

VIRGINIA ACTS OF ASSEMBLY -- 1999 SESSION

CHAPTER 95

An Act to amend and reenact § 6.1-194.12 of the Code of Virginia, relating to banking and finance; certificate of authority of a savings association to do business.

[H 1938]

Approved March 15, 1999

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-194.12 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-194.12. Certificate of authority to do business.

A. Before any organizing state association may begin business in the Commonwealth, it shall obtain from the Commission a certificate of authority to do so, and prior to the issuance of such certificate the Commission shall ascertain that:

1. All applicable provisions of law have been complied with;
2. In a mutual association, deposits in a total amount deemed by the Commission to be sufficient to warrant successful operation but not less than two million dollars, have been pledged or deposited and that such deposits shall not be withdrawable for at least one year, or, in a stock association, that financially responsible persons 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 have a paid-in value of not less than two million dollars. The minimum capital stock requirement under this subdivision shall apply in cases in which a state association 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 bank to a state association, or when this section is used in connection with the reorganization of an operating state association under a holding company;
3. Regulations governing directors of the association have been complied with;
4. The public interest will be served by the addition of the proposed savings institution facilities in the community where the savings institution is to be located; and
5. The officers and directors of the proposed savings institution are of (i) moral fitness, (ii) financial responsibility, and (iii) business ability.

As used herein, "public interest" shall have the meaning set forth in subdivision 4 of subsection A of § 6.1-13.

B. No certificate of authority shall be issued on or after June 1, 1973, unless the applicant for such certificate:

1. Submits evidence of being fully insured by the Federal Deposit Insurance Corporation or other federal insurance agency; or
2. Submits sufficient evidence of commitment by the Federal Deposit Insurance Corporation or other federal insurance agency that the applicant will be issued insurance of accounts immediately subsequent to the issuance of the certificate of authority.

The Commission may issue such certificate conditioned upon the fact that the association shall not commence to do business until it is issued insurance of accounts by the Federal Deposit Insurance Corporation or other federal insurance agency.

C. Any interested person may appeal to the Supreme Court of Virginia from any order of the Commission granting or denying such certificate of authority.