

Key Definitions

Bank—any institution insured by the Federal Deposit Insurance Corporation (FDIC) or any institution that accepts demand deposits and makes commercial loans (exemptions are available for certain entities, such as credit card banks and industrial loan companies).

Bank Holding Company (BHC)—any company that acquires direct or indirect control of a bank. The BHC Act establishes several exceptions, such as when a company is holding bank stock in connection with the underwriting of securities, or acquires bank stock in a foreclosure transaction if the bank stock is divested within two years.

Company—any bank, corporation, general or limited partnership, association or similar organization, business trust, or certain personal trusts.

Control—ownership, control, or power to vote 25% or more of the outstanding shares of any class of voting security. Control also may exist if a company exercises a controlling influence in any manner (e.g., controls the election of a majority of the board of directors, etc.).