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## Decision of July 17, 2008

By the [Division of Banks](#)

### DECISION ON THE APPLICATIONS RELATIVE TO THE REORGANIZATION INTO A MUTUAL HOLDING COMPANY BY HYDE PARK SAVINGS BANK HYDE PARK, MASSACHUSETTS

Hyde Park Savings Bank, (the "Petitioner"), Hyde Park, Massachusetts, has petitioned to form Hyde Park Interim Mutual Bank, Hyde Park, Massachusetts, as part of its reorganization into Hyde Park Bancorp, MHC ("MHC"), a mutual holding company with a subsidiary stock bank, Hyde Park Interim Stock Bank ("Continuing Bank"). This reorganization has been structured as a multi-step transaction, requiring applications before the Division of Banks (the "Division") and the Board of Bank Incorporation (the "Board"), which held a public hearing on the matters before it on June 3, 2008.

The applications to the Division are made pursuant to General Laws chapter 167H, section 2, to form the MHC, and General Laws chapters 168, section 34, and 167H, section 7, for the subsequent merger of the Petitioner with and into Continuing Bank under the charter and by-laws of Continuing Bank. The Continuing Bank will operate under the name Hyde Park Savings Bank and it, as well as MHC, will be headquartered at 1196 River Street, Hyde Park, Massachusetts.

The Petitioner is a state-chartered savings bank. It operates from its main office in Hyde Park, Massachusetts and has five branch offices. Hyde Park Savings Bank had total consolidated assets, as of March 31, 2008, of approximately \$ 980 million.

In accordance with the provisions of said chapters 167H and 168, and the Division's implementing regulations 209 C.M.R. 33.00 *et seq.*, the Petitioner and its related entities have submitted the requisite documents and information relative to these transactions and appropriate notice has been given to its depositors and to the public. The deadline for filing comments expired on June 10, 2008.

The applications and supporting documents have established an extensive record on these petitions, which have been reviewed in light of the relevant statutory provisions and policies of the Division. Those statutory requirements necessitate that, among other things, the Division consider whether the reorganization will be unfair to the depositors and whether the public will be served by this transaction. Similarly, the merger must be found to promote public convenience and advantage, including a showing of net new benefits, and found not to unreasonably affect competition among banking institutions. Having considered the record established in these applications, the Division has determined that the statutory and administrative considerations support approval of the reorganization and subsequent merger. In making those findings, the Division has noted that Petitioner received a "High Satisfactory" rating on its most recent evaluation performed by the Division under the Commonwealth's Community Reinvestment Act, General Laws chapter 167, section 14 and its implementing regulations 209 CMR 46.00 *et seq.*

In accordance with these findings and pursuant to statute, I hereby approve the reorganization, including the merger of the Petitioner with and into Continuing Bank subject to the following

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considerations:

1. The reorganization shall not be consummated until all additional regulatory approvals have been obtained.
2. Commencing with the transaction's effective date, the Division's minimum capital requirements for the resulting subsidiary bank and the MHC are as follows:
  - a. the resulting subsidiary bank's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon the resulting subsidiary bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325;
  - b. the MHC's consolidated Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority; and
  - c. if the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.
3. After the completion of the reorganization:
  - a. the MHC may engage in only such activities as are now or may hereinafter be activities authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H;
  - b. the resulting subsidiary bank may engage in any investment or activity which it may from time to time engage in as a state-chartered savings bank in stock form; and
  - c. the MHC or any entity within its control shall give thirty days notice to the Division of any intention to issue any securities known generally as Trust Preferred Securities, either individually or on a pooled basis, prior to entering into any agreement relative to such issuance. This condition may be modified or rescinded at any time by the Division.
4. That the proposed merger shall not become effective until a Certificate of Consolidation signed by the Presidents and Clerks or other duly authorized officers of each bank indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 168, section 34 and chapter 167H, section 7, clause (2) has been returned for my endorsement thereon.
5. That Articles of Organization and/or Charter documents and Articles of Merger be placed on record with the Office of the Secretary of State.
6. That the proposed merger be consummated within one year of the date of this Decision.

July 17, 2008

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Date

Steven L. Antonakes

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Commissioner of Banks