

CHAPTER 33

PROPOSED INTERSTATE ACQUISITION

Authority

N.J.S.A. 17:12B-226 and 289.

Source and Effective Date

R.1994 d.560, effective November 7, 1994.
See: 26 N.J.R. 3235(a), 26 N.J.R. 4349(a).

Executive Order No. 66(1978) Expiration Date

Chapter 33, Proposed Interstate Acquisition, expires on November 7, 1999.

Chapter Historical Note

Chapter 33, Proposed Interstate Acquisition, was adopted as R.1989 d.500, effective September 18, 1989. See: 21 N.J.R. 814(a), 21 N.J.R. 2957(a). Pursuant to Executive Order No. 66(1978), Chapter 33 expired on September 18, 1994, and subsequently was adopted as new rules by R.1994 d.560. See: Source and Effective Date.

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SUBCHAPTER 1. DETERMINATION OF ELIGIBILITY

3:33-1.1 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Applicant" means any out-of-State insured institution or out-of-State savings and loan holding company filing an application hereunder to acquire a New Jersey insured institution or New Jersey savings and loan holding company.

"Central-Atlantic Region" means the states of New Jersey, Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, Missouri, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, Wisconsin and the District of Columbia.

"Commissioner" means the New Jersey Commissioner of Banking.

"Control" shall have the meanings set forth in section 408(a) of the "National Housing Act", as amended (12 U.S.C. § 1730a).

"Eligible insured institution" means an insured institution:

1. Located in an eligible state other than New Jersey, which state has reciprocal legislation in effect;
2. Which is not directly or indirectly controlled by an insured institution located outside of an eligible state or by a savings and loan holding company located outside of an eligible state; and
3. Which has at least 75 percent of the total aggregate deposits of the insured institution and of the savings and loan subsidiaries of a savings and loan holding company directly or indirectly controlling the insured institution, if any, in an eligible state or states.

"Eligible savings and loan holding company" means a savings and loan holding company:

1. Located in an eligible state, other than New Jersey, which has reciprocal legislation in effect;
2. Which is not directly or indirectly controlled by a savings and loan holding company located outside of an eligible state; and
3. Which has at least 75 percent of the total aggregate deposits of its savings and loan subsidiaries in savings and loan subsidiaries located in an eligible state or states.

"Eligible state" means:

1. Any state in the Central-Atlantic Region, when at least two of those states, in addition to New Jersey, each of which has at least \$20,000,000,000 in insured institution deposits, have reciprocal legislation in effect; and
2. Any state or territory of the United States, when at least 13 states in addition to New Jersey, of which at least four, other than New Jersey, are among the 10 states, other than New Jersey, with the largest amount of insured institution deposits, have reciprocal legislation in effect.

"Insured institution" shall have the meanings set forth in Section 408(a) of the "National Housing Act", as amended (12 U.S.C. § 1730(a)), and shall also include Federal savings banks whose accounts are insured by the Federal Savings and Loan Insurance Corporation, as defined in 12 CFR § 561.1.

"Insured institution deposits" means the total domestic deposits in insured institutions in each state according to the most recent available statistics of the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank System or, if those statistics are not available, from sources designated by the commissioner.

"Located" means:

1. When referring to an insured institution, the state in which the amount of aggregate deposits of all of its offices in that state is greater than the amount of aggregate deposits of all of its offices in any one other state or foreign jurisdiction; or

2. When referring to a savings and loan holding company, the state in which the amount of aggregate deposits of all of its savings and loan subsidiaries in that state is greater than the amount of aggregate deposits of all its savings and loan subsidiaries in any one other state or foreign jurisdiction.

"New Jersey insured institution" means an insured institution located in New Jersey.

"New Jersey savings and loan holding company" means a savings and loan holding company located in New Jersey.

"Out-of-State insured institution" means an insured institution located outside of New Jersey.

"Out-of-State savings and loan holding company" means a savings and loan holding company located outside of New Jersey.

"Reciprocal legislation" means statutory law of a state, including the District of Columbia, which authorizes or permits a New Jersey insured institution or a New Jersey savings and loan holding company, or both, to acquire insured institutions or savings and loan holding companies, or both, located in that state on terms and conditions substantially the same as the terms and conditions pursuant to which an insured institution or savings and loan holding company located in that state may acquire insured institutions or savings and loan holding companies, or both, located in that state. The fact that the law of that other state imposes limitations or restrictions on the acquisition of insured institutions or savings and loan holding companies, or both, located in that state by a New Jersey insured institution or New Jersey savings and loan holding company, or both, shall not necessarily mean that the law of that state is not reciprocal legislation; provided, however, that if the law of the other state limits acquisitions by a New Jersey insured institution or New Jersey savings and loan holding company, or both, to insured institutions or savings and loan holding companies, or both, which are not in competition with insured institutions or savings and loan holding companies, or both, located in or chartered by that state or to insured institutions or savings and loan holding companies which do not have customary deposit and commercial loan powers, the law of that other state shall not be reciprocal legislation. If the reciprocal legislation of that other state imposes limitations or restrictions on the acquisition or ownership of an insured institution or savings and loan holding company located in that state by a New Jersey insured institution or New Jersey savings and loan holding company, or both, substantially the same limitations and restrictions shall be applicable to the eligible insured institution or eligible savings and loan holding company, or both, located in that other state with respect to its acquisition of New Jersey insured institutions or New Jersey savings and loan holding companies, or both.

"Savings and loan holding company" shall have the meanings set forth in section 408(a) of the "National Housing Act", as amended (12 U.S.C. § 1730(a)).

"Savings and loan subsidiary" shall have the meanings set forth in N.J.S.A. 17:12B-278b.

"State" includes, but shall not be limited to, the District of Columbia.

"Subsidiary" shall have the meanings set forth in N.J.S.A. 17:12B-281f.

3:33-1.2 Content of application

(a) Any out-of-State insured institution or out-of-State savings and loan holding company proposing to acquire and retain control of a New Jersey insured institution or a New Jersey savings and loan holding company pursuant to N.J.S.A. 17:12B-278 et seq. shall submit an application to the Commissioner. The application shall comply with N.J.S.A. 17:12B-279 and shall contain the following information:

1. The name and location of the applicant;
2. The name and location of each New Jersey insured institution or New Jersey savings and loan holding company to be acquired;
3. Certified copies of:
 - i. The board resolution of the applicant authorizing the proposed acquisition of each New Jersey insured institution or New Jersey savings and loan holding company; and
 - ii. The board resolution of each New Jersey insured institution or New Jersey savings and loan holding company approving the proposed acquisition if such approval has been adopted;
4. A schedule reflecting the name, location and total aggregate deposits of each savings and loan subsidiary of the applicant, as of the date of the last thrift financial report required by the Department;
5. Copies of the current reciprocal legislation of each of the states in which a savings and loan subsidiary of the applicant is located;
6. A listing of any limitations or restrictions on the acquisition or ownership of an insured institution or savings and loan holding company in the state in which the applicant is located that would be imposed on the acquisition of an insured institution or savings and loan holding company in that state by a New Jersey insured institution or New Jersey savings and loan holding company;

7. The name and location of any out-of-State insured institution or out-of-State savings and loan holding company that has direct or indirect control of the applicant. A controlling out-of-State insured institution or out-of-State savings and loan holding company shall submit the information which is prescribed in the application to assist the Commissioner in determining whether the controlling out-of-State insured institution or savings and loan holding company is an eligible insured institution or eligible savings and loan holding company;

8. If the applicant has formally filed for the acquisition of any additional insured institution subsidiaries with the State of New Jersey or with any agency of another state or of the Federal government, the applicant shall submit to the Commissioner the information required by those applications; and

9. The applicant shall submit a statement that it will notify the Commissioner in the event it subsequently obtains or divests control of any insured institution or savings and loan holding company, or if another insured institution or savings and loan holding company obtains direct or indirect control of the applicant.

3:33-1.3 Determination of eligibility

(a) Within 30 days after receipt of a completed application for determination of compliance with the requirements of N.J.S.A. 17:12B-279 and this subchapter, the Commissioner shall issue a determination:

1. Whether the out-of-State insured institution or out-of-State savings and loan holding company is an eligible insured institution or eligible savings and loan holding company;

2. Whether the out-of-State insured institution or out-of-State savings and loan holding company has more than 50 percent of the total aggregate deposits of its insured institution subsidiaries in insured institution subsidiaries located in an eligible state or states, each of which has reciprocal legislation in effect; and

3. Whether any limitations or restrictions on acquisition or ownership shall be applicable with respect to the proposed transaction, and a description of those limitations or restrictions, if any.

(b) If the Commissioner disapproves the application, the applicant may, within 10 days of receipt of a notice of disapproval, ask the Commissioner in writing to hold a hearing on the proposed acquisition. The hearing shall be held in accordance with the provisions of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

3:33-1.4 Fees

(a) The following fees shall be paid to the Commissioner relative to the application required by N.J.A.C. 3:33-1.3:

1. Filing of application: \$1,500.

2. Issuance by the Commissioner of a determination that the proposed acquisition would be in compliance with the requirements of N.J.S.A. 17:12B-279, if it were consummated and approved by all applicable persons and/or regulatory authorities: \$100.00.

(b) For a request for a hearing pursuant to N.J.A.C. 3:33-1.3(b), a fee of \$2,500 must accompany the request.