

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

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HOUSE BILL 542  
Second Edition Engrossed 5/10/89

Short Title: Bank Holding Company Acquisitions.

(Public)

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Sponsors: Representative Duncan.

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Referred to: Commerce.

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March 13, 1989

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE REQUIRED PERIOD OF EXISTENCE FOR A NORTH  
CAROLINA BANK TO BE ACQUIRED BY A REGIONAL BANK HOLDING  
COMPANY.

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;

- 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~~two 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~~three  
10 years: Provided, that the Commissioner may approve the acquisition  
11 by a regional bank holding company of all or substantially all of the  
12 shares 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~~three years; and  
15 (4) The Commissioner makes the acquisition subject to any conditions,  
16 restrictions, requirements or other limitations that would apply to the  
17 acquisition by a North Carolina bank holding company of a bank or  
18 bank holding company in the state where the regional bank holding  
19 company making the acquisition has its principal place of business but  
20 that would not apply to the acquisition of a bank or bank holding  
21 company in such state by a bank holding company all the bank  
22 subsidiaries of which are located in that state."

23 Sec. 2. This act shall become effective July 1, 1989.