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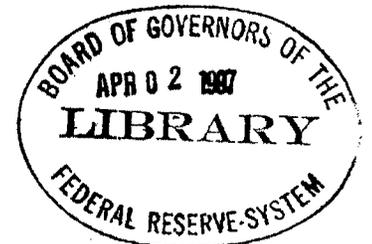
STATE LAWS AFFECTING THE GEOGRAPHIC EXPANSION  
OF COMMERCIAL BANKS

by

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# STATE LAWS AFFECTING THE GEOGRAPHIC EXPANSION OF COMMERCIAL BANKS

## I. Introduction

State laws affecting the ability of commercial banks to expand geographically via either branching or multibank holding company (MBHC) expansion have been among the primary determinants of the structure of commercial banking in the United States. This paper provides a detailed description of these laws and legal changes over time.

## II. The Data Collection Process

The scope of this paper is limited to state laws affecting intrastate branching, MBHC formation and expansion, and interstate banking and branching that have been enacted since 1960. This paper generally does not include laws pertaining to the regulation of bank branching or MBHC formation through required registration, capital restrictions or approval of acquisitions. Laws covering expansion activities that do not involve full-service facilities (for example, drive-in teller offices, automated teller machines and credit card banks) have also been omitted.<sup>1</sup> Since the definitions of branches and MBHCs are similar in most states (states have adopted the federal definition), definitions are omitted unless they are unique. Rulings of the Comptroller of the Currency allowing national banks to branch to the same extent as state-chartered thrift institutions are not included, because legal challenges to such rulings makes the date of their effect uncertain and because such rulings apply only to federally chartered banks, not to state-chartered banks.<sup>2</sup> Finally, laws applicable only to nonbank financial institutions are not included.

Several sources were utilized in the compilation of this report. The primary source is the first fourteen editions of the Conference of State Bank Supervisors' A Profile of State Chartered

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1. Laws regulating limited-service or full-service facilities have been included for some states that prohibit branching.

2. The Comptroller has made such rulings in Florida, Louisiana, Mississippi, Missouri, Tennessee, Texas and Wisconsin. Most of these states have altered the regulation of state-chartered banks in response to the Comptroller's lawsuit; these changes are included in the listing.

Banking, covering 1965 to 1992. These editions provide descriptions of the geographic restrictions on branching, holding company and interstate banking statutes for each state. However, since the issues are only published biennially and do not include the effective dates of statutes, it was necessary to find complementary sources. Numerous issues of the American Banker and Bank Expansion Reporter were used to obtain the effective dates for the majority of the laws. Remaining dates were obtained by consulting state legal codes or state bank regulators and banking associations. Throughout, the American Bankers Association's State Banking Law Service was used to check statutory branching and MBHC references. Corrections to earlier drafts of this paper have been provided by correspondents too numerous to mention.

While every effort has been made to make this data set as complete and accurate as possible, the accuracy of the final compilation no doubt decreases as one goes back through time. The listings for the 1960s should be viewed with less confidence than those for the 1970s, 1980s and 1990s. The data are complete through August 12, 1993.

### III. Branching, MBHC and Interstate Banking and Branching Laws of the Fifty States and the District of Columbia

Laws are listed below in chronological order by state and by type of law. Within each state, laws governing intrastate expansion are given first, followed by provisions for interstate expansion. Dates are given for when the laws became effective rather than for when they were enacted and are as accurate as could be ascertained. If the first law listed is not preceded by a date, it was effective as of January 1, 1960, but its date of effect is unknown.

#### ALABAMA

##### Branching:

*De novo* branching varies by county: there are 67 counties in the state, and 58 of them have authorized some form of branching. Almost every county has a different branch banking bill. Some permit branches to be established anywhere, subject to approval by the superintendent, while others permit branches to be established only in those cities having population above a specified level.

05/17/81 Statewide by merger or in case of an emergency or failure of an existing bank.

05/31/90 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 07/01/87 Regional reciprocal: AR, DC, FL, GA, KY, LA, MD, MS, NC, SC, TN, VA, WV. Acquired banks must be at least five years old and cannot branch across county lines for seven years after acquisition. *De novo* entry is prohibited. Acquiring BHCs must have at least 80 percent of their deposits in the region.

09/20/88 The region is expanded to include TX.

09/29/95 National.

ALASKA

Branching: Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: 01/01/94 National reciprocal.

Inter. MBHCs: 07/01/82 National nonreciprocal. Acquired banks must be at least three years old or to have commenced business prior to July 1, 1982. *De novo* entry is prohibited.

ARIZONA

Branching: Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 10/01/86 National nonreciprocal. Banks formed after May 31, 1984, may not be acquired until they have been in operation for five years or until July 1, 1992, whichever is earlier, though exceptions are made for acquisitions of troubled banks.

07/01/92 *De novo* entry is permitted.

ARKANSAS

Branching:

Prohibited.

03/29/73 Permitted, subject to approval, in the following locations: 1) within the corporate limits of the city or town in which the establishing bank's main office is located, provided that it is not closer than 300 feet to another bank's principal office. A bank that relocates its main office may continue to use its former main office as a branch office as long as its use as a banking facility is uninterrupted; 2) within any incorporated city or town or planned community having a population of 250 or more in the county of the establishing bank's principal office, provided there is no legally chartered bank then having its principal office in such city or town. In addition, any bank may, operate any presently existing branch office, teller's window, or other banking facility which is separate from the main office of the bank and was legally established under any prior law and in operation on March 29, 1973, as a full-service branch.

09/30/83 A bank may branch in any unincorporated area within six miles of the corporate limits of the city or town in which the bank's main office is located.

06/28/85 A branch may be located outside the county in a bank's main office is located provided that the building to be utilized was formerly owned and used for a banking purpose by a bank closed by the bank commissioner or the comptroller of the currency.

01/01/89 County-wide.

01/01/94 Branching is permitted into contiguous counties.

01/01/99 Statewide.

MBHCs:

02/05/71 Prohibited, but all previously existing BHC operations are grandfathered.

09/30/83 If one or more of a BHC's subsidiaries applied for a bank charter after December 31, 1982, the BHC may own or control only one bank subsidiary. No new acquisitions permitted if they would cause the BHC's

subsidiaries to hold 10 percent or more of the deposits of all banks in the state.

07/01/84 Twelve percent of deposits replaces 10 percent of deposits.  
01/01/85 Fifteen percent of deposits replaces 12 percent of deposits.  
08/13/93 Twenty-five percent of deposits replaces 15 percent of deposits.

Inter. Bran.: None.

Inter. MBHCs: 01/01/89 Regional reciprocal: AL, DC, FL, GA, KS, LA, MD, MS, MO, NE, NC, OK, SC, TN, TX, VA, WV. Acquired banks must be at least 10 years old, though exceptions are made for acquisitions of troubled banks. *De novo* entry is prohibited. Acquiring BHCs must have at least 80 percent of their deposits in the region.

09/29/95 National.

CALIFORNIA

Branching: Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 07/01/87 Regional reciprocal: AK, AZ, CO, HI, ID, NV, NM, OR, TX, UT, WA. *De novo* entry is prohibited. Acquiring BHCs and any parent companies must have their headquarters in the region and more deposits in one state in the region than in any state outside the region.

01/01/91 National reciprocal.

09/29/95 National.

COLORADO

Branching: Prohibited. Banks may operate one detached facility within 3000 feet of the bank. An insolvent bank may be operated as a branch for five years.

08/01/91 Statewide branching by merger. BHCs may convert 60 percent of existing bank subsidiaries into branches. Ten *de novo*

branches may be established in economically depressed parts of the state prior to January 1, 1993.

07/01/92 BHCs may convert 80 percent of their bank subsidiaries into branches.

07/01/93 BHCs may convert all of their bank subsidiaries into branches. A bank may form one *de novo* branch anywhere in the state.

01/01/97 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 07/01/88 Regional reciprocal: AZ, KS, NE, NM, OK, UT, WY. Acquired banks must be at least five years old. Acquiring BHCs and any parent companies must have more deposits in one state in the region than in any state outside the region. In addition, two out-of-state organizations can enter Colorado if they agree to acquire failed industrial banks. No out-of-state BHC can acquire a firm if it would result in the BHC controlling more than 25 percent of bank, thrift and credit union deposits in the state.

01/01/91 National nonreciprocal.

07/01/93 *De novo* entry is permitted.

CONNECTICUT

Branching: Statewide, with home-office protection.

12/19/80 Home-office protection applies to *de novo* branching, but does not apply to banks entering towns through the acquisition of existing banks or branches.

10/01/86 Statewide branching allowed for banks with less than \$350,000 in assets and into towns with population of 100,000 or more.

10/01/87 The \$350,000 asset limit is raised to \$750,000 and the 100,000 population limit is lowered to 60,000.

10/01/88 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 06/08/83 Regional reciprocal: ME, MA, NH, RI, VT. *De novo* entry is prohibited. Banks from any other state are allowed to open two nondepository offices in Connecticut per year. Acquiring BHCs and any parent companies must have their headquarters and all subsidiary banks within the region.

03/19/90 National reciprocal.

02/01/92 *De novo* entry is permitted.

09/29/95 National.

DELAWARE

Branching: ??/??/21 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 10/09/81 Out-of-state BHCs may set up two *de novo* banks subject to restrictions on location and competition with in-state banks.

01/01/88 Regional reciprocal: MD, NJ, OH, PA. The region will be expanded to include DC and VA if they pass reciprocal laws including DE by January 1, 1988. Acquired banks must be at least five years old. *De novo* entry is prohibited. Banks may opt out of the interstate agreement.

06/30/90 National reciprocal.

09/29/95 National.

DISTRICT OF COLUMBIA

Branching: District-wide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 11/23/85 Regional reciprocal: AL, FL, GA, LA, MD, MS, NC, SC, TN, VA, WV. Acquired banks must be at least two years old. *De novo*

entry is prohibited. Acquiring BHCs must have at least 80 percent of their deposits in the region.

- 04/11/86 National nonreciprocal, for banks willing to commit to invest \$50-100 million and create 50-100 jobs in the district. Acquired banks must have been in existence on and operated continuously since December 18, 1985. Banks may opt out of this provision.
- 09/29/95 National.

FLORIDA

Branching: Prohibited.

- 01/01/77 Any bank may establish up to two *de novo* branches per calendar year and an unlimited number of branches by merger with other banks located within the limits of the county in which its main office is located.
- 07/01/80 Branching by merger allowed across county boundaries.
- 07/01/81 The restriction of two *de novo* branches per year is eliminated.
- 11/18/88 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

- Inter. MBHCs: 07/01/85 Regional reciprocal: AL, AR, DC, GA, LA, MD, MS, NC, SC, TN, VA, WV. Acquired banks must be at least two years old. *De novo* entry is prohibited. Acquiring BHCs and any parent companies must have their headquarters and 80 percent of their deposits within the region.
- 05/01/95 National reciprocal.
- 09/29/95 National.

GEORGIA

Branching: 02/09/60 Branches formed prior to 1960 are grandfathered. A bank is permitted one branch or facility in municipalities with less than 40,000 population, two in municipalities with 40,000 - 80,000

population, and an unlimited number in municipalities with more than 80,000 population.

- 04/12/63 Sets villages as branching boundaries for banks not located within a municipality.
- 04/14/67 Changes the minimum population for unlimited number of branches from 80,000 to 60,000.
- 01/01/71 Changes municipal limits to county limits as the branching boundary, with one office allowed for each 20,000 population or portion thereof. If population exceeds 120,000, there is no limit on the number of branches.
- 08/08/73 Bank offices or facilities are allowed in the same county in which the principal office is located or in counties in which a branch bank is located, the number of facilities being determined by the following schedule based on county population:

<u>Population</u>	<u>Additional Offices or Facilities</u>
0 - 20,000	2
20,001 - 40,000	3
40,001 - 60,000	4
60,001 - 80,000	5
90,001 - 100,000	6
100,001 - 120,000	7
over 120,000	unlimited.

Branch banks (as distinguished from bank offices and facilities) are defined as one designated office or facility located in a county other than that of the principal office, where the population exceeds 250,000, established prior to January 1, 1971. No future branch banks may be established.

- 04/17/75 Merger of failing institutions is permitted notwithstanding branch banking laws to the contrary. In addition, any bank located in any county of the state having a population of 400,000 or more may establish branch banks within any adjacent county having a population of 400,000 or more.
- 07/01/80 A BHC may operate a new acquisition as either a unit bank or, with approval of the bank commissioner, may merge the new acquisition with its lead bank and operate it as a branch.

03/16/83 The restrictions on number of facilities based on population, adopted on August 8, 1973, are removed.

MBHCs: No BHC may own more than 5 percent of the stock in each of two or more banks.

07/01/76 MBHCs are permitted. Each BHC acquisition must be operated as a separately chartered subsidiary bank. Acquired banks must be at least five years old.

Inter. Bran.: None.

Inter. MBHCs: 07/01/85 Regional reciprocal: AL, FL, KY, LA, MS, NC, SC, TN, VA. Acquired banks must be at least five years old. *De novo* entry is prohibited. Acquiring BHCs and any parent companies must have their headquarters and 80 percent of their deposits within the region.

03/13/87 The region is expanded to include: DC, MD.

07/01/95 National reciprocal.

09/25/95 National.

HAWAII

Branching: Statewide branching except for a limitation of four branches per zone in Honolulu (there are three zones).

??/??/77 Five branches are permitted per zone in Honolulu.

01/01/82 Six branches are permitted per zone in Honolulu.

01/01/84 Seven branches are permitted per zone in Honolulu.

01/01/86 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 06/13/88 Banks may be acquired by banking organizations headquartered in American Samoa, Guam, the Marshall Islands, Micronesia, the Northern Marianas and Palau. Failing banks may be acquired by BHCs headquartered in any state. *De novo* entry is prohibited.

09/25/95 National.

IDAHO

Branching: Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 07/01/85 Regional reciprocal: MT, NV, OR, UT, WA, WY. Acquired banks must be at least four years old. *De novo* entry is prohibited.

04/03/87 National nonreciprocal for acquisition of troubled banks.

01/01/88 National nonreciprocal.

ILLINOIS

Branching: 01/01/57 Prohibited; facilities permitted.

10/01/76 Prohibited; a bank is allowed one facility within 1,500 yards and another within 3,500 yards of the bank's main office, but facilities may not be less than 600 yards from another bank's main office.

01/01/82 A community service facility may be established anywhere within the county where the main office is located, or outside the county within ten miles of the main office.

09/17/83 The term "community service" is eliminated.

09/01/88 A bank is allowed three additional branches within the county where its main office is located, or within a contiguous county within 10 miles of its main office, but banks cannot branch within one mile of the main office of another bank. One of a bank's five branches must be within 500 yards of the bank's main office. In some cases, a branch may be as close as 200 yards to the main office of another bank. Banks acquired by merger after January 1, 1982, can be converted to branches and the resulting bank retains the branching powers of the merged banks.

08/15/90 A bank is allowed ten branches within the county where its main office is located, five branches in each contiguous county and

five branches in noncontiguous counties provided that such branches are within 10 miles of its main office.

	06/07/93	Statewide.
MBHCs:	07/05/57	A BHC is defined as any company which owns or controls 15 percent or more of the voting shares of two or more banks or which controls the election of a majority of the directors of each of two or more banks. No company may take any action which results in its becoming a BHC and no BHC may acquire voting shares of another bank if such acquisition results in its owning or controlling more than 5 percent of the voting shares of such bank. However, a BHC may acquire additional shares in a bank in which it controlled a majority of the voting shares prior to such acquisition.
	01/01/82	A BHC may acquire any number of banks within the region where its largest bank (in terms of assets) is located and within one contiguous region (the state is divided into five regions).
	07/01/86	No limitations affecting BHC formation and expansion.
Inter. Bran.:		None.
Inter. MBHCs:	06/26/84	The acquisition of an Illinois bank in excess of one billion dollars in assets by a BHC with principal operations outside Illinois is permitted under certain conditions.
	07/01/85	The law of June 26, 1984 is repealed.
	07/01/86	Regional reciprocal: IN, IA, KY, MI, MO, WI. Acquired banks chartered after January 1, 1982, must be at least 10 years old. <i>De novo</i> entry is prohibited. Banks may opt out of the law by September 1, 1986, with the opt-out period ending July 1, 1988. Acquiring BHCs and any parent companies must have headquarters within the region and more deposits in one state within the region than in any state outside the region.
	12/01/90	National reciprocal.
	09/25/95	National.

INDIANA

Branching:

A bank located in a city with less than 10,000 population may establish a branch within the city limits provided that it is not within 1/4 mile of the principal office of another bank. In counties having less than 500,000 inhabitants or in counties having three or more second-class cities, a bank may branch in cities or towns within the county provided there is no bank located in such city or town. In all counties, a bank located in a city having more than 35,000 population may open one branch for each \$200,000 paid-in and unimpaired capital and surplus; the same rule applies to a bank located in a city of less than 35,000 but more than 17,500 except that such branch may not be within one mile of an existing bank. In counties having more than 500,000 population and not having three or more second-class cities, a bank may establish a branch in any city or town within the county where its principal office is located.

07/01/71 In counties having less than 500,000 inhabitants or in counties having three or more second-class cities, a bank may branch in any city or town within the county provided there is no bank in such city or town. In all counties having in excess of 500,000 inhabitants and not having three or more cities of second class, any bank may branch in any city or town within the county limits. In all counties, any bank may open one branch for each \$200,000 capital and surplus.

09/01/83 County-wide.

07/01/85 Branching is permitted into contiguous counties. Banks with deposits greater than \$400 million are permitted only one branch outside of their home counties before December 31, 1987, and only two before July 1, 1990.

01/01/89 Unlimited branching into contiguous counties. Statewide branching by mergers is permitted.

05/12/91 Statewide.

MBHCs:

Prohibited.

07/01/85 Acquisition of banks allowed statewide with a limit of 10 percent of bank deposits in the state for any one MBHC.

07/01/86 The 10 percent limit is raised to 11 percent.

07/01/87 The limit of 11 percent of state bank deposits is raised to 12 percent of state deposits of banks, savings and loans and credit unions.

Inter. Bran.: None.

Inter. MBHCs: 01/01/86 Regional reciprocal: IL, KY, MI, OH. Acquired banks must be at least five years old. *De novo* entry is prohibited. Banks that register by July 1, 1985, may opt out of the agreement until July 1, 1987. Acquiring BHCs and any parent companies must have 80 percent of their deposits within the region.

06/01/87 The region is expanded to include: IA, MO, PA, TN, VA, WV, WI.

07/01/90 The region is expanded to include MN.

07/01/92 National reciprocal.

09/25/95 National.

IOWA

Branching: Prohibited; facilities permitted in the county in which a bank's principal office is located or in a contiguous or cornering county.

07/01/72 Prohibited; however, banks may operate full-service facilities within the municipal corporation in which the principal office is located according to the following schedule:

Population of Municipal Corporation or Urban Complex	Number of Facilities
over 200,000	4
100,000 - 200,000	3
less than 100,000	2

Full-service office facilities are also permitted outside the municipal corporation or urban complex in which the principal office is located provided they are in the same county or in a contiguous or cornering county.

07/01/84 The limitations on the number of facilities within the municipal corporation in which the principal office is located is changed to:

Population of Municipal	Number of
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<u>Corporation or Urban Complex</u>	<u>Facilities</u>
over 200,000	5
100,000 - 200,000	4
less than 100,000	3.

07/01/89 The limitations on the number of facilities within the municipal corporation in which the principal office is located is changed to:

<u>Population of Municipal Corporation or Urban Complex</u>	<u>Number of Facilities</u>
over 200,000	6
100,000 - 200,000	5
less than 100,000	4.

MBHCs: No BHC may acquire more than 25 percent of any bank if such acquisition would give the bank over 8 percent of bank deposits in the state.

07/01/84 The limit of 8 percent of bank deposits limit is raised to 10 percent of bank, thrift and credit union deposits.

Inter. Bran.: None.

Inter. MBHCs: 01/01/91 Regional reciprocal: IL, MN, MO, NE, SD, WI. Acquired banks must be at least five years old. *De novo* entry is prohibited. Banks may opt out of the agreement. Acquiring BHCs must have at least 80 percent of their deposits in the region. In aggregate, out-of-state BHCs may not acquire more than 35 percent of the deposits of banks in the state.

09/25/95 National.

KANSAS

Branching: 07/01/47 Prohibited; banks may operate one off-premise and one on-premise facility.

07/01/73 Banks may operate one attached auxiliary teller facility and three detached auxiliary banking service facilities. Such facilities must be located within the city or township in which the bank's designated place of business is located and more than 50 feet from any other nonparticipating bank or facility thereof. Any bank electing to establish the maximum number of detached facilities shall establish and maintain at least one within 2,600 feet of its principal place of business.

04/30/87 Branching allowed statewide by merger or acquisition. Acquired branches must be operated for two years after acquisition if the acquired facility is in another city or county than the parent bank. *De novo* branching is permitted into communities with no banking offices.

02/15/90 Statewide.

MBHCs: 06/29/57 Prohibited.

07/01/85 A BHC may not acquire control of any of the voting shares of any bank if, after such acquisition, the BHC would control more than 9 percent of the total deposits of banks and thrifts within the state. In addition, no BHC shall acquire control of more than 5 percent of a bank chartered after January 1, 1985, unless it has been in existence for five or more years.

03/27/86 A BHC owning less than three banks may acquire a failed or failing bank up to 100 miles away and operate it as a branch. The acquired bank must be in a town with population of less than 3,500.

07/01/90 The 9 percent cap on ownership of statewide bank and thrift deposits is changed to 12 percent of bank deposits.

07/01/93 The 12 percent cap on ownership of statewide bank deposits is raised to 15 percent.

Inter. Bran.: None.

Inter. MBHCs: 07/01/92 Regional reciprocal: AR, CO, IA, MO, NE, OK. *De novo* entry is prohibited.

09/25/95 National.

KENTUCKY

Branching: ???/??/54 A bank may establish branches within the city and county of its principal office, except that a branch may not be established in a city in which there is an existing bank, nor within an unincorporated area within a radius of one mile of an existing bank.

03/12/90 County-wide for banks meeting capital requirements.

07/13/90 Banks that are commonly owned or controlled may merge, with the surviving bank retaining any branching powers of the merged banks.

MBHCs: No person who owns or acquire more than 50 percent of the capital stock of one bank may own or acquire capital stock in any additional bank.

07/14/84 A BHC may buy up to three banks a year across county lines for the next five years, but may not control more than 15 percent of the total deposits of banks in the state. Acquired banks must be at least five years old.

07/15/86 BHCs may acquire more than three banks in any one of the remaining years of the five year period of the law of July 14, 1984, provided that they do not exceed 15 bank acquisitions in the five year period.

07/15/92 The statewide deposit cap is changed to 15 percent of state bank, thrift and credit union deposits.

Inter. Bran.: None.

Inter. MBHCs: 07/14/84 Regional reciprocal: IL, IN, MO, OH, TN, VA, WV. *De novo* entry is prohibited. Acquired banks must be at least five years old.

07/15/86 National reciprocal.

09/25/95 National.

LOUISIANA

Branching: Any bank having capital of \$100,000 or more may open a branch in parishes where there are no state banks; not more than one branch is permitted in any parish other than the parish of domicile.

06/10/88 Statewide.

MBHCs: A BHC is defined as any company that owns, controls, or holds with power to vote, 25 percent or more of the voting shares of any bank or that controls the election of a majority of the directors of any bank. No company or bank shall take any action which results in its becoming a BHC. No BHC or subsidiary thereof may acquire any voting shares of a bank if, after such

acquisition, such company or subsidiary will own or control more than 25 percent of the voting shares of such bank except when the additional shares acquired are in a bank in which the BHC already owns or controls a majority of voting shares. BHCs may not open *de novo* banks.

01/01/85 BHCs may expand outside of their parishes with the following restrictions:  
(1) multiparish branching is prohibited;  
(2) branching by newly acquired banks is limited to one new branch a year for the first five years after the acquisition, with a maximum of four branches in the five-year period; and (3) acquired banks must be at least five years old.

Inter. Bran.: None.

Inter. MBHCs: 07/01/87 Regional reciprocal: AL, AR, DC, FL, GA, KY, MD, MS, NC, OK, SC, TN, TX, VA, WV. Acquired banks must be at least five years old. *De novo* entry is prohibited.

01/01/89 National reciprocal.

07/01/94 *De novo* banks are permitted for BHCs that have already acquired a Louisiana bank.

09/25/95 National.

MAINE

Branching: A bank may establish a branch within the county in which its principal office is located or in a contiguous county, and in any municipality where no other bank is operating regularly or where another facility is acquired.

10/01/75 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 01/01/78 National reciprocal.

02/07/84 National nonreciprocal. *De novo* entry is permitted.

MARYLAND

Branching: Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 07/01/85 Regional reciprocal: DE, DC, VA, WV. Acquired banks must be at least three years old. *De novo* entry is prohibited. Acquiring BHCs and any parent companies must have 80 percent of their deposits within the region. In addition, BHCs from outside the region may apply to establish limited-service banks in Maryland and then convert them later into full-service commercial banks. Full-service charters will only be granted to limited-service banks that have been in operation for six months. No full-service charters will be approved before July 1, 1986.

10/25/85 National reciprocal banking allowed for banks buying failing Maryland thrift institutions.

07/01/87 The region is expanded to include: AL, AR, FL, GA, KY, LA, MS, NC, PA, SC, TN.

07/01/89 *De novo* entry is permitted subject to certain economic commitments.

09/25/95 National.

MASSACHUSETTS

Branching: 08/20/61 Branches may be established in the same city or town as a bank's principal office, and in any other city or town in the same county having no or inadequate commercial banking facilities.

10/06/78 Branches are permitted on any site within 15 miles of the principal office.

09/11/79 The 15 mile limitation is replaced by 25 miles.

06/15/82 The 25 mile limitation is replaced by 40 miles. Only three branches or mergers are permitted in one calendar year outside a bank's home county. There is no limit on the number of branches within the home county.

10/10/84 Statewide, subject to the restriction of three bank acquisitions per year outside of the home county.

MBHCs: No limitations affecting BHC formation and expansion.

09/04/90 No BHC may control more than 15 percent of state bank deposits.

Inter. Bran.: 07/01/83 Regional reciprocal: CT, ME, NH, RI, VT. *De novo* entry is permitted. Acquiring BHCs and any parent companies must have their headquarters within the region.

09/04/90 National reciprocal. *De novo* entry is permitted.

Inter. MBHCs: 07/01/83 Regional reciprocal: CT, ME, NH, RI, VT. *De novo* entry permitted. Acquiring BHCs and any parent companies must have their headquarters within the region.

09/04/90 National reciprocal. Banks may opt out of the agreement until July 1, 1992.

09/25/95 National.

MICHIGAN

Branching: 08/20/69 A bank may establish a branch within a village or city in the county in which its principal office is located, or in an adjacent county within 25 miles of the principal office, if no other bank or a branch thereof is in operation in that village or city.

02/14/78 The clause restricting county-wide branching to villages and cities is repealed.

05/18/83 A declaratory ruling involving home-office protection and branches ruled that a new bank formed by the consolidation of two existing banks may continue to operate the two original "main offices" as branches. Home-office protection does not apply under these conditions.

03/01/87 Existing BHC affiliates can be consolidated into branches if the affiliates are at least 2-1/2 years old or were formed prior to January 1, 1985.

08/01/88 Statewide.

MBHCs: Prohibited.

04/??/71 No limitations affecting BHC formation and expansion.

Inter. Bran.: None.  
Inter. MBHCs: 01/01/86 Regional reciprocal: IL, IN, MN, OH, WI.  
De novo entry is permitted.  
10/10/88 National reciprocal.  
09/25/95 National.

MINNESOTA

Branching: Prohibited; facilities permitted.  
06/05/71 One detached facility is permitted within 1,000 feet of the main office. Facility functions are limited to receiving deposits, cashing checks or orders to pay, and receiving payments payable at the bank.  
08/01/74 The 1,000 foot distance is changed to 3,000 feet.  
08/01/77 Facility functions are enlarged to include opening deposit accounts, issuing drafts, money orders and travelers checks, and accepting loan applications. Any bank is permitted two detached facilities located anywhere in the municipality in which its principal office is located or within 25 miles of its principal office. In addition, a savings bank can have five additional offices within the counties of Hennepin and Anoka. If the municipality location other than that which contains the principal office has population of 10,000 or less based upon last federal census, existing banks must provide consent in writing to the establishment of the facility. Detached facilities shall not be closer than 50 feet to another facility, nor 100 feet to another bank's principal office, unless waived in writing by the other bank.  
04/04/80 Full-service facilities permitted.  
08/01/80 In addition to two detached facilities, a bank may have a drive-in or walk-up facility located within 1,500 feet from its main office or detached facility.  
08/01/83 The limitations as to location or number of branches do not apply where a bank seeks to acquire a failing bank and operate it as a detached facility.

08/01/87      Branching by acquisition is allowed within the seven-county Minneapolis-St. Paul metropolitan area. Up to five *de novo* branches are permitted within this region, but any such branching in towns of less than 10,000 population requires the written consent of banks headquartered in that town. Elsewhere, a bank is allowed five branches in municipalities within a 100 mile radius of its principal office.

08/01/93      Statewide branching by acquisition.

MBHCs:              No limitations affecting BHC formation and expansion.

Inter. Bran.:        None.

Inter. MBHCs:      07/01/86      Regional reciprocal: IA, ND, SD, WI. *De novo* entry is permitted. Banks may opt out of the agreement before July 1, 1987. Out-of-state BHCs may control no more than 30 percent of the deposits of financial institutions in the state.

08/01/87      Acquisition of a failed or failing bank by any BHC in the country is permitted.

08/01/88      The region is expanded to include: CO, ID, IL, KS, MO, MT, NE, WA, WY.

08/01/90      The region is expanded to include IN.

04/01/92      The region is expanded to include MI and OH.

04/22/94      National reciprocal.

09/25/95      National.

MISSISSIPPI

Branching:              A bank may establish up to 15 branches within a radius of 100 miles of its principal office, but no branches are permitted in a town or city of less than 3,100 population according to the last preceding federal census where such town or city has one or more banks in operation. A bank may also establish branches within the corporate limits of the city where the bank is domiciled if the population is not less than 10,000, and within the limits of the county wherein such bank is domiciled, and within the limits of any county adjacent to the county within which such bank is domiciled, provided that no branch office

shall be established in any town or city less than 3,500 population where such town or city has one or more banks or branch banks in operation.

- 07/01/86 Statewide branching by merger. An unlimited number of bank offices may be established within a 100 mile radius of the principal office in towns or cities with population greater than 5,500. Banks are limited to holding 17 percent of bank, thrift and credit union deposits in the state.
- 07/01/87 The 100 mile radius is raised to 150 miles, the limit on small towns and cities where branching is restricted is lowered to 3,100 and the 17 percent cap on a bank's share of state deposits is raised to 18 percent.
- 07/01/88 The 150 mile radius is raised to 200 miles and the 18 percent cap on a bank's share of state deposits is raised to 19 percent.
- 07/01/89 Statewide, subject to the restriction on branching in small towns and cities and the deposit cap.

MBHCs:

Prohibited.

- 07/01/90 BHCs may acquire banks that are at least five years old or any failed bank.

Inter. Bran.:

None.

Inter. MBHCs: 07/01/88

Regional reciprocal: AL, AR, LA, TN. Acquired banks must be at least five years old. *De novo* entry is prohibited. Acquiring BHCs must have 80 percent of their deposits in the region.

- 07/01/90 The region is expanded to include: FL, GA, KY, MO, NC, SC, TX, VA, WV.

- 09/25/95 National.

MISSOURI

Branching:

Prohibited; full-service facilities are permitted. The number of facilities a bank may operate is restricted by the following: (1) A bank may operate three facilities if its main office is located in a first-class county or in an incorporated city, town, or village having a population of 28,000 or more. (2) A bank may operate two facilities if its main office is located in

a county other than first class, and in an incorporated community or an incorporated city, town, or village having a population of less than 28,000. (3) Any bank with its main banking house in a second-, third- or fourth-class county may operate one separate facility, and in counties with less than 10,000 population and more than 7,000 population, two separate facilities, in that county in an incorporated or unincorporated town with a population of not more than 1,550 which does not have banking services. (4) When banks in the same county merge, the surviving bank retains all facilities and the rights to all additional facilities of any of the merging banks. Facilities are prohibited outside the limits of the city, town, village or unincorporated community in which its main bank is located, unless the main banking house is located in a first-class county and outside the county in which the bank is located, even if the limits of such city, town, village or unincorporated community extend across county lines, unless such city, town, village or unincorporated community is located in a county or counties which border on any lake or reservoir having at least a 1,000 mile shoreline and provided that any such facility located in an adjacent county must be located within the corporate limits of said city, town or village and within five miles of the main banking house. A facility may not be located closer than 400 feet to the main banking house of another bank unless such facility is closer to its own main bank than it is to the competitor's, unless the affected bank consents thereto in writing.

09/28/83 A bank formed by consolidation of two banks retains all of the branching powers of the two merged banks.

11/29/90 Statewide.

MBHCs:

Prior to 1975, there were no restrictions.

01/01/75 A BHC may not acquire control of a bank if, as the result of such acquisition, the BHC would control 13 percent or more of the deposits of banks in the state.

08/13/88 The deposit cap is changed to 13 percent of the deposits of banks, thrifts and credit unions in the state.

Inter. Bran.: None.  
Inter. MBHCs: 08/13/86 Regional reciprocal: AR, IL, IA, KS, KY,  
NE, OK, TN. *De novo* entry is prohibited.  
08/13/87 *De novo* entry is permitted.  
09/25/95 National.

MONTANA

Branching: Prohibited.  
01/01/90 Statewide by merger. A bank may establish  
branches in the county of the bank's main  
office, in an adjoining county, or in any  
town in the state without a bank or branch.  
Grandfathered out-of-state BHCs with banks  
in the state may not branch *de novo* or  
acquire other banks, but may consolidate  
existing banks.  
MBHCs: No limitations affecting BHC formation and  
expansion.  
Inter. Bran.: None.  
Inter. MBHCs: 10/01/93 Regional reciprocal: CO, ID, MN, ND, SD,  
WI, WY. Acquired banks must be at least 6  
years old. No out-of-state MBHC may  
control more than 18 percent of state bank,  
thrift and credit union deposits. In  
aggregate, out-of-state MBHCs may control  
no more than 49 percent of state deposits.  
10/01/94 The 18 percent deposit cap is raised to 19  
percent.  
10/01/95 The 19 percent deposit cap is raised to 20  
percent.  
10/01/96 The 20 percent deposit cap is raised to 21  
percent.  
10/01/97 The 21 percent deposit cap is raised to 22  
percent.  
09/25/95 National.

NEBRASKA

Branching: Prohibited.  
03/31/83 A bank may acquire a failing bank anywhere  
in the state and operate it as a branch.

- 09/01/83 A bank may establish three offices, all within the city in which the bank is located. One must be within three miles of the main office and none can be located within 300 feet of another bank or within 50 feet of another bank's office. Any bank may acquire a cooperative credit association located within the county of the bank's main office or a contiguous county and operate it as an office.
- 08/26/84 The limit of three offices is changed to four offices.
- 01/31/85 A bank may not have auxiliary offices if the bank is located outside the corporate limits of a city.
- 03/04/85 Statewide branching by merger, subject to limitations on branching within a bank's home city. The acquired bank must be at least 18 months old.
- 08/26/85 The limit of four offices is changed to five offices in the law of August 26, 1984.
- MBHCs: 03/12/63 Prohibited. Existing MBHCs are grandfathered.
- 03/31/83 A BHC may acquire a failing bank anywhere in the state.
- 09/01/83 Acquisition of banks by a BHC is prohibited if the banks acquired would have deposits greater than 9 percent of the total deposits of all banks and thrifts in the state. Deposits of all banks in which the ownership share is 25 percent or more are included in this calculation. No BHC may own or control more than nine banks located in the state. Acquired banks must be at least five years old.
- 03/08/84 Failing banks acquired between March 8, 1984, and July 1, 1987, are exempt from the limits on the total number of banks and on the percentage of state deposits controlled by a BHC.
- 03/04/85 The deposit cap of 9 percent is changed to 11 percent in the law of September 1, 1983.
- 07/01/87 The exemption of failing banks from limits on the number of banks and percentage of state deposits that a BHC may control is repealed.

01/01/90 The deposit cap of 11 percent is changed to 12 percent.

01/01/91 The deposit cap of 12 percent is changed to 13 percent.

01/01/92 The deposit cap of 13 percent is changed to 14 percent.

Inter. Bran.: None.

Inter. MBHCs: 01/01/90 Regional reciprocal: CO, IA, KS, MN, MO, MT, ND, SD, WI, WY. Acquired banks must be at least five years old. *De novo* entry is prohibited. Acquiring BHCs must have 50 percent of their deposits in the region. Out-of-state BHCs may control no more than 14 percent of state deposits.

01/01/91 National reciprocal.

09/25/95 National.

NEVADA

Branching: Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: 07/01/85 Permitted in counties with population less than 100,000. *De novo* entry is permitted.

Inter. MBHCs: 07/01/85 Regional reciprocal: AK, AZ, CO, HI, ID, MT, NM, OR, UT, WA, WY. Acquired banks must be at least five years old. *De novo* entry is prohibited.

01/01/89 National nonreciprocal.

07/01/90 *De novo* entry is permitted.

NEW HAMPSHIRE

Branching: No branching statute; branching prohibited in practice.

10/01/63 A bank may establish a branch within the town in which its principal office is located, within a contiguous town, or within a noncontiguous town within a radius of 15 miles of the principal office. Branches are not permitted in a contiguous town, however, if there is an operating bank in such town, or in a noncontiguous town if there is an operating bank within a

radius of 10 miles of the proposed branch location.

06/30/79 A bank may establish a branch in any town within the state having a population in excess of 25,000, within the county or standard metropolitan statistical area, or within 35 miles of its principal office, provided that there is not a bank in existence in the town at the time of application.

06/30/80 The limit of 25,000 on town population is replaced by 10,000.

06/30/81 The limit of 10,000 on town population is replaced by 5,000.

06/30/82 The limit of 5,000 on town population is replaced by 2,500.

07/24/87 Statewide.

MBHCs:

No BHC shall acquire ownership or control of the voting stock of any bank if the BHC would have more than 12 affiliates or if the total deposits of the BHC would exceed 15 percent of state bank, thrift and credit union deposits.

04/13/90 The deposit cap is raised from 15 percent to 20 percent.

Inter. Bran.:

None.

Inter. MBHCs:

09/01/87 Regional reciprocal: CT, ME, MA, RI, VT. Banks may opt out of the agreement every two years for up to six years. *De novo* entry is permitted. Acquiring BHCs must have all of their deposits in the region.

04/20/88 Acquiring BHCs must have 50 percent of their deposits in the region, but the percentage may fall below 50 percent after acquisition.

04/13/90 National nonreciprocal.

NEW JERSEY

Branching:

A bank may branch within the municipality wherein its principal office is located, within the same county in the case of merger, or in a municipality where another bank does not have an office.

- 07/??/69 A bank may branch in any municipality within the banking district in which it maintains its principal office provided no other institution has its principal office in that municipality. (The state is divided into three banking districts.) If a municipality has less than 7,500 population, there may be only one branch office in that municipality.
- 08/08/73 A bank may establish a branch office in any municipality in the state with the following two exceptions: (1) a municipality which has a population less than 7,500 and in which another banking institution has a branch office; and (2) a municipality which has less than 50,000 population and in which another banking institution maintains its principal office.
- 01/01/74 The limitation of 50,000 on municipality population is replaced by 40,000.
- 01/01/75 The limitation of 40,000 on municipality population is replaced by 30,000. Restriction (1) of the statute of August 8, 1973, is eliminated.
- 07/09/75 The restriction of January 1, 1975, does not apply if the other institution is a member of a MBHC.
- 01/01/76 The limitation of 30,000 on municipality population is replaced by 20,000.
- 01/01/77 The limitation of 20,000 on municipality population is replaced by 10,000
- 02/06/83 The population limitation may be set aside if regulators determine that such action is appropriate.
- MBHCs: Prohibited.
- ??/??/68 No company which owns more than 25 percent of the stock of any bank shall acquire more than 10 percent of the stock of another bank if the company owns or would own more than 10 percent of the stock in each of two or more banks whose aggregate average deposits exceed 20 percent of the aggregate average deposits of all banks, other than savings banks, in the state.
- 07/01/86 The limitation of 20 percent of bank deposits is replaced by 12 percent of the deposits of all depository institutions.

07/01/87 The limitation of 12 percent of state deposits is replaced by 13 percent.

07/01/88 The limitation of 13 percent of state deposits is replaced by 13.5 percent.

07/01/89 No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 08/25/86 Regional reciprocal: DE, IL, IN, KY, MD, MI, MO, OH, PA, TN, VA, WV, WI, DC. *De novo* entry is permitted. Acquiring BHCs must have 75% of their deposits in states certified to offer reciprocal privileges to state BHCs.

01/01/88 National reciprocal.

09/25/95 National.

NEW MEXICO

Branching: ???/??/51 A bank may establish a branch within the county in which its principal office is located. A bank may also branch in an adjoining county or within a 100 mile radius, provided another bank is not in operation in that county.

06/15/91 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 03/26/86 National entry allowed for acquisition of failed banks.

06/16/89 National nonreciprocal. Acquired banks must be at least five years old. Out-of-state BHCs may control no more than 40 percent of the deposits of state financial institutions.

07/01/92 *De novo* entry is permitted.

NEW YORK

Branching: The state is divided into nine multicounty banking districts. If a bank's principal office is in a city with population of

30,000 or more, the bank may open branches anywhere in the city whether or not the city lies entirely within one banking district. A bank may open branches in any city or village in the banking district in which its principal office is located except for cities or villages in which another bank's principal office is located. A newly-chartered bank may establish only two branches per year in its first five years, and none during its first year of operation.

- 03/17/61 The provision for branching in cities with population of at least 30,000 is extended to villages with population of at least 30,000. A bank whose principal office is located in a city with population of one million or more may branch into an adjoining county whose population exceeds 700,000, and banks in such a county may branch into an adjoining city whose population exceeds one million. A bank may open branches in any city or village in the banking district in which its principal office is located except for cities or villages with population of one million or less in which a bank that is not an affiliate of an MBHC has its principal office.
- 03/24/64 A bank may branch anywhere within the city or village in which its principal office is located.
- 04/11/68 The references to cities of one million or more population and counties of 700,000 or more population in the law of March 17, 1961, are changed to refer specifically to New York City and to Nassau and Westchester Counties.
- 01/01/72 A bank may establish branches in any city or village within the banking district in which its principal office is located except a city or village with population of 75,000 or less in which is located the principal office of another bank.
- 01/01/76 A bank may establish one or more branch offices at any location in the state provided that no branch may be established in a city or village (except for the city or village in which its principal office is located) with a population of 50,000 or less within which is located the principal office of another bank. The restrictions on branching by new banks are removed.

MBHCs: BHC means any company which (1) owns, controls, or holds with power to vote: (a) more than 10 percent of the voting stock of a company which is or becomes a BHC by virtue of this definition; (b) 10 percent or more of the voting stock of each of two or more banking institutions; or (c) if such company is a banking institution, more than 10 percent of the voting stock of any one banking institution; or (2) controls the election of a majority of the directors of: (a) each of two or more banking institutions; (b) a BHC; or (c) if such company is a banking institution, another banking institution. Except with the prior approval of the banking board by a 3/5 vote of the members, no action shall be taken which results in a company becoming a BHC having two or more banking subsidiaries of which at least one is located in a banking district different from that of the other(s), unless all such subsidiaries are located in a city with a population greater than one million, or which results in a BHC, if such company is a banking institution, having a banking subsidiary located in a banking district different from that of the BHC unless both are located in a city of population greater than one million.

01/01/76 No limitations affecting BHC formation and expansion.

Inter. Bran.: 06/23/93 National reciprocal. *De novo* entry is permitted.

Inter. MBHCs: 06/28/82 National reciprocal. *De novo* entry is permitted.

06/07/85 An acquiring BHC must not be controlled by a parent BHC from a state which does not offer reciprocity to New York BHCs.

09/25/95 National.

NORTH CAROLINA

Branching: 02/18/21 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: 10/01/93 National reciprocal. *De novo* entry is permitted.

Inter. MBHCs: 01/01/85 Regional reciprocal: AL, AR, DC, FL, GA, KY, LA, MD, MS, SC, TN, VA, WV. Acquired banks must be at least five years old. *De novo* entry is prohibited. Acquiring BHCs and any parent companies must have their headquarters and 80 percent of their deposits in the region.

10/01/88 The region is expanded to include TX.

06/15/93 The percentage of deposits in the region must be 50 percent.

07/01/94 National reciprocal.

09/25/95 National.

NORTH DAKOTA

Branching: 07/01/37 Prohibited; paying and receiving facilities are permitted within a bank's home county or in an adjoining county within a 35 mile radius other than in a city or town with an established bank.

07/05/87 Statewide branching by merger is permitted through restructuring of MBHCs.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 07/01/87 A grandfathered interstate banking organization is allowed to sell its ND banks to out-of-state BHCs.

06/14/91 National reciprocal. *De novo* entry is prohibited. Banks may opt out of the agreement. Out-of-state BHCs may not control more than 19 percent of deposits of state banks, thrifts and credit unions.

09/25/95 National.

OHIO

Branching: A bank may branch in municipalities contiguous to the place designated as its principal office or within other parts of the county in which its principal office is located.

01/01/79 A bank may branch county-wide in the county of its main office or in a contiguous county. In addition, a BHC undergoing any

form of corporate reorganization (including merger, consolidation, or transfer of assets and liabilities) may establish branches in any county in which a constituent bank's main office is located and in contiguous counties.

01/01/89      Statewide.

MBHCs:              No limitations affecting BHC formation and expansion.

10/17/85      No BHC acquisition may be approved if it would result in the BHC controlling more than 20 percent of aggregate deposits of all banks and thrifts in the state.

Inter. Bran.:      None.

Inter. MBHCs: 10/17/85      Regional reciprocal: DE, DC, IL, IN, KY, MD, MI, MO, NJ, PA, TN, VA, WV, WI. *De novo* entry is permitted if it is permitted by the reciprocal state. Acquiring BHCs and any parent companies must have their headquarters within the region and more deposits within one state in the region than in any state outside the region.

10/17/88      National reciprocal.

09/25/95      National.

OKLAHOMA

Branching:              Prohibited.

10/01/83      A bank may establish two branches, located either within the city limits where the bank is located, within five miles of the bank in all counties with a population of 500,000 or more as of 1980, or within 25 miles of the main office if there is no state or national bank in that city or town.

03/16/88      Statewide branching by acquisition.

05/24/88      MBHCs may convert all but one bank into branches.

MBHCs:              A BHC is any company which owns or controls 15 percent or more of the voting shares of each of two or more banks or BHCs (as defined here) or which controls the election of a majority of the directors of each of two or more banks. No company shall take any action which results in its

becoming a BHC and no BHC shall acquire ownership or control of any voting shares of any bank if, after such acquisition, the company will own or control more than 5 percent of the voting shares of such bank.

10/01/83 A BHC is any company which owns or controls 25 percent or more of the voting stock of one or more banks. A BHC may not acquire ownership or control of an institution insured by the FDIC, FSLIC, or NCUA and located in the state if such acquisition would cause the BHC to own or control 11 percent or more of the total deposits of insured banks, thrifts and credit unions located in the state. Banks chartered after July 1, 1983, may not be acquired for a period of five years.

02/22/85 Banks chartered after July 1, 1983, may be acquired before they are five years old if the bank was chartered for the purpose of purchasing the assets and assuming the liabilities of a failed bank.

Inter. Bran.: None.

Inter. MBHCs: 06/11/86 National acquisition of failed banks allowed.

07/01/87 National nonreciprocal. BHCs from states granting reciprocity to the state can expand immediately; others must wait four years after initial entry. Acquired banks must be at least five years old or have been chartered before May 7, 1986. *De novo* entry is prohibited.

09/25/95 National.

OREGON

Branching: A bank may not branch in a city of less than 50,000 population in which the principal office of another bank is located.

03/12/85 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: 11/04/93 National reciprocal.

Inter. MBHCs: 07/01/86 Regional nonreciprocal: AK, AZ, CA, HI, ID, NV, UT, WA. Acquired banks must be at least three years old. *De novo* entry is

prohibited. Acquiring BHCs and any parent companies must have their headquarters in the region and more deposits in one state in the region than in any state outside the region.

07/01/89 National nonreciprocal.

PENNSYLVANIA

Branching: A bank may branch only in the same county in which its principal office is located or in a contiguous county.

03/04/82 A bank may branch only in the same county in which its principal office is located, in a contiguous county, a bicontiguous county, or in the counties of Allegheny, Delaware, Montgomery and Philadelphia.

03/04/90 Statewide.

MBHCs: Prohibited.

03/04/82 A BHC may control up to four banks.

03/04/86 A BHC may control up to eight banks.

03/04/90 No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 08/25/86 Regional reciprocal: DE, DC, KY, MD, NJ, OH, VA, WV. *De novo* entry is permitted. Acquiring BHCs must have at least 75% of their assets in the region.

03/04/90 National reciprocal.

09/25/95 National.

RHODE ISLAND

Branching: ???/??/56 Statewide.

MBHCs: ???/??/56 The aggregate amount of stock of banks held by a financial institution shall not exceed 10 percent of the savings deposits of such financial institution, the amount of stock in any one bank shall not exceed 3 percent of the savings deposits of such financial institution and shall not exceed 5 percent of the total voting stock of such bank. A financial institution may continue to hold stocks it held prior to July 1, 1961, and

the above limitation does not apply to such holdings if they exceeded 50 percent of the outstanding stock of the bank prior to this date.

Inter. Bran.: 06/27/85 National reciprocal. *De novo* branches are permitted.

Inter. MBHCs: 07/01/84 Regional reciprocal: CT, ME, MA, NH, VT. *De novo* entry is permitted. Banks may opt out of the agreement.

01/01/88 National reciprocal.

09/25/95 National.

SOUTH CAROLINA

Branching: Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 01/01/86 Regional reciprocal: AL, AR, DC, FL, GA, KY, LA, MD, MS, NC, TN, VA, WV. Acquired banks must be at least five years old. *De novo* entry is prohibited. Acquiring BHCs and any parent companies must have their headquarters and 80 percent of their deposits in the region.

07/01/96 National reciprocal

09/25/95 National.

SOUTH DAKOTA

Branching: Statewide.

07/01/69 *De novo* branching is prohibited in municipalities with population of 3000 or less in which a bank is operating or in municipalities with population of 10,000 or less in which two banks are operating. Statewide branching by merger is permitted.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: ???/??/83 Out-of-state BHCs may set up one limited-service *de novo* state bank and one limited-service *de novo* national bank and may

acquire one existing state bank subject to restrictions on location and competition with existing state banks.

02/17/88 National reciprocal. *De novo* entry is permitted. Reciprocity is not required for acquisition of a failed bank.

09/25/95 National.

TENNESSEE

Branching: County-wide.

04/19/85 A BHC may operate as a branch office any office that was previously operated as an affiliate.

03/08/90 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

03/03/74 A BHC may acquire shares of any bank in the state if: (1) the bank has been in operation at least five years or if the bank and BHC are in the same county; (2) it is a *de novo* acquisition of a bank to be located in a county of 200,000 population; (3) it is a *de novo* acquisition of any bank after January 1, 1989; (4) prior to said acquisition the BHC owned more than 50 percent of the shares of the bank; (5) it is an interim bank merger for acquiring a bank in operation for five years; or (6) the bank is in financial difficulty. A BHC is prohibited from acquiring any Tennessee bank as long as the banks which it controls retain 16.5 percent of total individual, partnership, and corporate demand and savings deposits in federally insured banks, thrifts and credit unions in the state.

04/18/85 A BHC may acquire shares of any bank less than five years old if it is in a county with population in excess of 200,000.

Inter. Bran.: None.

Inter. MBHCs: 07/01/85 Regional reciprocal: AL, AR, FL, GA, IN, KY, LA, MS, MO, NC, SC, VA, WV. Acquired banks must be at least five years old. *De novo* entry is prohibited in general, but permitted into four metropolitan counties with population over 200,000 after a BHC has entered the state. Acquiring BHCs and

any parent companies must have their headquarters and 80 percent of their deposits within the region.

04/12/88 The region is expanded to include: DC, MD.  
01/01/91 National reciprocal.  
09/25/95 National.

TEXAS

Branching: Prohibited; facilities permitted.

01/01/87 Banks may establish three branches in the same county as their main facility. BHCs owning more than one bank in a county may convert all but one of those banks into branches.

10/26/88 Statewide.

MBHCs: Prohibited.

08/18/70 No limitations affecting BHC formation and expansion.

01/01/87 No BHC may acquire an institution if, after the acquisition, it would control more than 25 percent of state bank deposits.

Inter. Bran.: None.

Inter. MBHCs: 01/01/87 National, nonreciprocal. Acquired banks must be at least five years old or have been in operation as of July 15, 1986. *De novo* entry is prohibited.

09/01/2001 *De novo* entry is permitted.

UTAH

Branching: 03/13/53 A bank may branch within the corporate limits of a city or town or within unincorporated areas of a county in which a first-class city is located. However, in such first-class cities or within such unincorporated areas, no branches may be established in any city or town in which the principal office of another bank is located unless the bank seeking to establish a branch takes over the existing bank, and no branch may be established outside the corporate limits of a city or town in such close proximity to an established bank or branch as to interfere

unreasonably with the business thereof. A first class city is defined as having a population of 100,000 or more.

07/01/81 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: 07/01/91 National nonreciprocal.

Inter. MBHCs: 04/15/84 Regional reciprocal: AK, AZ, CO, HI, ID, MT, NV, NM, OR, WA, WY. *De novo* entry is prohibited.

01/21/86 National nonreciprocal for the purchase of failed state banks.

12/31/87 National nonreciprocal.

VERMONT

Branching: 01/01/70 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 01/01/88 Regional reciprocal: CT, ME, MA, NH, RI. *De novo* entry is permitted. Banks may opt out of interstate banking activity until December 31, 1990.

02/01/90 National reciprocal.

09/25/95 National.

VIRGINIA

Branching: ??/??/62 Branches may be established within the town, city or county limits in which a bank's principal office is located; in cities contiguous to the county or city in which the principal office is located; in contiguous counties, provided such branches are not established more than five miles outside the city limits within which the principal office is located; and elsewhere by merger with banks in any other county, city or town.

07/03/78 Branches may be established in contiguous cities or counties, provided such branches are not established more than 15 miles outside the city or county limits within

which the principal office is located, and elsewhere by merger with banks located in any county, city or town provided the merging banks have been in operation five years or more. A bank's main office, for branching purposes, is fixed by the establishment of its first branch after June 30, 1978. Banks which have merged may branch from the former main offices of the merged banks, if:

(1) the former main office was a main office for six years before the merger took place; and (2) the former main office was in a city of 25,000 or more, or in a county of 100,000 or more according to the last census.

	01/01/87	Statewide.
MBHCs:		No limitations affecting BHC formation and expansion.
Inter. Bran.:		None.
Inter. MBHCs:	07/01/85	Regional reciprocal: AL, AR, DC, FL, GA, KY, LA, MD, MS, NC, SC, TN, WV. Acquired banks must be at least two years old. <i>De novo</i> entry is prohibited. Acquiring BHCs and any parent companies must have their headquarters and 80 percent of their deposits within the region.
	07/01/94	National reciprocal.
	09/25/95	National.

WASHINGTON

Branching: Statewide branching permitted a bank having paid-in capital of not less than \$500,000. A bank having capital of not less than \$200,000 may branch within the county in which its principal office is located. However, except through acquisition, no bank may branch in any city or town outside the city, town or county within which its principal place of business is located in which another bank or branch is located.

	07/01/85	Statewide.
MBHCs:	05/04/73	Prohibited. BHCs in existence prior to January 1, 1961, are grandfathered.
	05/08/81	No limitations affecting BHC formation and expansion.

Inter. Bran.: None.  
Inter. MBHCs: 07/01/87 National reciprocal. Acquired banks must be at least three years old. *De novo* entry is prohibited.  
09/25/95 National.

WEST VIRGINIA

Branching: Prohibited. A bank may have one facility within 2000 feet of the bank.  
06/11/82 Banks may establish three branches statewide by merger or consolidation. Mergers are only allowed for five years. Two *de novo* branches may be established in a nonbanked town, with the two banks allowed to branch into each town determined by lottery.  
06/07/84 County-wide in all counties into which a bank has branched via merger.  
01/01/87 Statewide.

MBHCs: Prohibited.  
06/11/82 No BHC is allowed to control more than 10 percent of the deposits of all banks in the state.  
06/07/84 No BHC is allowed to control more than 20 percent of the deposits of all banks, thrifts and credit unions in the state.

Inter. Bran.: None.  
Inter. MBHCs: 01/01/88 National reciprocal. Acquired banks must be at least two years old. *De novo* entry is prohibited.  
09/25/95 National.

WISCONSIN

Branching: Prohibited.  
???/??/67 A bank may branch in a bankless community provided no bank or branch is located within three road-miles of the proposed branch site. The branch must be located in the same county as the bank's principal office or in a contiguous county within 25 miles of the bank's principal office. A bank may establish a facility for the

receipt of checks and other transit items in bank-to-bank transactions at locations which are not subject to the general banking restrictions.

05/03/82 A bank may branch anywhere within its home county or up to 25 miles from its main office if county lines intersect. Banks cannot locate a branch closer than 1-1/2 miles from another main office or 3/4 mile from another branch.

08/01/89 Statewide branching allowed for one year on a trial basis.

04/29/90 Statewide.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 01/01/87 Regional reciprocal: IL, IN, IA, KY, MI, MN, MO, OH. Acquired banks must be at least five years old or chartered before January 1, 1987. *De novo* entry is prohibited. Acquiring BHCs and any parent companies must have their principal place of business in the region.

09/25/95 National.

WYOMING

Branching: No statute; there are no branch banks in the state.

03/17/86 A failing bank that is the only bank within the incorporated limits of a municipality may be acquired as a branch by any bank in the state.

04/09/88 Statewide by merger or consolidation.

07/01/93 A bank may branch into a community without any bank offices in the county in which the bank is headquartered. A bank may branch into a community without any bank offices in any other county in which the bank has a branch if no bank headquartered in that county opposes such a branch.

MBHCs: No limitations affecting BHC formation and expansion.

Inter. Bran.: None.

Inter. MBHCs: 05/22/87

National nonreciprocal. Acquired banks must be at least three years old. *De novo* entry is prohibited.