

286.5-905 Acquisition of one or more associations wherever located -- Limitations -- Acquisition by out-of-state associations -- Merger or consolidation.

- (1) Any individual, or any Kentucky savings and loan association holding company, may acquire control of one (1) or more savings and loan associations or savings and loan association holding companies wherever located, except that no individual who on July 15, 1988, controls a savings and loan association or savings and loan association holding company wherever located, and no savings and loan association holding company wherever located, shall acquire, directly or indirectly, control of a Kentucky savings and loan association if the Kentucky savings and loan association was chartered after July 15, 1988, and if, at the time of the acquisition, the Kentucky savings and loan association has been in existence less than five (5) years. The provisions of this subsection shall not prohibit the organization of a one (1) savings and loan association holding company for the purpose of acquiring control of a savings and loan association even if the savings and loan association was chartered after July 15, 1988, and has been in existence less than five (5) years at the time of the acquisition.
- (2) No individual or savings and loan association holding company wherever located shall acquire control of any savings and loan association or savings and loan association holding company if, upon the acquisition, the individual or savings and loan association holding company would control Kentucky savings and loan associations holding more than fifteen percent (15%) of the total deposits in all Kentucky savings and loan associations as reported in the most recent year-end reports made by Kentucky savings and loan associations to their respective supervisory authorities which are available at the time of the acquisition.
- (3)
 - (a) During the period expiring five (5) years after July 15, 1988, no individual or corporation wherever located shall, directly or indirectly, by merger, consolidation, purchase or any other means, acquire control of a savings and loan association or savings and loan association holding company if as a result thereof such individual or corporation would acquire control of more than three (3) Kentucky savings and loan associations during any twelve (12) month period;
 - (b) However, a savings and loan association holding company wherever located, may acquire control of a savings and loan association holding company which has its principal place of business in this state and which controls more than three (3) Kentucky savings and loan associations under conditions approved by the commissioner which would require the following:
 1. That an acquisition made under this subsection shall be limited to only one (1) acquisition;
 2. That the Kentucky savings and loan associations acquired in excess of the three (3) Kentucky savings and loan associations per year limitation included in this acquisition shall be counted against future acquisitions during the remaining five (5) year period provided in this subsection; and

3. That the total Kentucky savings and loan association acquisitions by a savings and loan association holding company shall not exceed in the aggregate five (5) Kentucky savings and loan associations during any five (5) year period.
- (4) The limitations set forth in this section or any other provision of this subtitle or any regulation promulgated thereunder, as now in effect or amended after July 15, 1988, shall not apply to the acquisition of a Kentucky savings and loan association if, in his discretion, the commissioner, if the Kentucky savings and loan association is organized under the laws of this state, or the Federal Home Loan Bank Board, if the Kentucky savings and loan association is federally chartered, determines that an emergency exists and the acquisition is appropriate in order to prevent the probable failure of a Kentucky savings and loan association or savings and loan holding company having its principal place of business in this state which is closed or is in danger of closing.
- (5) Any savings and loan association holding company having its principal place of business in any state may acquire control of any Kentucky savings and loan association or of any savings and loan association holding company having its principal place of business in this state, if the state wherein the savings and loan association holding company has its principal place of business shall authorize the acquisition of control of a savings and loan association or savings and loan association holding company in that state by a savings and loan association holding company having its principal place of business in this state under conditions substantially no more restrictive than those imposed by this section;
- (6) The provisions of this section shall not be construed to prohibit or restrict the merger, consolidation or other acquisition of Kentucky savings and loan associations or of savings and loan association holding companies having their principal places of business in this state and the operation by the merged or consolidated corporation of the Kentucky savings and loan associations, nor to prohibit the sale of any savings and loan association or savings and loan association holding company to, and the purchase thereof by, any Kentucky savings and loan association or any savings and loan association holding company with its principal place of business in this state or the operation of the savings and loan association as a branch.

Effective: July 15, 1988

History: Created 1988 Ky. Acts ch. 156, sec. 2, effective July 15, 1988.

Formerly codified as KRS 289.905.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.