

VIRGINIA ACTS OF ASSEMBLY -- 2006 SESSION

CHAPTER 633

An Act to amend and reenact § 6.1-6.1 of the Code of Virginia, relating to bankers' banks.

[H 360]

Approved April 5, 2006

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-6.1 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-6.1. Bankers' bank; formation; applicability of banking code.

A. A bank may be incorporated as provided in § 6.1-6 for the purpose of becoming a bankers' bank. A bankers' bank is a bank whose shares shall be owned exclusively by either (i) a financial institution which has or is eligible for insurance of deposits by a federal agency or (ii) a financial institution holding company as defined in § 6.1-381 or a savings institution holding company as defined in § 6.1-194.87 owning any such aforementioned entity. No such financial institution or holding company may own directly or indirectly more than five percent of the issued and outstanding voting shares of any bankers' bank.

B. Except as specifically provided in this section or by regulation or order of the ~~State Corporation~~ Commission, a bankers' bank shall be vested with all of the powers and subject to all of the restrictions imposed upon a bank.

C. Notwithstanding any other provision in this title to the contrary, a bankers' bank shall only accept deposits from or make loans to (i) a financial institution which has or is eligible for insurance of deposits by a federal agency, (ii) *a bank in organization that has applied for insurance of deposits by a federal agency*, (iii) a financial institution holding company as defined in § 6.1-381 or a savings institution holding company as defined in § 6.1-194.87 owning any such aforementioned entity, ~~or (iii)~~ (iv) the officers, directors and employees of any such financial institution, *bank in organization* or holding company, (v) *any person referred to a banker's bank by a financial institution or by a bank in organization that has applied for insurance of deposits by a federal agency, or* (vi), *with the prior approval of the Commissioner of Financial Institutions and subject to such conditions as the Commissioner may impose, other persons.*

D. A bankers' bank may form a bank holding company upon compliance with the provisions of Chapter 13 (§ 6.1-381 et seq.) of this title and any applicable federal law.

E. A bankers' bank may purchase investments or securities of governments or private corporations which are traded on the open market such as are authorized to any other bank organized under the provisions of this chapter.