

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 565

Short Title: Bank Changes.

(Public)

Sponsors: Representative Abernethy.

Referred to: Commerce.

April 1, 1991

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE THE REQUIRED PERIOD OF EXISTENCE FOR A
BANK OR SUBSIDIARY BANK OF A BANK HOLDING COMPANY BEFORE
IT MAY BE SUBJECT TO INTERSTATE ACQUISITION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 53-211(a) reads as rewritten:

"(a) A regional bank holding company that does not have a North Carolina bank subsidiary (other than a North Carolina bank subsidiary that was acquired either pursuant to Section 116 or Section 123 of the Garn-St. Germain Depository Institutions Act of 1982 (12 U.S.C. 1730a(m), 1823(f)) or in the regular course of securing or collecting a debt previously contracted in good faith, as provided in Section 3(a) of the Bank Holding Company Act of 1956 as amended (12 U.S.C. 1842(a)) may acquire a North Carolina bank holding company or a North Carolina bank with the approval of the Commissioner. The regional bank holding company shall submit to the Commissioner an application for approval of such acquisition, which application shall be approved only if:

- (1) The Commissioner determines that the laws of the state in which the regional bank holding company making the acquisition has its principal place of business permit North Carolina bank holding companies to acquire banks and bank holding companies in that state;
- (2) The Commissioner determines that the laws of the state in which the regional bank holding company making the acquisition has its principal place of business permit such regional bank holding company

1 to be acquired by the North Carolina bank holding company or North
2 Carolina bank sought to be acquired. For the purposes of this
3 subsection, a North Carolina bank shall be treated as if it were a North
4 Carolina bank holding company; and

5 (3) ~~The Commissioner determines either that the North Carolina bank~~
6 ~~sought to be acquired has been in existence and continuously operating~~
7 ~~for more than five years or that all of the bank subsidiaries of the~~
8 ~~North Carolina bank holding company sought to be acquired have~~
9 ~~been in existence and continuously operating for more than five years:~~
10 ~~Provided, that the Commissioner may approve the acquisition by a~~
11 ~~regional bank holding company of all or substantially all of the shares~~
12 ~~of a bank organized solely for the purpose of facilitating the~~
13 ~~acquisition of a bank that has been in existence and continuously~~
14 ~~operating as a bank for more than five years: Provided further, where~~
15 ~~the Commissioner after examination or other investigation has~~
16 ~~determined that it is necessary to approve an interstate acquisition~~
17 ~~under this Article in order to protect the public and to prevent the~~
18 ~~possible failure of a bank or banking subsidiary of a bank holding~~
19 ~~company, then in that event the period of existence and continuous~~
20 ~~operation of the bank or banking subsidiary may be reduced from five~~
21 ~~to three years; and~~

22 (4) The Commissioner makes the acquisition subject to any conditions,
23 restrictions, requirements or other limitations that would apply to the
24 acquisition by a North Carolina bank holding company of a bank or
25 bank holding company in the state where the regional bank holding
26 company making the acquisition has its principal place of business but
27 that would not apply to the acquisition of a bank or bank holding
28 company in such state by a bank holding company all the bank
29 subsidiaries of which are located in that state."

30 Sec. 2. This act is effective upon ratification.