

VIRGINIA ACTS OF ASSEMBLY -- 1994 SESSION

CHAPTER 315

An Act to amend and reenact §§ 6.1-194.96 and 6.1-398 of the Code of Virginia, relating to interstate banks and savings institutions; holding companies' principal places of business.

[S 150]

Approved April 5, 1994

Be it enacted by the General Assembly of Virginia:

1. That §§ 6.1-194.96 and 6.1-398 of the Code of Virginia are amended and reenacted as follows:

§ 6.1-194.96. Definitions.

As used in this article and in Article 5 (§ 6.1-194.41 et seq.) of this chapter, unless a different meaning is required by the context, the following words or phrases shall have the following meanings:

"Acquire" means:

1. The merger or consolidation of one stock savings institution with another stock savings institution or of a savings institution holding company with another savings institution holding company;

2. The acquisition by a savings institution holding company or savings institution of direct or indirect ownership or control of voting shares of another savings institution holding company or a savings institution, if, after such acquisition, the savings institution holding company or savings institution making the acquisition will directly or indirectly own or control more than twenty-five percent of any class of voting shares of the other savings institution holding company or savings institution;

3. The direct or indirect acquisition by a savings institution holding company or by a savings institution of all or substantially all of the assets of another savings institution holding company or of another savings institution; or

4. Any other action that would result in direct or indirect control by a savings institution holding company or by a savings institution of another savings institution holding company or another savings institution.

"Savings institution" shall have the same meaning as set forth in § 6.1-194.2.

"Savings institution holding company" shall have the same meaning as set forth in subsection A of § 6.1-194.87.

"Principal place of business of a savings institution" shall be the state in which the largest amount of the deposits of the savings institution (*excluding deposits acquired as a result of the kinds of transactions described in § 6.1-194.100*) is located at the end of the last calendar year.

"Principal place of business of a savings institution holding company" shall be the state in which the largest amount of the deposits of the holding company's subsidiaries (*excluding deposits acquired as a result of the kinds of transactions described in § 6.1-194.100*) is located as of the end of the last calendar year.

"Region" means the states of Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia, and the District of Columbia (which for the purposes of this article shall be considered a state).

"Regional savings institution" means a savings institution:

1. That is organized under the laws of the United States or of one of the states in the region other than Virginia; and

2. At least eighty percent of whose deposits were initially deposited in offices located in states within the region.

"Regional savings institution holding company" means a savings institution holding company:

1. That has its principal place of business in a state within the region other than Virginia;

2. Whose financial institution subsidiaries located outside the region hold not greater than twenty percent of the total deposits held by all of its financial institution subsidiaries; and

3. That is not controlled by a savings institution holding company other than a regional savings institution holding company.

"Subsidiary" with respect to a savings institution holding company means:

1. Any company twenty-five percent or more of whose voting shares (excluding shares owned by the United States or by any company wholly owned by the United States) is directly or indirectly owned or controlled by such savings institution holding company, or is held by it with power to vote;

2. Any company the election of a majority of whose directors is controlled in any manner by such savings institution holding company; or

3. Any company with respect to the management or policies of which such savings institution holding company has the power, directly or indirectly, to exercise a controlling influence, as determined by the Commission, after notice and opportunity for hearing.

"Virginia savings institution" means a savings institution that:

1. Is organized under the laws of this Commonwealth or of the United States; and

2. Has deposit-taking offices located only in this Commonwealth.

"Virginia savings institution holding company" means a savings institution holding company:

1. That has its principal place of business in this Commonwealth;
2. Whose financial institution subsidiaries located outside the region hold not greater than twenty percent of the total deposits held by all of its financial institution subsidiaries; and
3. That is not controlled by a savings institution holding company other than a Virginia savings institution holding company.

§ 6.1-398. Definitions.

As used in this chapter, unless a different meaning is required by the context, the following words or phrases shall have the following meanings:

"Acquire" means:

1. The merger or consolidation of one bank holding company with another bank holding company;
2. 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 such acquisition, the bank holding company making the acquisition will directly or indirectly own or control more than five percent of any class of voting shares of the other bank holding company or the bank;
3. 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
4. Any other action that would result in direct or indirect control by a bank holding company of another bank holding company or a bank.
5. The term "acquire" does not permit the branching or merging of banks across state lines.

"Bank" shall mean an institution which has or is eligible for insurance of deposits by the Federal Deposit Insurance Corporation.

"Bank holding company" shall have the same meaning set forth in 12 U.S.C. § 1841 (a) (1).

"Control" shall have the same meaning set forth in 12 U.S.C. § 1841 (a) (2).

"Principal place of business of a bank holding company" shall be the state in which the largest amount of the deposits of its bank subsidiaries (excluding off-shore deposits *and deposits acquired or held as a result of the kinds of transactions or ownership described in § 6.1-401*) is located as of the end of the last calendar year.

"Region" means the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia, and the District of Columbia, which for the purposes of this chapter shall be considered a state.

"Regional bank" means a bank that:

1. Is organized under the laws of the United States or of one of the states in the region other than Virginia; and
2. Has its main office and all branches, if any (excluding off-shore branches), located only in states within the region.

"Regional bank holding company" means a bank holding company:

1. That has its principal place of business in a state within the region other than Virginia;
2. Whose regional bank and Virginia bank subsidiaries hold more than eighty percent of the total deposits held by all of its bank subsidiaries (excluding off-shore branches), other than bank subsidiaries controlled by it in accordance with § 6.1-401. For purposes of this computation, a bank created and acquired under § 6.1-392 shall be treated as a "regional bank." For purposes of this chapter, any deposit in a bank located outside of the region owned on January 1, 1985, by a bank holding company which would be a Virginia bank holding company on such date if this chapter were in effect, shall not be treated as a deposit of a subsidiary bank for purposes of applying the eighty-percent test set forth in this section or determining the total bank deposits or regional bank deposits held by subsidiary banks of a bank holding company;
3. That is not controlled by a bank holding company other than a regional bank holding company; and
4. That neither is controlled by nor is a foreign bank as defined in the International Banking Act of 1978 (12 U.S.C. § 3101 (7)) other than a foreign bank which has designated prior to January 1, 1984, a state within the region or the District of Columbia as its home state pursuant to 12 U.S.C. § 3103 (c).

"Subsidiary" with respect to a bank means:

1. Any company twenty-five percent or more of whose voting shares (excluding shares owned by the United States or by any company wholly owned by the United States) is directly or indirectly owned or controlled by such bank holding company, or is held by it with power to vote;
2. Any company the election of a majority of whose directors is controlled in any manner by such bank holding company; or
3. Any company with respect to the management or policies of which such bank holding company has the power, directly or indirectly, to exercise a controlling influence, as determined by the Commission, after notice and opportunity for hearing.

"Virginia bank" means a bank that:

1. Is organized under the laws of this Commonwealth or of the United States;

2. Has its main office and branches, if any (excluding off-shore branches), located only in this Commonwealth; and
3. Is not a bank acquired under the provisions of § 6.1-392.
"Virginia bank holding company" means a bank holding company:
 1. That has its principal place of business in this Commonwealth;
 2. Whose Virginia bank and regional bank subsidiaries hold more than eighty percent of the total deposits held by all of its bank subsidiaries, other than bank subsidiaries controlled by it in accordance with § 6.1-401; and
 3. That is not controlled by a bank holding company other than a Virginia bank holding company.