

DATE: September 8, 2005

SUBJECT: Proposal to expand the definition of a small bank holding company.

HIGHLIGHTS: The Federal Reserve Board on Wednesday proposed expanding the definition of a small bank holding company (BHC) under the Board's Small Bank Holding Company Policy and the Board's risk-based and leverage capital guidelines for bank holding companies. The policy statement facilitates the transfer of ownership of small community banks by permitting debt levels at small BHCs that are higher than what would be permitted for larger BHCs. Because small BHCs may, consistent with the policy statement, operate at a level of leverage that generally is inconsistent with the capital guidelines, the capital guidelines provide an exemption for small BHCs.

**DOCUMENT
LOCATION:**

<http://www.federalreserve.gov/boarddocs/press/bcreg/2005/20050907/default.htm>

**FURTHER
INFORMATION:**

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