

Federal Reserve Bank of Boston

BANK NOTES

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The March issue of *Bank Notes* is available online, www.bostonfed.org/economic/banknote/index.htm.

Mergers and Acquisitions

Brookline/First Ipswich

Mar 1, Brookline Village, Mass.-based Brookline Bancorp Inc. (\$2.72 billion) said that it completed its acquisition of Ipswich, Mass.-based First Ipswich Bancorp (\$265.4 million). In connection with the acquisition, Brookline Bancorp paid approximately \$19.7 million in cash for all outstanding shares of First Ipswich. (SNL B&T Weekly 3/7/11)

Eastern Bank/Wainwright

Nonmember Bank Merger with a State Savings Bank
Effective March 19, 2011

Wainwright Bank & Trust Company

ID RSSD: 689302 | ABA No. 011002550 |
Nonmember Bank | Federal Reserve District 1
Location: 63 Franklin Street
Boston, Suffolk County
Massachusetts 02110
merged into

Eastern Bank

ID RSSD: 128904 | ABA No. 011301798 | State
Savings Bank | Federal Reserve District 1
Location: 265 Franklin Street
Boston, Suffolk County
Massachusetts 02110

Loan Sales

ES Ventures One/Patriot National

Mar 3, Stamford, Conn.-based Patriot National Bancorp Inc. (\$787.8 million), the parent of Patriot National Bank (\$783.6 million), entered into a contract to sell nonperforming loans and real estate to ES Ventures One LLC for \$65 million. (SNL B&T Weekly 3/7/11)

Branch Sales

Union Bankshares/Northway Bank

Mar 17, Morrisville, Vt.-based Union Bankshares Inc. unit Union Bank (\$453.0 million) and North Conway, N.H.-based Northway Financial Inc. unit Northway Bank (\$826.6 million) entered into a purchase and assumption agreement relating to three New Hampshire branch offices of Northway Bank, according to a Form 8-K filed March 17. (SNL B&T weekly 3/21/11)

Federal Reserve Announcements

Amendments to Reg CC Open for Public Comment

Mar 3, The Federal Reserve Board requested public comment on proposed amendments to Regulation CC (Availability of Funds and Collection of Checks) to encourage banks to clear and return checks electronically, add provisions that govern electronic items cleared through the check-collection system, and shorten the “exception” hold periods on deposited funds.

To encourage electronic collection and return of checks between banks, the proposal provides that a depository bank would be entitled to the expeditious return of a check only if it agrees to receive returned checks electronically. In addition, the proposal would permit the bank responsible for paying a check to require that checks presented to it for same-day settlement be presented electronically. More generally, the proposal would apply Regulation CC’s collection and return provisions, including warranties, to electronic check images that meet certain requirements.

In addition, due to the faster collection and return timeframes that result from electronic collection and return, the proposal would shorten the safe-harbor period for an exception hold to four business days, which should enable the depository bank to learn of the return of virtually all unpaid checks before being required to make these deposits available for withdrawal. The proposal also eliminates the references in Regulation CC to “nonlocal” checks. The distinction between local and nonlocal checks is tied to Federal Reserve Bank check processing regions. As of February 2010, the Reserve Banks have ceased operations in all but one of their check processing offices, such that there is now only one check processing region, and all checks are local to each other. Local checks are generally subject to a two-business-day hold period.

Appendix C to the regulation sets forth model funds-availability forms that banks may use as the basis of their disclosures to customers. The proposal includes new model forms that were developed using consumer testing and that set forth funds-availability policies in a manner that is designed to be more easily understood by consumers.

Bernanke to Brief Press Periodically

Mar 24, Chairman Ben S. Bernanke will hold press briefings four times per year to present the Federal Open Market Committee’s current economic projections and to provide additional context for the FOMC’s policy decisions.

In 2011, the Chairman’s press briefings will be held at 2:15 p.m. following FOMC decisions scheduled on April 27, June 22 and November 2. The briefings will be broadcast live on the Federal Reserve’s website. For these meetings, the FOMC statement is expected to be released at around 12:30 p.m., one hour and 45 minutes earlier than for other FOMC meetings.

The introduction of regular press briefings is intended to further enhance the clarity and timeliness of the Federal Reserve’s monetary policy communication. The Federal Reserve will continue to review its communications practices in the interest of ensuring accountability and increasing public understanding.

\$25,000 Ceiling Raised for Reg Z and Reg M Disclosures under Dodd-Frank

Mar 25, The Federal Reserve Board adopted two rules that would expand the coverage of consumer protection regulations to credit transactions and leases of higher dollar amounts.

The final rules amend Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing) to implement a provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Effective July 21, 2011, the Dodd-Frank Act requires that the protections of the Truth in Lending Act (TILA) and the Consumer Leasing Act (CLA) apply to consumer credit transactions and consumer leases up to \$50,000, compared with \$25,000 currently. This amount will be adjusted annually to reflect any increase in the consumer price index.

TILA requires creditors to disclose key terms of consumer loans and prohibits creditors from engaging in certain practices with respect to those loans. Currently, consumer loans of more than \$25,000 are generally exempt from TILA. However, private education loans and loans secured by real property (such as mortgages) are subject to TILA regardless of the amount of the loan.

The CLA requires lessors to provide consumers with disclosures regarding the cost and other terms of personal property leases. An automobile lease is the most common type of consumer lease covered by the CLA. Currently, a lease is exempt from the CLA if the consumer’s total obligation exceeds \$25,000.

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