

# VIRGINIA ACTS OF ASSEMBLY -- 1998 SESSION

## CHAPTER 18

*An Act to amend and reenact § 6.1-13 of the Code of Virginia, relating to banking; certificate of authority.*

[S 87]

Approved March 9, 1998

**Be it enacted by the General Assembly of Virginia:**

**1. That § 6.1-13 of the Code of Virginia is amended and reenacted as follows:**

§ 6.1-13. Bank to obtain certificate of authority before beginning business; prerequisites to issuance of certificate.

A. Before any bank shall begin business it shall obtain from the State Corporation Commission a certificate of authority authorizing it to do so. Prior to the issuance of such certificate, the Commission shall ascertain:

1. That all of the provisions of law have been complied with;
2. That financially responsible individuals have subscribed for capital stock; *and* surplus ~~and a reserve for operation~~ in an amount deemed by the Commission to be sufficient to warrant successful operation, provided that the capital stock shall not be less than two million dollars, except that the capital stock shall not be less than \$500,000 for any trust company incorporated for the sole purpose of exercising fiduciary powers authorized by the provisions of Article 3 (§ 6.1-16 et seq.) of this chapter. The minimum capital stock requirement under this subdivision shall apply in cases in which a bank is being organized to begin business; it shall not be applicable when this section is referred to or used in connection with the conversion of an operating savings institution or national bank to a state bank, or when this section is used in connection with the reorganization of an operating bank under a holding company;
3. That oaths of all the directors have been taken and filed in accordance with the provisions of § 6.1-48;
4. That, in its opinion, the public interest will be served by banking facilities or additional banking facilities, as the case may be, in the community where the bank is proposed. The addition of such facilities shall be deemed in the public interest if, based on all relevant evidence and information, advantages such as, but not limited to, increased competition, additional convenience, or gains in efficiency outweigh possible adverse effects such as, but not limited to, diminished or unfair competition, undue concentration of resources, conflicts of interests, or unsafe or unsound practices;
5. That the corporation is formed for no other reason than a legitimate banking business;
6. That the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the proposed bank are such as to command the confidence of the community in which the bank is proposed to be located;
7. That its deposits are to be insured or guaranteed by a state or federal agency up to the limits of the insurance provided thereby, except that any trust company incorporated for the sole purpose of exercising fiduciary powers authorized by the provisions of Article 3 (§ 6.1-16 et seq.) of this chapter shall not be required to obtain such insurance and guarantees;
8. Anything else deemed pertinent.

B. The Commission shall not be required to ascertain the findings set forth in subdivisions 4, 5 and 7 of subsection A of this section in order to grant a certificate of authority to a bank which is formed for the purpose of its being acquired in accordance with the provisions of Chapter 14 (§ 6.1-390 et seq.) of this title.