

ATTENTION : JOE BRUNO

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OR
CON HURLEY

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98th CONGRESS
1st Session

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. Tsongas introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To authorize interstate banking among the New England States and
to require a report to the Congress concerning the use of the
authority conferred by this Act.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled,

3 Section 1. This Act may be cited as the "New England
4 Interstate Banking Act of 1983".

5 Sec. 2. The first sentence of subsection (c) of section
6 5155 of the Revised Statutes (12 U.S.C. 36) is amended--

7 (1) by striking out "and" before "(2)";

8 (2) by inserting before the period the following: "

9 and

10 (3) in the case of a national banking association the
11 main office of which is located in Massachusetts,
12 Connecticut, Rhode Island, Maine, Vermont, or New
13 Hampshire, within any of such States in which such
14 establishment and operation are at the time authorized to
15 State banks by the statute law of both States by language
16 specifically granting such authority affirmatively and
17 not merely by implication or recognition, and subject to
18 any restriction as to location imposed by the laws of the
19 States on State banks".

20 Sec. 3. Section 7 of the Bank Holding Company Act of 1956

1 (12 U.S.C. 1846) is amended by inserting "(a)" after "Sec.
2 7." and by adding at the end thereof the following:

3 "(b) In considering an application filed pursuant to
4 section 3 of this Act, the Board shall give effect to any
5 laws of Massachusetts, Connecticut, Rhode Island, Maine,
6 Vermont, or New Hampshire which permit a bank holding company
7 whose banking operations are principally conducted in any of
8 such States to acquire, directly or indirectly, any voting
9 shares of, interest in, or all or substantially all of the
10 assets of any additional bank located in any other of those
11 States."

12 Sec. 4. Section 5 (r) of the Home Owners' Loan Act of
13 1933 (12 U.S.C. 1464 (r)) is amended by adding at the end
14 thereof the following:

15 "(4) An association the home office of which is located
16 in Massachusetts, Connecticut, Rhode Island, Maine, Vermont,
17 or New Hampshire may establish and operate a branch in any of
18 such States where the establishment and operation of a branch
19 by an out-of-State association are authorized by statute in
20 language specifically granting such authority affirmatively
21 and not merely by implication or recognition, and subject to
22 any restriction as to location imposed by the laws of the
23 State on State associations."

24 Sec. 5. Section 408 (e) (3) (B) of the National Housing
25 Act (12 U.S.C. 1730a (e) (3) (B)) is amended by inserting
26 before the period at the end thereof the following: ",
27 except that the Corporation shall give effect to any laws of
28 Massachusetts, Connecticut, Rhode Island, Maine, Vermont, or
29 New Hampshire which permit a savings and loan holding company
30 whose operations are principally conducted in any of such
31 States to acquire, directly or indirectly, any voting shares
32 of, interest in, or all or substantially all of the assets of
33 any additional association located in any other of those
34 States".

1 Sec. 6. Section 18 (d) of the Federal Deposit Insurance
2 Act (12 U.S.C. 1828 (d)) is amended by adding at the end
3 thereof the following:

4 “(3) In considering the application of any State
5 nonmember bank whose main office is located in Massachusetts,
6 Connecticut, Rhode Island, Maine, Vermont, or New Hampshire
7 to establish a branch in any other of such States, the
8 Corporation shall give effect to any laws of such States
9 under which the establishment and operation of a branch by an
10 out-of-State nonmember bank are authorized by statute in
11 language specifically granting such authority affirmatively
12 and not merely by implication or recognition and subject to
13 the restrictions as to location imposed by the laws of the
14 State on State nonmember insured banks.”.

15 Sec. 7. Section 18 (c) (5) of the Federal Deposit
16 Insurance Act (12 U.S.C. 1828 (c) (5)) is amended--

17 (1) by redesignating subparagraphs (A) and (B) as
18 clauses (i) and (ii), respectively;

19 (2) by inserting “(A)” after “(5)”; and

20 (3) by adding at the end thereof the following:

21 “(B) In reviewing any merger transaction
22 involving a bank the main office of which is located
23 in Massachusetts, Connecticut, Rhode Island, Maine,
24 Vermont, or New Hampshire, the responsible agency
25 shall give effect to the laws of such States under
26 which a merger transaction involving a bank from one
27 such State and a bank from another such State is
28 authorized by statute in language specifically
29 granting such authority affirmatively and not merely
30 by implication or recognition and subject to any
31 restriction as to location imposed by the laws of the
32 States in question.”.

33 Sec. 8. Section 5 (d) (11) of the Home Owners' Loan Act
34 of 1933 (12 U.S.C. 1464 (d) (11)) is amended--

1 (1) by inserting "(A)" after "(11)"; and

2 (2) by adding at the end thereof the following:

3 "(B) In considering any reorganization or merger
4 involving an association whose home office is located
5 in Massachusetts, Connecticut, Rhode Island, Maine,
6 Vermont, or New Hampshire, the Board shall give
7 effect to the laws of such States under which a
8 reorganization or merger involving an association
9 from one such State and an association or other
10 financial institution from another such State is
11 authorized by statute in language specifically
12 granting such authority affirmatively and not merely
13 by implication or recognition and subject to any
14 restriction as to location imposed by the laws of the
15 States in question."

16 Sec. 9. (a) Effective upon the expiration of ^{five}~~three~~ years
17 after the date of enactment of this Act--

18 (1) section 5155 (c) (3) of the Revised Statutes, as
19 added by section 2 of this Act, is repealed;

20 (2) section 7 (b) of the Bank Holding Company Act of
21 1956, as added by section 3 of this Act, is repealed;

22 (3) section 5 (r) (4) of the Home Owners' Loan Act of
23 1933, as added by section 4 of this Act, is repealed;

24 (4) that part of section 408 (e) (3) of the National
25 Housing Act which was added by section 5 of this Act is
26 repealed;

27 (5) section 18 (d) (3) of the Federal Deposit
28 Insurance Act, as added by section 6 of this Act, is
29 repealed;

30 (6) section 18 (c) (5) (B) of the Federal Deposit
31 Insurance Act, as added by section 7 of this Act, is
32 repealed; and

33 (7) section 5 (d) (11) (B) of the Home Owners' Loan
34 Act of 1933, as added by section 8 of this Act, is

1 repealed.

2 (b) The repeal or termination by subsection (a) of any
3 amendment made by this Act shall have no effect on any action
4 taken or authorized while such amendment was in effect. Any
5 bank or other institution the shares or assets of which are
6 acquired in reliance upon the amendments made by this Act
7 shall after repeal of the amendments made by this Act have
8 the same powers with respect to the establishment of branch
9 offices and merger or consolidation with other institutions,
10 as it would have had its shares or assets not been so
11 acquired.

12 Sec. 10. (a) The President, in consultation with the
13 Attorney General, the Secretary of the Treasury, the Board of
14 Governors of the Federal Reserve System, the Comptroller of
15 the Currency, and the Federal Deposit Insurance Corporation,
16 shall transmit a report to the Congress concerning the
17 effect, if any, that this Act has had on the financial,
18 economic, and banking environment of Massachusetts,
19 Connecticut, Rhode Island, Maine, Vermont, and New Hampshire
20 and on particular banks, bank holding companies, savings and
21 loan associations, and savings banks in those States. There
22 shall be included in this report legislative recommendations
23 as to whether the sunset provisions of section 4 should be
24 allowed to take effect.

25 (b) The report required by subsection (a) shall be
26 transmitted to the Congress not later than ⁴~~2~~ years after the
27 date of enactment of this Act.