

COUNCIL OF THE DISTRICT OF COLUMBIA

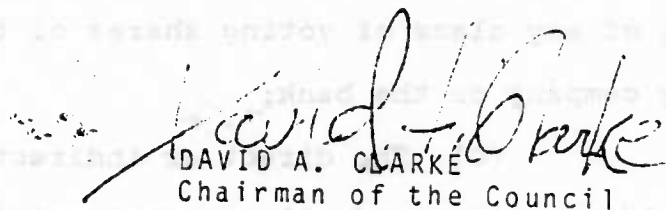
NOTICE

D.C. LAW 6-63

"District of Columbia Regional Interstate  
Banking Act of 1985".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 6-126 on first and second readings, June 25, 1985, and September 10, 1985, respectively. Subsequent to the Mayor's disapproval on October 2, 1985, the Council re-enacted Bill No. 6-126 on October 8, 1985 and this legislation was assigned Act No. 6-86. The Act was published in the October 25, 1985, edition of the D.C. Register, (Vol. 32 page 5954) and transmitted to Congress on October 9, 1985 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 6-63, effective November 23, 1985.

  
DAVID A. CLARKE  
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

October 9,10,11,16,17,18,21,22,23,24,25,28,29,30,31

November 1,4,5,6,7,8,12,13,14,15,18,19,20,21,22

EFFECTIVE DATE NOV 23 1985

D.C. ACT 6 - 86

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

OCT 08 1985

To provide for regional interstate banking in the District of Columbia on a reciprocal basis.

Codification,  
New chapter 8  
of title 26

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the "District of Columbia Regional Interstate Banking Act of 1985".

Sec. 2. Definitions.

New, D.C. Cod  
sec. 26-801  
(1986 supp.)

For the purposes of this act, the term:

(1) "Acquire" means:

(A) The merger or consolidation of one bank holding company with another bank holding company;

(B) The acquisition by a bank holding company of direct or indirect ownership or control of voting shares of another bank holding company or a bank, if, after the acquisition, the bank holding company making the acquisition will directly or indirectly own or control more than 5% of any class of voting shares of the other bank holding company or the bank;

(C) The direct or indirect acquisition by a bank holding company of all or substantially all of the assets of another bank holding company or of a bank; or

(D) Any other action that would result in direct or indirect control by a bank holding company of

another bank holding company or a bank.

(2) "Bank" means any "insured bank" as the term is defined in 12 U.S.C. 1813(h), or any institution eligible to become an insured bank as the term is defined therein, which, in either event:

(A) Accepts deposits that the depositor has a legal right to withdraw on demand; and

(B) Engages in the business of making commercial loans.

(3) "Bank holding company" has the meaning set forth in 12 U.S.C. 1841(a)(1).

(4) "Banking office" means any office or other location at which a bank accepts deposits. The term "banking office" shall not mean:

(A) Unmanned automatic teller machines, point of sale terminals, or other similar unmanned electronic banking facilities at which deposits may be accepted;

(B) Offices located outside the United States; or

(C) Loan production offices, representative offices, or other offices at which deposits are not accepted.

(5) "Control" has the meaning set forth in 12 U.S.C. 1841(a)(2).

(6) "Deposits" means all demand, time, and savings deposits, without regard to the location of the depositor. The term "deposits" shall not include any

deposits by banks. For purposes of this act, determination of deposits shall be made with reference to regulatory reports of conditions or similar reports made by or to state and federal regulatory authorities.

(7) "District of Columbia bank" means a bank that:

(A) Is organized under the laws of the United States or a state; and

(B) Has banking offices located only in the District of Columbia.

(8) "District of Columbia bank holding company" means a bank holding company:

(A) That has its principal place of business in the District of Columbia;

(B) The District of Columbia bank and regional bank subsidiaries of which hold more than 80% of the total deposits held by all of its bank subsidiaries, other than bank subsidiaries controlled by it in accordance with section 4; and

(C) That is not controlled by a bank holding company other than a District of Columbia bank holding company.

For purposes of determining whether a bank holding company that had a District of Columbia bank subsidiary on January 1, 1985, is and continues to be a District of Columbia bank holding company, no consideration shall be given to the deposits of any bank subsidiary located outside the region that the bank holding company controlled on

January 1, 1985.

(9) "Principal place of business" of a bank holding company means the state in which the total deposits held by the banking offices of the bank holding company's bank subsidiaries are the largest.

(10) "Region" means the District of Columbia and the states of Alabama, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

(11) "Regional bank" means a bank that:

(A) Is organized under the laws of the United States or of one of the states in the region other than the District of Columbia; and

(B) Has banking offices located only in states within the region.

(12) "Regional bank holding company" means a bank holding company:

(A) That has its principal place of business in a state within the region other than the District of Columbia;

(B) The regional bank and District of Columbia bank subsidiaries of which hold more than 80% of the total deposits held by all of its bank subsidiaries, other than bank subsidiaries controlled by it in accordance with section 4; and

(C) That is not controlled by a bank holding company other than a regional bank holding company.

For purposes of determining whether a bank holding

company that had a District of Columbia bank subsidiary on January 1, 1985, is and continues to be a regional bank holding company, no consideration shall be given to the deposits of any bank subsidiary located outside the region that the bank holding company controlled on January 1, 1985.

(13) "State" means any state of the United States or the District of Columbia.

(14) "Subsidiary" has the meaning set forth in 12 U.S.C. 1841(d).

Sec. 3. Regional bank holding company acquisitions.

New,  
D.C. Code,  
26-802  
(1986 supp.)

(a) A regional bank holding company that does not have a District of Columbia bank subsidiary (other than a District of Columbia bank subsidiary that was acquired either pursuant to 12 U.S.C. 1730a(m) or 12 U.S.C. 1823(f), or in the regular course of securing or collecting a debt previously contracted in good faith, as provided in 12 U.S.C. 1842(a)), may acquire a District of Columbia bank holding company or a District of Columbia bank, if and only if, each of the following requirements is met:

(1) The laws of the state in which the regional bank holding company making the acquisition has its principal place of business permit the regional bank holding company to be acquired by the District of Columbia bank holding company or District of Columbia bank sought to be acquired.

(2) Either the District of Columbia bank sought to be acquired has been in existence and continuously operating for more than 2 years or all of the bank

subsidiaries of the District of Columbia bank holding company sought to be acquired have been in existence and continuously operating for more than 2 years. A regional bank holding company may acquire all or substantially all of the shares of a bank organized solely for the purpose of facilitating the acquisition of a bank that has been in existence and continuously operating as a bank for more than 2 years.

(3) The acquisition complies with any conditions, restrictions, requirements, or other limitations that would apply to the acquisition by the District of Columbia bank holding company or District of Columbia bank sought to be acquired of a bank or bank holding company located in the state where the regional bank holding company making the acquisition has its principal place of business, but that would not apply to the acquisition of a bank or bank holding company in the state by a bank holding company all the bank subsidiaries of which are located in that state.

For the purpose of paragraphs (1) and (3) of this subsection, a District of Columbia bank shall be treated as if it were a District of Columbia bank holding company.

(b) A regional bank holding company that has a District of Columbia bank subsidiary, other than a District of Columbia bank subsidiary that was acquired either pursuant to 12 U.S.C. 1730a(m) or 12 U.S.C. 1823(f), or in the regular course of securing or collecting a debt previously contracted in good faith, as provided in 12 U.S.C. 1842(a), may acquire any District of Columbia bank or

District of Columbia bank holding company pursuant to the same laws and regulations that are applicable to acquisitions of District of Columbia banks or District of Columbia bank holding companies, as the case may be, by a bank holding company all the bank subsidiaries of which are District of Columbia banks.

Sec. 4. Exceptions.

New,  
D.C. Code, se  
26-803  
(1986 supp.)

A District of Columbia bank holding company, a District of Columbia bank, a regional bank holding company, or a regional bank may acquire or control, and shall not cease to be a District of Columbia bank holding company, a District of Columbia bank, a regional bank holding company, or a regional bank, as the case may be, by virtue of its acquisition or control of:

(1) A bank having banking offices in a state not within the region, if the bank has been acquired pursuant to the provisions of 12 U.S.C. 1730a(m) or 12 U.S.C. 1823(f);

(2) A bank having banking offices in a state not within the region, if the bank has been acquired in the regular course of securing or collecting a debt previously contracted in good faith, as provided in 12 U.S.C. 1842(a), and if the bank or bank holding company divests the securities or assets acquired within 2 years of the date of acquisition; or

(3) A bank or corporation organized under the laws of the United States or of any state and operating under 12 U.S.C. 601 or 12 U.S.C. 611-31, or a bank or bank holding company organized under the laws of a foreign



country that is principally engaged in business outside the United States and that either has no banking office in the United States or has banking offices in the United States that are engaged only in business activities permissible for a corporation operating under 12 U.S.C. 601 or sections 611-31.

Sec. 5. Council review of applications.

New,  
D.C. Code, se  
26-804  
(1986 supp.)

(a) No later than 30 days, exclusive of days of Council recess, prior to filing an application with the Federal Reserve Board for approval of an acquisition pursuant to 12 U.S.C. 1842, a regional bank holding company or District of Columbia bank holding company that seeks to acquire a District of Columbia bank holding company or a District of Columbia bank shall file a copy of the application required to be filed with the Federal Reserve Board, accompanied by a \$4,000 fee, with the Council of the District of Columbia. The Chairman of the Council shall refer the application immediately upon its receipt to the committee of the Council which has oversight of banking regulations.

(b) Upon recommendation of the committee, the Council may adopt a resolution offering comments on the proposed acquisition, or a resolution recommending Federal Reserve Board approval or disapproval of the application and explicitly stating the reasons for the recommendation. In reviewing applications, the committee shall consider the impact of the proposed acquisition on job creation, the availability of commercial banking services locally, local