

CHAPTER 13

BANK HOLDING COMPANIES

Authority

N.J.S.A. 17:1-8, 17:1-8.1, 17:1-15e; 17:9A-8.1 et seq., 17:9A-382 et seq. and 17:12B-292 et seq.

Source and Effective Date

R.2002 d.244, effective July 3, 2002.
See: 34 N.J.R. 815(a), 34 N.J.R. 2781(a).

Chapter Expiration Date

Chapter 13, Bank Holding Companies, expires on July 3, 2007.

Chapter Historical Note

Chapter 13, Bank Holding Companies, was adopted as Subchapter 1, Bank Holding Company Applications; Subchapter 2, Bank Holding Company Reporting; and Subchapter 3, Bank Holding Company Examinations by R.1986 d.459, and R.1986 d.458, respectively, effective November 17, 1986. See: 18 N.J.R. 1434(a), 18 N.J.R. 1763(a), 18 N.J.R. 2324(a), 18 N.J.R. 2325(a).

Subchapter 4, Determination of Eligibility of Proposed Interstate Acquisition, was adopted as R.1986 d.475, effective December 15, 1986. See: 18 N.J.R. 1982(a), 18 N.J.R. 2441(a), 19 N.J.R. 289(a).

Pursuant to Executive Order No. 66(1978), Chapter 13, Bank Holding Companies, expired on November 17, 1991.

Chapter 13, Bank Holding Companies, was adopted as R.1992 d.40, effective January 21, 1992. See: 23 N.J.R. 2904(a), 24 N.J.R. 229(a).

Subchapter, 5, Mutual Savings Bank Holding Companies, was adopted as new rules by R.1994 d.373, effective July 18, 1994. See: 26 N.J.R. 1213(a), 26 N.J.R. 2892(b).

Subchapter 4, Determination of Eligibility of Proposed Interstate Acquisition, was repealed by R.1996 d.483, effective October 7, 1996. See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).

Pursuant to Executive Order No. 66(1978), Chapter 13, Bank Holding Companies, was readopted as R.1997 d.70, effective January 21, 1997. See: 28 N.J.R. 4831 (a), 29 N.J.R. 547(a).

Chapter 13, Bank Holding Companies, was readopted as R.2002 d.244, effective July 3, 2002. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 1. BANK HOLDING COMPANY APPLICATIONS

3:13-1.1 Definitions

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

“Affiliate” means any company that controls, is controlled by, or is under common control with another company.

“Bank” shall have the same definition as provided in section 2 of the Federal “Bank Holding Company Act of 1956,” 12 U.S.C. § 1841.

“Bank holding company” has the meaning set forth in subsection (a) of section 2 of the Federal “Bank Holding Company Act of 1956,” 12 U.S.C. § 1841(a) and, unless the context requires otherwise, includes a New Jersey bank holding company, an out-of-State bank holding company and a foreign bank holding company.

“Bank supervisory agency” means any of the following:

1. The Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and any successor to these agencies; and
2. Any agency of another state with primary responsibility for chartering and supervising banks.

“Branch” means an office, unit, station, facility, terminal, space or receptacle at a fixed location other than a principal office, however designated, at which any business that may be conducted in a principal office of a bank or savings bank may be transacted. “Branch office” includes full branch offices, minibranch offices and communication terminal branch offices.

"Commissioner" means the Commissioner of the New Jersey Department of Banking and Insurance.

"Company" has the meaning set forth in section 2 of the Federal "Bank Holding Company Act of 1956," 12 U.S.C. § 1841.

"Control" of a bank or bank holding company means control as defined in paragraph (2) of subsection (a) of the Bank Holding Company Act of 1956, 12 U.S.C. § 1841(a)(2).

"Foreign bank holding company" means a bank holding company that is organized under the laws of a country other than the United States, including any territory or possession thereof.

"Department" means the New Jersey Department of Banking and Insurance.

"Internal reorganization" means the repositioning of a bank or bank holding company within an affiliated family of entities under common control with no change of the ultimate control.

"New Jersey bank" means a bank that is:

1. Organized under New Jersey law, N.J.S.A. 17:9A-1 et seq.; or
2. Organized under Federal law and having its principal place of business in this State.

"New Jersey bank holding company" means a bank holding company that:

1. Has its principal place of business in this State; and
2. Is not controlled by a bank holding company other than a New Jersey bank holding company.

"Out-of-State bank holding company" means:

1. A bank holding company that is not a New Jersey bank holding company; and
2. Unless the context requires otherwise, includes a foreign bank holding company.

"Person" includes individuals, corporations, associations, societies, firms, partnerships, joint stock companies, trusts and any other group of persons, however organized.

"Subsidiary" shall have the meaning set forth in section 2 of the Federal "Bank Holding Company Act of 1956," 12 U.S.C. § 1841.

"United States" means the United States and includes any of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, and the Virgin Islands.

Recodified from 3:13-1.2 and amended by R.1996 d.483, effective October 7, 1996.

See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).

Former section, "Scope and purpose", repealed.

Amended by R.1997 d.70, effective February 18, 1997.

See: 28 N.J.R. 4831(a), 29 N.J.R. 547(a).

Added "Department"; and amended "Branch" and "Commissioner".

Amended by R.2003 d.53, effective February 3, 2003.

See: 34 N.J.R. 3152(a), 35 N.J.R. 607(a).

Added "Internal reorganization".

3:13-1.2 Application

(a) An application, except as provided in (e) below, to acquire a New Jersey bank or New Jersey bank holding company shall contain the following information on a form provided by the Department:

1. The name and location of the person proposing to acquire the New Jersey bank or New Jersey bank holding company;
2. The name and location of the New Jersey bank or New Jersey bank holding company;
3. Certified copies of:
 - i. The board resolution of the person authorizing the proposed acquisition of the New Jersey bank or New Jersey bank holding company; and
 - ii. The board resolution of the New Jersey bank or New Jersey bank holding company being acquired approving the proposed acquisition, when such approval has been adopted;
4. A list of any New Jersey banks affiliated with the applicant;
5. If an out-of-State bank holding company, proof that the applicant has complied with or is exempted from the requirements of N.J.S.A. 14A:13-3 and 4 requiring registration by foreign corporations doing business in this State; and
6. An application fee of \$1,000.

(b) Upon receipt of a completed application, the Department shall send notice to the applicant and to the New Jersey Bankers Association, the New Jersey League of Community Bankers, and/or their successor organizations, if any, for publication in their weekly bulletins.

(c) The applicant shall publish notice of the application in a newspaper of general circulation which is published and circulated in the municipality in which the principal place of business is located.

(d) The notices required by (b) and (c) above shall contain the following:

1. The name and mailing address of the applicant;
2. A brief statement of the nature of the application;
3. The name and address of the New Jersey Bank or New Jersey Bank Holding Company to be acquired; and

4. The date the Department accepted the application.

(e) An application involving only an internal reorganization shall be required to contain only the information listed in (a)1 and 2 above. The application may be submitted in letter form and shall be deemed to be approved 10 days from receipt by the Department unless the Department notifies the applicant otherwise. In evaluating an application, the Commissioner shall disapprove the application if, in his or her judgement, the internal reorganization negatively affects the safety and soundness of the bank, bank holding company or any affiliate.

New Rule, R.1996 d.483, effective October 7, 1996.
See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).

Former N.J.A.C. 3:13-1.2, "Definitions", recodified to 3:13-1.1.
Amended by R.1997 d.70, effective February 18, 1997.
See: 28 N.J.R. 4831(a), 29 N.J.R. 547(a).
Amended by R.2002 d.244, effective August 5, 2002.
See: 34 N.J.R. 815(a), 34 N.J.R. 2781(a).

Rewrote (b).
Amended by R.2003 d.53, effective February 3, 2003.
See: 34 N.J.R. 3152(a), 35 N.J.R. 607(a).

In (a), substituted "except as provided in (e) below" for "by a person" and inserted "information on a form provided by the Department" following "following" in the introductory paragraph, deleted 1, recodified existing 2 through 4 as 1 through 3 and 5 through 7 as 4 through 6; added (e).

3:13-1.3 (Reserved)

Amended by R.1992 d.40, effective January 21, 1992.
See: 23 N.J.R. 2904(a), 24 N.J.R. 229(a).

Deleted (a); redesignated (b)-(c) as (a)-(b) without change.
Repealed by R.1996 d.483, effective October 7, 1996.
See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).
Section was "Initial registration".

3:13-1.4 (Reserved)

Repealed by R.1996 d.483, effective October 7, 1996.
See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).
Section was "Annual registration".

3:13-1.5 (Reserved)

Repealed by R.1996 d.483, effective October 7, 1996.
See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).
Section was "Notification of change".

3:13-1.6 (Reserved)

Repealed by R.1996 d.483, effective October 7, 1996.
See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).
Section was "Registration fee".

SUBCHAPTER 2. BANK HOLDING COMPANY REPORTING

3:13-2.1 Purpose and scope

This subchapter requires filing of financial reports by all persons or companies controlling New Jersey banks or New Jersey bank holding companies. This subchapter will enable the Commissioner to monitor the activities of individuals

and companies that control New Jersey banks or New Jersey bank holding companies.

Amended by R.1996 d.483, effective October 7, 1996.
See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).

3:13-2.2 Definitions

The words and terms defined at N.J.A.C. 3:13-1.1 when used in this subchapter, shall have the meanings set forth in N.J.A.C. 3:13-1.1, unless the context clearly indicates otherwise.

New Rule, R.1992 d.40, effective January 21, 1992.
See: 23 N.J.R. 2904(a), 24 N.J.R. 229(a).

Old section 3:13-2.2, "Reporting for bank holding companies", recodified to 3:13-2.3 without change.
Amended by R.1996 d.483, effective October 7, 1996.
See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).

3:13-2.3 Reporting for bank holding companies

(a) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is required to file with the Federal Reserve System form FR Y-9C entitled "Consolidated Financial Statements for Bank Holding Companies with total consolidated assets of \$150,000,000 or more or with more than one subsidiary bank," shall concurrently file a copy of its June 30 and December 31 report with the Commissioner. A filing fee of \$50.00 shall accompany the submitted reports.

(b) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is required to file with the Federal Reserve System form FR Y-9LP entitled "Parent Company Only Financial Statements for Bank Holding Companies with total consolidated assets of \$150,000,000 or more with more than one subsidiary bank" shall concurrently file a copy of its June 30 and December 31 report with the Commissioner. A \$50.00 filing fee shall accompany the submitted report.

(c) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is required to file with the Federal Reserve System form FR Y-9SP entitled "Parent Company Only Financial Statements for One Bank Holding Company with total consolidated assets of less than \$150,000,000" shall concurrently file a copy of this report with the Commissioner. A filing fee of \$50.00 shall accompany the submitted report.

(d) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is required to file with the Federal Reserve System form FR Y-6 entitled "Annual Report of Bank Holding Companies" shall concurrently file a copy of this report with the Commissioner. The copy of FR Y-6 filed with the Commissioner shall include the required copy of the bank holding company's annual report to shareholders or the required copy of form 10K to the Securities and Exchange Commission. A filing fee of \$100.00 shall accompany the submitted report.

(e) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is required to file with the Federal Reserve System form FR Y-6A entitled "Bank Holding Company Report Changes in Investments or Activities" shall concurrently file a copy of this report with the Commissioner. A filing fee of \$50.00 shall accompany the submitted report.

(f) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is required to file with the Federal Reserve System form FR Y-11I entitled "Annual Report of Selected Financial Data for Non-Bank Subsidiaries of Bank Holding Companies" shall concurrently file a copy of this report with the Commissioner. A filing fee of \$50.00 shall accompany the submitted report.

(g) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is required to file with the Federal Reserve System form FR Y-11Q entitled "Combined Federal Statement of Non-Bank Subsidiaries of Bank Holding Companies" shall concurrently file a copy of its June 30 and December 31 report with the Commissioner. A filing fee of \$50.00 shall accompany the submitted report.

(h) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is required to file with the Federal Reserve System form FR Y-11AS entitled "Annual Supplement to the Combined Financial Statements of Non-Bank Subsidiaries of Bank Holding Companies" shall concurrently file a copy of this report with the Commissioner. A filing fee of \$50.00 shall accompany the submitted report.

(i) Each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company which is not required to file with the Federal Reserve System shall:

1. If the bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company is required to file a form 10K with the Securities and Exchange Commission, the bank holding company shall concurrently file a copy of this report with the Commissioner; or

2. If the bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company is not required to file a form 10K with the Securities and Exchange Commission, the bank holding company shall annually, on or before April 30 of each year, file with the Commissioner the following information on forms provided by the Department:

- i. Name and address of the company;
- ii. Names and addresses of principal officers;
- iii. Names and addresses of controlling shareholders of the company;

iv. A summary of material business activities and affiliations during the past five years;

v. A description of pending legal or administrative proceedings in which the company is a party; and

vi. A statement of assets and liabilities of the company for each of the five preceding fiscal years, together with related statements of income and sources and applications of funds for each of those fiscal years; and

3. Submit a filing fee of \$100.00 with the filed report.

Amended by R.1988 d.149, effective April 4, 1988.

See: 20 N.J.R. 127(b), 20 N.J.R. 777(a).

In (a), (b) and (g), specified June 30 and December 31 reports.

Recodified from 3:13-2.2 by R.1992 d.40, effective January 21, 1992.

See: 23 N.J.R. 2904(a), 24 N.J.R. 229(a).

Amended by R.1997 d.70, effective February 18, 1997.

See: 28 N.J.R. 4831(a), 29 N.J.R. 547(a).

Inserted references to a person controlling a New Jersey Bank or bank holding company throughout.

3:13-2.4 Reporting for persons other than bank holding companies

(a) Each person who controls a New Jersey bank or New Jersey bank holding company that does not file a report with any other bank supervisory agency shall annually file with the Commissioner, on or before April 30 of each year, the following information on forms provided by the Department:

1. Name and address of the person;
2. A resume of material business activities and affiliations during the past five years;
3. A description of pending legal or administrative proceedings in which the person is a party and any criminal indictment or conviction of the individual issued by a state or federal court;
4. A statement of assets and liabilities of the person for each of the five preceding fiscal years, together with related statements of income and sources and applications of funds for each of those fiscal years; and
5. A filing fee of \$100.00.

Recodified from 3:13-2.3 by R.1992 d.40, effective January 21, 1992.

See: 23 N.J.R. 2904(a), 24 N.J.R. 229(a).

Amended by R.1996 d.483, effective October 7, 1996.

See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).

Amended by R.1997 d.70, effective February 18, 1997.

See: 28 N.J.R. 4831(a), 29 N.J.R. 547(a).

SUBCHAPTER 3. BANK HOLDING COMPANY EXAMINATIONS

3:13-3.1 Examination charges

The Commissioner may examine any company which controls a New Jersey bank or New Jersey bank holding company, and shall charge for such an examination an individual per hour per examiner charge plus a per day travel expense charge in amounts set forth in N.J.A.C. 3:1-6.6.

Amended by R.1992 d.40, effective January 21, 1992.
 See: 23 N.J.R. 2904(a), 24 N.J.R. 229(a).
 Revised text; section was "Purpose and scope".
 Amended by R.1996 d.483, effective October 7, 1996.
 See: 28 N.J.R. 2661(a), 28 N.J.R. 4417(b).
 Amended by R.2002 d.244, effective August 5, 2002.
 See: 34 N.J.R. 815(a), 34 N.J.R. 2781(a).
 Rewrote the section.

Section was "Per diem per person examination charge".

3:13-3.2 (Reserved)

Emergency Amendment, R.1989 d.407, effective July 3, 1989 (expired September 1, 1989).
 See: 21 N.J.R. 1986(a), 21 N.J.R. 2398(a).
 Per diem changed to \$260.00.
 Adopted Concurrent Proposal, R.1989 d.510, effective August 31, 1989.
 See: 21 N.J.R. 2398(a), 21 N.J.R. 3082(a).
 Provisions of emergency amendment R.1989 d.407 readopted without change.
 Repealed by R.1991 d.195, effective April 15, 1991.
 See: 23 N.J.R. 254(a), 23 N.J.R. 1125(a).

SUBCHAPTER 4. (RESERVED)

SUBCHAPTER 5. MUTUAL SAVINGS BANK HOLDING COMPANIES

3:13-5.1 Definitions

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