Chittenden Corp. of Burlington, VT, on January 2, 2008. Originally announced in June 2007, the deal results in a combined company with over \$21 billion in assets and more than 300 bank branches in Connecticut, Massachusetts, Vermont, New Hampshire, Maine, and New York.

The six banks in the Chittenden group will continue to do business under their existing names as subsidiaries of People’s United Bank. These banks are: Chittenden Bank of Burlington, VT; Flagship Bank and Trust Company of Worcester, MA; Maine Bank & Trust of Portland, ME; Merrill Merchants Bank of Bangor, ME; Ocean Bank of Portsmouth, NH; and the Bank of Western Massachusetts of Springfield, MA. People’s United Bank will continue to operate in Connecticut and New York. (*SNL Bank Mergers and Acquisitions Weekly, 1/07/08; People’s United Financial, Inc. press release, 1/02/08*)

Savings Institute Bank and Trust Company of Willimantic, CT, purchased certain assets and assumed certain liabilities of a Colchester, CT, branch of Eastern Federal Bank of Norwich, CT. The deal was effective at the opening of business on January 12, 2008. (*Internal sources, 1/18/08*)

## Conversions

The Bank of Western Massachusetts of Springfield, MA, converted from a state charter to a federal charter on January 1, 2008. The Bank of Western Massachusetts is a unit of People’s United Bank of Bridgeport, CT. (*Internal sources, 1/04/08*)

Danvers Bancorp, Inc., the stock holding company for Danversbank, both of Danvers, MA, announced on January 9, 2008, that it had completed its conversion from a mutual holding company to a stock holding company. (*SNL Bank and Thrift Daily, 1/14/08*)

Flagship Bank & Trust Company of Worcester, MA, converted from a state charter to a federal charter on January 1, 2008. Flagship Bank & Trust is a unit of People's United Bank of Bridgeport, CT. (*Internal sources, 1/04/08*)

Maine Bank & Trust Company of Portland, ME, converted from a state charter to a federal charter on January 1, 2008. Maine Bank & Trust is a unit of People's United Bank of Bridgeport, CT. (*Internal sources, 1/04/08*)

Merrill Merchants Bank of Bangor, ME, converted from a state charter to a federal charter on January 1, 2008. Merrill Merchants is a unit of People's United Bank of Bridgeport, CT. (*Internal sources, 1/04/08*)

Ocean Bank of Portsmouth, NH, converted from a state charter to a federal charter on January 1, 2008. Ocean Bank is a unit of People's United Bank of Bridgeport, CT. (*Internal sources, 1/04/08*)

## New Branches/Relocations

Bank of New England of Salem, NH, opened a branch at 37 Emerson Street in Haverhill, MA, on November 8, 2007. On November 15, 2007, the bank opened another branch at 3 Cross Street in Methuen, MA. (*Internal sources, 01/11/08*)

Danversbank, a unit of Danvers Bancorp, Inc. of Danvers, MA, opened its new operations center at 75 Sylvan Street in Danvers, MA, on January 15, 2008. The facility houses the bank's customer support center, loan servicing group, and deposit operations department. (*SNL Bank and Thrift Daily, 1/18/08; Danversbank press release, 1/15/08*)

Hampden Bank of Springfield, MA, opened a branch on 187 Main Street, Indian Orchard, MA, on November 16, 2007. (*Internal sources, 01/11/08*)

Patriot National Bancorp, Inc. announced on January 8, 2008, that its unit Patriot National Bank, both of Stamford, CT, had opened a branch in Westport, CT, and a second branch in Scarsdale, NY. (*SNL Bank and Thrift Weekly, 1/14/08*)

RBS Citizens, NA of Providence, RI, opened a branch at 771 Commonwealth Avenue in Boston, MA, on November 19, 2007. (*Internal sources, 1/04/08*)

Rockland Trust Company of Rockland, MA, opened a branch at 381 Center Avenue in Abington, MA, on November 19, 2007. (*Internal sources, 01/11/08*)

TD Banknorth, NA of Portland, ME, opened a branch on School Street in Mansfield, MA, on December 19, 2007. On December 21, 2007, the bank opened another branch on 298 Washington Street in Brighton, MA. (*Internal sources, 1/04/08*)

## Correction

The January 2008 issue of *Bank Notes* reported that Southern Massachusetts Telephone Workers Credit Union of Fairhaven, MA, changed its corporate title to Southern Mass Credit Union as of January 1, 2008. The date of the name change was actually June 23, 2003.

## FDIC Proposes Rules to Determine Deposits in the Event of Bank Failure

On January 14, 2008, the FDIC proposed new rules that would govern the determination of deposit balances in the event that an FDIC-insured depository institution should fail. The first part of the proposal would govern how, and at what point, deposit account balances would be determined in the event of a failure, and would apply to all FDIC-insured depository institutions.

The second part of the rule proposes requirements to facilitate the process of determining the insurance status of depositors of large insured depository institutions in the event of failure.

The FDIC is soliciting comments on the *Notice of Proposed Rulemaking* by April 14, 2008. For more information on the proposed changes, please view the FDIC's January 14, 2008, "Financial Institution Letter" at [www.fdic.gov/news/news/financial/2008/fil08002.html](http://www.fdic.gov/news/news/financial/2008/fil08002.html). (*SNL Interactive, 01/14/08; FDIC Financial Institution Letter FIL-2-2008*)

## FRB Boston is Updating our Postal Mailing List for *Bank Notes*

In the January and February 2008 *Bank Notes* distributed by U.S. mail, we include a subscription renewal form to be completed by any paper subscriber that wishes to continue receiving *Bank Notes*. As noted in the renewal form, customers can continue to receive a paper version of *Bank Notes* or convert to an electronic subscription.

The announcement notes that anyone who does not submit a renewal form by April 1, 2008, will be removed from our mailing list.

If you currently receive *Bank Notes* electronically, you need not take any action. Paper subscribers do need to respond to our request, and may do so by faxing or mailing the subscription form to the *Bank Notes* editor. An online subscription form also is available at [www.bos.frb.org/economic/banknote/index.htm](http://www.bos.frb.org/economic/banknote/index.htm).

Because of the large number of *Bank Notes* subscribers, it will take us several weeks to process renewal requests. In addition, we will be unable to switch subscribers from paper to email distribution until the April 2008 issue of *Bank Notes*. We appreciate all subscribers, and thank you for your continued interest in *Bank Notes*, and for helping us enhance our distribution process.

## Strong Acceptance of NACHA's Back Office Conversion (BOC) Code in 2007

In March 2007, the National Automated Clearinghouse Association's (NACHA) SEC code "Back Office Conversion" or BOC became effective. Initially, it was estimated that 900,000 BOC conversions would occur in 2007. However, BOC caught on more quickly than expected — the Reserve Banks alone processed 3.3 million BOC transactions last year.

As discussed in the May 2007 issue of *Bank Notes*, BOC allows retailers and billers that accept checks at point of sale or at manned bill payment locations to convert eligible checks to ACH debits in their back office at a later time. In comparison, Point of Purchase, or "POP," transactions convert a consumer's check to an ACH payment at the time the purchase is made.

A key benefit of BOC is that it offers a single process for merchants to electronically deposit all check payments with their banks. Their banks can then determine which checks are eligible for conversion *and* whether Check 21 or ACH is the most appropriate cost-efficient method to clear each check.

BOC offers other benefits to merchants. With POP transactions, for example, MICR readers are required at each checkout register. With BOC, MICR readers are needed only in the back office for end-of-day capture. This can reduce time spent training cashiers to use the equipment. BOC can also reduce losses from returned checks, reduce bank fees, and decrease transportation costs (e.g., armored car expenses).

To help financial institutions and their customers understand and implement BOC, the Reserve Banks have developed an online *Back Office Conversion (BOC) Online Resource Center*, available at [www.frb services.org/fedach/index.html](http://www.frb services.org/fedach/index.html). Information on the site includes a high-level comparison of BOC, POP and ARC conversions; guidance for institutions that plan to implement BOC; and templates financial institutions and merchants can use to educate their customers about BOC. (*NACHA press release, 3/12/07; internal sources*)



Items in this publication focus on developments affecting banking structure in New England. The items are condensations of articles from a selected group of daily newspapers and press releases of federal and state financial regulatory agencies. Their reproduction does not imply our

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