

98TH CONGRESS
1ST SESSION

S. 1002

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.

IN THE SENATE OF THE UNITED STATES

APRIL 7 (legislative day, APRIL 5), 1983

Mr. TSONGAS introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

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 Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. This Act may be cited as the "New Eng-
4 land 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)"; and

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

9 and

1 (3) in the case of a national banking association
2 the main office of which is located in Massachusetts,
3 Connecticut, Rhode Island, Maine, Vermont, or New
4 Hampshire, within any of such States in which such
5 establishment and operation are at the time authorized
6 to State banks by the statute law of both States by
7 language specifically granting such authority affirma-
8 tively and not merely by implication or recognition,
9 and subject to any restriction as to location imposed by
10 the laws of the States on State banks”.

11 SEC. 3. Section 7 of the Bank Holding Company Act of
12 1956 (12 U.S.C. 1846) is amended by inserting “(a)” after
13 “SEC. 7.” and by adding at the end thereof the following:
14 “(b) In considering an application filed pursuant to sec-
15 tion 3 of this Act, the Board shall give effect to any laws of
16 Massachusetts, Connecticut, Rhode Island, Maine, Vermont,
17 or New Hampshire which permit a bank holding company
18 whose banking operations are principally conducted in any of
19 such States to acquire, directly or indirectly, any voting
20 shares of, interest in, or all or substantially all of the assets of
21 any additional bank located in any other of those States.”.

22 SEC. 4. Section 5(r) of the Home Owners’ Loan Act of
23 1933 (12 U.S.C. 1464(r)) is amended by adding at the end
24 thereof the following:

1 “(4) An association the home office of which is located
2 in Massachusetts, Connecticut, Rhode Island, Maine, Ver-
3 mont, or New Hampshire may establish and operate a branch
4 in any of such States where the establishment and operation
5 of a branch by an out-of-State association are authorized by
6 statute in language specifically granting such authority
7 affirmatively and not merely by implication or recognition,
8 and subject to any restriction as to location imposed by the
9 laws of the State on State associations.”.

10 SEC. 5. Section 408(e)(3)(B) of the National Housing
11 Act (12 U.S.C. 1730a(e)(3)(B)) is amended by inserting
12 before the period at the end thereof the following: “, except
13 that the Corporation shall give effect to any laws of Massa-
14 chusetts, Connecticut, Rhode Island, Maine, Vermont, or
15 New Hampshire which permit a savings and loan holding
16 company whose operations are principally conducted in any
17 of such States to acquire, directly or indirectly, any voting
18 shares of, interest in, or all or substantially all of the assets of
19 any additional association located in any other of those
20 States”.

21 SEC. 6. Section 18(d) of the Federal Deposit Insurance
22 Act (12 U.S.C. 1828(d)) is amended by adding at the end
23 thereof the following:

24 “(3) In considering the application of any State non-
25 member bank whose main office is located in Massachusetts,

1 Connecticut, Rhode Island, Maine, Vermont, or New Hamp-
2 shire to establish a branch in any other of such States, the
3 Corporation shall give effect to any laws of such States under
4 which the establishment and operation of a branch by an out-
5 of-State nonmember bank are authorized by statute in lan-
6 guage specifically granting such authority affirmatively and
7 not merely by implication or recognition and subject to the
8 restrictions as to location imposed by the laws of the State on
9 State nonmember insured banks.”.

10 SEC. 7. Section 18(c)(5) of the Federal Deposit Insur-
11 ance Act (12 U.S.C. 1828(c)(5)) is amended—

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

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

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

16 “(B) In reviewing any merger transaction in-
17 volving a bank the main office of which is located
18 in Massachusetts, Connecticut, Rhode Island,
19 Maine, Vermont, or New Hampshire, the respon-
20 sible agency shall give effect to the laws of such
21 States under which a merger transaction involving
22 a bank from one such State and a bank from an-
23 other such State is authorized by statute in lan-
24 guage specifically granting such authority affirma-
25 tively and not merely by implication or recogni-

1 tion and subject to any restriction as to location
2 imposed by the laws of the States in question.”.

3 SEC. 8. Section 5(d)(11) of the Home Owners' Loan Act
4 of 1933 (12 U.S.C. 1464(d)(11)) is amended—

5 (1) by inserting “(A)” after “(11)”; and

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

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

20 SEC. 9. (a) Effective upon the expiration of five years
21 after the date of enactment of this Act—

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

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

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

6 (4) that part of section 408(e)(3) of the National
7 Housing Act which was added by section 5 of this Act
8 is repealed;

9 (5) section 18(d)(3) of the Federal Deposit Insur-
10 ance Act, as added by section 6 of this Act, is re-
11 pealed;

12 (6) section 18(c)(5)(B) of the Federal Deposit In-
13 surance Act, as added by section 7 of this Act, is re-
14 pealed; and

15 (7) section 5(d)(11)(B) of the Home Owners' Loan
16 Act of 1933, as added by section 8 of this Act, is re-
17 pealed.

18 (b) The repeal or termination by subsection (a) of any
19 amendment made by this Act shall have no effect on any
20 action taken or authorized while such amendment was in
21 effect. Any bank or other institution the shares or assets of
22 which are acquired in reliance upon the amendments made by
23 this Act shall after repeal of the amendments made by this
24 Act have the same powers with respect to the establishment
25 of branch offices and merger or consolidation with other insti-

1 tutions, as it would have had its shares or assets not been so
2 acquired.

3 SEC. 10. (a) The President, in consultation with the At-
4 torney General, the Secretary of the Treasury, the Board of
5 Governors of the Federal Reserve System, the Comptroller
6 of the Currency, and the Federal Deposit Insurance Corpora-
7 tion, shall transmit a report to the Congress concerning the
8 effect, if any, that this Act has had on the financial, eco-
9 nomic, and banking environment of Massachusetts, Connecti-
10 cut, Rhode Island, Maine, Vermont, and New Hampshire
11 and on particular banks, bank holding companies, savings and
12 loan associations, and savings banks in those States. There
13 shall be included in this report legislative recommendations
14 as to whether the sunset provisions of section 4 should be
15 allowed to take effect.

16 (b) The report required by subsection (a) shall be trans-
17 mitted to the Congress not later than four years after the
18 date of enactment of this Act.

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