

CHAPTER 33
PROPOSED INTERSTATE ACQUISITION

Authority

N.J.S.A. 17:1-15(e) and 17:12B-278, 279 and 280.

Source and Effective Date

R.2005 d.76, effective January 25, 2005.
See: 36 N.J.R. 4866(a), 37 N.J.R. 585(a).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 33, Proposed Interstate Acquisition, expires on July 24, 2010. See: 42 N.J.R. 115(a).

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.

Chapter 33, Proposed Interstate Acquisition, was adopted as new rules by R.1994 d.560, effective November 7, 1994. See: 26 N.J.R. 3235(a), 26 N.J.R. 4349(a).

Pursuant to Executive Order No. 66(1978), Chapter 33, Proposed Interstate Acquisition, was readopted as R.1999 d.419, effective November 4, 1999. See: 31 N.J.R. 2673(a), 31 N.J.R. 4001(b).

Chapter 33, Proposed Interstate Acquisition, was readopted as R.2005 d.76, effective January 25, 2005. See: Source and Effective Date. See, also, section annotations.

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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 savings association or out-of-State savings and loan holding company filing an application hereunder to acquire a New Jersey insured savings association 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 and Insurance.

“Control” shall have the meanings set forth in 12 U.S.C. § 1467a(a)(2).

“Eligible insured savings association” means an insured savings association:

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 savings association 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 savings association and of the savings and loan subsidiaries of a savings and loan holding company directly or indirectly controlling the insured, savings association 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 savings association deposits, have reciprocal legislation in effect; or
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 savings association deposits, have reciprocal legislation in effect.

“Insured savings association” means a “savings association” as defined in 12 U.S.C. § 1813 whose deposits are insured by the Federal Deposit Insurance Corporation.

“Insured savings association deposits” means the total domestic deposits in insured savings associations in each state according to the most recent available statistics of the Federal Deposit Insurance Corporation or, if those statistics are not available, from sources designated by the Commissioner.

“Located” means:

1. When referring to an insured savings association, 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 savings association” means an insured savings association 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 savings association” means an insured savings association 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 that authorizes or permits a New Jersey insured savings association or a New Jersey savings and loan holding company, or both, to acquire insured savings associations 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 savings association or savings and loan holding company located in that state may acquire insured savings associations 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 savings associations or savings and loan holding companies, or both, located in that state by a New Jersey insured savings association 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 savings association or New Jersey savings and loan holding company, or both, to insured savings associations or savings and loan holding companies, or both, which are not in competition with insured savings associations or savings and loan holding companies, or both, located in or chartered by the state or to insured savings associations 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 savings association or savings and loan holding company located in that state by a New Jersey insured savings association or New Jersey savings and loan holding company, or both, substantially the same limitations and restrictions shall be applicable to the eligible insured savings association or eligible savings and loan holding company, or both, located in that other state with respect to its acquisitions of New Jersey insured savings associations or New Jersey savings and loan holding companies, or both.

“Savings and loan holding company” shall have the meaning set forth in 12 U.S.C. § 1467a(a)(1)(D).

“Savings and loan subsidiary” means an insured savings association or savings and loan holding company, more than 50 percent of the voting shares or members’ rights of which are owned or controlled, directly or indirectly, by a savings and loan holding company.

“State” means any state of the United States, and also the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa and the U.S. Virgin Islands.

“Subsidiary” means any person or company which is controlled by another person or company.

Amended by R.1999 d.419, effective December 6, 1999.
See: 31 N.J.R. 2673(a), 31 N.J.R. 4001(b).
Amended by R.2005 d.76, effective February 22, 2005.
See: 36 N.J.R. 4866(a), 37 N.J.R. 585(a).