

## **CHAPTER 6-08.3 RECIPROCAL INTERSTATE BANKING**

### **6-08.3-01. Definitions.**

In this chapter, unless the context otherwise requires:

1. "Adequately capitalized" means a level of capitalization that meets or exceeds all applicable federal regulatory capital standards.
2. "Board" means the state banking board.
3. "Commissioner" means the commissioner of financial institutions.
4. "Default" means default as defined in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813].
5. "Deposit" means deposit as defined in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813].
6. "Depository institution" means depository institution as defined in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813].
7. "Depository institution holding company" means depository institution holding company as defined in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813].
8. "Federal reserve" means the board of governors of the federal reserve system or any successor thereto.
9. "In danger of default" means in danger of default as defined in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813].
10. "North Dakota deposits" means all deposits held at branches or offices located in this state of all depository institutions, based upon the public reports most recently filed with the appropriate regulatory agency.

### **6-08.3-02. Application to acquire a bank or bank holding company.**

Repealed by S.L. 1995, ch. 79, § 25.

#### **6-08.3-02.1. Application to acquire a state-chartered or national bank.**

An out-of-state bank holding company may acquire a North Dakota state-chartered or national bank pursuant to the approval process applicable for in-state acquisitions and under the conditions of this chapter. An out-of-state bank holding company shall provide notice to the board at the time an application or notice is filed with the applicable federal regulatory agency to acquire a North Dakota bank. Notwithstanding any provision to the contrary in this title, an out-of-state bank holding company that owned a depository institution as defined in section 6-08.3-01, the main office of which was located in this state on January 1, 1997, may reorganize that depository institution's North Dakota operations as a newly chartered state or national bank in this state.

### **6-08.3-03. Disapproval - Grounds.**

Repealed by S.L. 1995, ch. 79, § 25.

#### **6-08.3-03.1. Deposit limitation.**

1. A depository institution or depository institution holding company may not consolidate or merge with, or acquire a North Dakota depository institution or a depository institution holding company that controls a North Dakota depository institution if the federal reserve, comptroller of the currency, federal deposit insurance corporation, or office of thrift supervision, as the case may be, determines that the depository institution or a depository institution holding company will control more than twenty-five percent of North Dakota deposits.
2. The federal reserve, comptroller of the currency, or federal deposit insurance corporation, as the case may be, may approve an acquisition or merger under this title without regard to the limitations of this section, if the transaction involves an acquisition or merger:
  - a. Of one or more depository institutions in default or in danger of default; or

- b. With respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act [12 U.S.C. 1823(c)].

**6-08.3-04. New bank application.**

Repealed by S.L. 1997, ch. 92, § 3.

**6-08.3-05. Applicant capital requirement.**

Repealed by S.L. 1995, ch. 79, § 25.

**6-08.3-06. Notice of disapproval - Hearing.**

Repealed by S.L. 1995, ch. 79, § 25.

**6-08.3-07. Divestiture - Cease and desist.**

1. If a reciprocating state bank holding company makes an acquisition other than in full compliance with the requirements and procedures of this chapter, the board may, by order:
  - a. Immediately require the reciprocating state bank holding company to divest itself of its direct or indirect ownership or control of any bank located in this state; or
  - b. Require the reciprocating state bank holding company to cease and desist the violations by a certain date.
2. The order is subject to the procedures applicable to cease and desist proceedings under section 6-01-04.2 and any applicable rules.

**6-08.3-08. Supervision - Examinations.**

The commissioner may enter into cooperative and reciprocal agreements with federal or other state bank regulatory authorities for exchange or acceptance of reports of examination and other records from the authorities in lieu of conducting examinations of acquiring reciprocating state bank holding companies. The commissioner may enter into joint actions with federal or other state bank regulatory authorities to carry out responsibilities under this chapter and assure compliance with the laws of this state.

**6-08.3-09. Reports.**

A reciprocating state bank holding company that directly or indirectly, through any subsidiary, acquires a bank pursuant to this chapter shall file with the board copies of all regular and periodic reports that the bank holding company is required to file under section 13 or 15(d) of the Securities and Exchange Act of 1934, as amended [ch. 404; 48 Stat. 881; 15 U.S.C. 78m and 78o(d)], but excluding any portions not available to the public, and such other reports as the board may require by rule.

**6-08.3-09.1. Reporting requirements.**

An out-of-state bank holding company that filed an application under chapter 6-08.3 which was approved by the board before September 29, 1995, shall comply with the reporting requirements of section 6-08.3-09 for a period of five years from the date that the application was approved or longer if extended by the board due to noncompliance with the requirements of chapter 6-08.3 or order of the board approving the application.

**6-08.3-10. Public information and participation - Notice.**

Repealed by S.L. 1995, ch. 79, § 25.

**6-08.3-11. Exception.**

Repealed by S.L. 1995, ch. 79, § 25.

**6-08.3-12. Reporting of loans.**

Repealed by S.L. 1995, ch. 79, § 25.

**6-08.3-13. Interstate banking authorization.**

This chapter specifically authorizes, in accordance with section 3 of the Bank Holding Company Act of 1956 [12 U.S.C. 1842], and section 101 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 [Pub. L. 103-328; 108 Stat. 2338; 12 U.S.C. 1811 et seq.], interstate banking in this state. However, to the extent a state imposes a restriction on the ability of a North Dakota bank holding company to acquire a bank in that state and the restriction is based on the length of time either bank has existed, that restriction must apply to any acquisition of a North Dakota bank by a bank holding company located in that state but does not apply to any bank established in this state on July 31, 1997.

**6-08.3-14. Provisions not severable.**

Repealed by S.L. 1995, ch. 79, § 25.