

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact § 6.2-816 of the Code of Virginia, relating to the organization of banks; minimum capital stock requirement.

[S 517]

Approved

Be it enacted by the General Assembly of Virginia:

1. That § 6.2-816 of the Code of Virginia is amended and reenacted as follows:

§ 6.2-816. Banks to obtain certificate of authority.

A. Before any bank shall begin business it shall obtain from the 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 in an amount deemed by the Commission to be sufficient to warrant successful operation. The amount of capital stock shall not be less than \$2 million, 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 (§ 6.2-819 et seq.) of this chapter. The minimum capital stock requirement under this subdivision (i) shall apply when a bank is being organized to begin business and (ii) shall not apply 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 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 § 6.2-863;

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 individuals named as officers and directors of the proposed bank are sufficient to command the confidence of the community where the bank is proposed;

7. That the bank's deposits are to be insured by a federal agency up to the limits of the insurance provided thereby; and

8. Anything else deemed pertinent.

B. The minimum capital stock requirement specified in subdivision A 2 shall not apply when this section is referred to or used in connection with:

1. The conversion of an operating savings institution or national bank to a state bank;

2. The reorganization of an operating bank under a holding company;

3. The issuance of a certificate of authority to a holding company to facilitate its merger with and into its subsidiary bank;

4. The issuance of a certificate of authority to a holding company to facilitate the merger of its subsidiary bank with and into the holding company;

5. The issuance of a certificate of authority to a holding company to facilitate the merger of both the holding company and its subsidiary bank with and into a newly formed entity; or

6. The issuance of a certificate of authority to a resulting bank following a merger described in subdivision B 3, B 4, or B 5, provided that such merger does not result in or involve a change of control as defined in § 6.2-701.

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