

CHAPTER 48

BANKS, TRUST COMPANIES

48.01	Definitions.	48.512	Procedures for opening checking accounts.
48.15	Special powers.	48.61	Authorized investments for state banks and trust companies.
48.151	Additional powers.		Repealed.
48.153	Installment loans; finance charges; minimum charges.	48.611	Trust companies to comply with certain laws.
48.1585	Repealed.	48.65	Repealed.
48.16	Banks may not pledge assets; exceptions.	48.67	Legislative intent.
48.185	Open end loan account arrangements.	48.90	Title.
48.194	Installment sales contracts; loans.	48.91	Definitions.
48.195	Interest rates; usury limit for depository institutions.	48.92	Acquisition procedure.
48.196	Penalty for usurious interest.	48.93	Repealed.
48.24	Restrictions upon total liabilities to a bank.	48.95	Supervision.
48.475	Trust service offices.	48.96	Repealed.
48.48	Reports to commissioner.	48.98	Special acquisitions authorized.
48.49	Books to be kept.	48.99	Repealed.
		48.991	Reciprocal interstate branching.
		48.993	Foreign corporation filing.
		48.995	

48.01 DEFINITIONS.

[For text of subd 1, see M.S.1994]

Subd. 2. **Banking institution.** The term "banking institution" means any bank, trust company, bank and trust company, or savings bank which is now or may hereafter be organized under the laws of this state. For purposes of sections 48.38, 48.84, and 501 B.10, subdivision 6, and to the extent permitted by federal law, "banking institution" includes any national banking association or affiliate exercising trust powers in this state.

[For text of subd 3, see M.S.1994]

History: 1995 c 171 s 29

48.15 SPECIAL POWERS.

[For text of subds 1 and 2, see M.S.1994]

Subd. 2a. **Authorized activities.** The commissioner may authorize a state bank to undertake any activities, exercise any powers, or make any investments that are authorized activities, powers, or investments as of August 1, 1995, for any state savings bank doing business in this state, or that become authorized activities, powers, or investments for state savings banks after August 1, 1995. The commissioner may not authorize state banks to engage in any banking activity prohibited by the laws of this state.

[For text of subds 3 and 4, see M.S.1994]

History: 1995 c 171 s 30

48.151 ADDITIONAL POWERS.

Any bank, savings bank, or trust company organized under the laws of this state, or any national banking association doing business in this state, shall have the power to advertise for sale and sell for a fee money orders, traveler's checks, cashier's checks, drafts, registered checks, and certified checks and no other person, firm, or corporation, either directly or through agents, shall advertise for sale or shall sell for a fee any evidence of indebtedness on which there appears the words, "money order," "traveler's check," "cashier's check," "draft," "registered check," "certified check," or other words or symbols whether of the same or different character which tend to lead the purchaser to believe that such evidence of indebtedness is other than a personal check, unless such evidence of indebtedness is issued by a person, firm or corporation which is a savings association, or telegraph company, or, in the

case of cashier's checks, is issued by an industrial loan and thrift company with deposit liabilities, provided that these instruments are issued in conformity with the Uniform Commercial Code, or is issued by a person, firm, or corporation that has on file in the office of the secretary of state a surety bond in the principal sum of \$5,000 issued by a bonding or insurance company authorized to do business in this state, which surety bond shall run to the state of Minnesota and shall be for the benefit of any creditor for any liability insured on account of the sale or issuance by it or its agent of any such evidence of indebtedness, or has deposited with the secretary of state securities or cash of the value of \$5,000; provided, however, that the aggregate liability of the surety to all such creditors shall, in no event, exceed the sum of such bond or deposit. Any person, firm or corporation who shall violate any provision of this section shall be guilty of a misdemeanor.

History: 1995 c 202 art 1 s 25

48.153 INSTALLMENT LOANS; FINANCE CHARGES; MINIMUM CHARGES.

[For text of subs 1 to 3, see M.S.1994]

Subd. 3a. A savings bank organized under chapter 50, a savings association subject to the provisions of sections 51A.01 to 51A.57, or a savings association chartered under the laws of the United States, that has its principal place of business in this state, may make a loan for consumer purposes to a natural person in an amount not exceeding \$25,000 repayable in installments, and may charge a rate of interest upon the unpaid principal balance of the amount financed of 12 percent a year, or the rate of interest authorized by section 48.195, whichever is greater. If the rate of interest charged is permitted by section 48.195 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.

Subd. 4. Installment payments on loans made pursuant to this section by a savings bank, a savings association subject to the provisions of sections 51A.01 to 51A.57, or a savings association chartered under the laws of the United States shall not extend beyond a period of 12 years and 32 days from the date of the loan. The loan may be secured by a mortgage, pledge, or other collateral.

[For text of subd 5, see M.S.1994]

History: 1995 c 202 art 1 s 25

48.1585 [Repealed, 1995 c 202 art 4 s 25]

48.16 BANKS MAY NOT PLEDGE ASSETS; EXCEPTIONS.

No bank or trust company shall pledge, hypothecate, assign, transfer, or create a lien upon or charge against any of its assets except as follows:

- (1) to the state;
- (2) to secure public deposits;
- (3) to secure funds of trustees in bankruptcy;
- (4) to secure money borrowed in good faith from other banks, trust companies, a financial agency created by act of Congress, or the state in programs specifically authorizing state banks to participate as an eligible local lender;
- (5) to finance the acquisition of real estate to be carried as an asset as provided for in section 47.10;
- (6) to secure a liability that arises from a transfer of a direct obligation of, or obligations that are fully guaranteed as to principal and interest by, the United States government or an agency thereof that the bank or trust company is obligated to repurchase.

This section shall not be construed to permit the use of assets as security for public deposits other than the securities made eligible by law for that purpose.

History: 1995 c 202 art 2 s 14

48.185 OPEN END LOAN ACCOUNT ARRANGEMENTS.

Subdivision 1. Any bank organized under the laws of this state, any national banking association doing business in this state, any savings bank organized and operated pursuant to

chapter 50, any savings association organized under chapter 51A, and any federally chartered savings association, may extend credit through an open end loan account arrangement with a debtor, pursuant to which the debtor may obtain loans from time to time by cash advances, purchase or satisfaction of the obligations of the debtor incurred pursuant to a credit card plan, or otherwise under a credit card or overdraft checking plan.

[For text of subs 2 to 6, see M.S.1994]

Subd. 7. Any bank or savings bank extending credit in compliance with the provisions of this section, which is injured competitively by violations of this section by another bank or savings bank, may institute a civil action in the district court of this state against that bank or savings bank for an injunction prohibiting any violation of this section. The court, upon proper proof that the defendant has engaged in any practice in violation of this section, may enjoin the future commission of that practice. Proof of monetary damage or loss of profits shall not be required. Costs and attorneys' fees may be allowed to the plaintiff, unless the court directs otherwise. The relief provided in this subdivision is in addition to remedies otherwise available against the same conduct under the common law or statutes of this state.

Service of process shall be as in any other civil suit, except that if a defendant in the action is a foreign corporation or a national banking association with its principal place of business in another state, service of process may also be made by personal service outside the state, or in the manner provided by section 5.25, or in such manner as the court may direct, or in accordance with section 45.028, subdivision 2. Process is valid if it satisfies the requirements of due process of law, whether or not defendant is doing business in Minnesota regularly or habitually.

History: 1995 c 128 art 1 s 2; 1995 c 202 art 1 s 25

48.194 INSTALLMENT SALES CONTRACTS; LOANS.

A person may enter into a credit sale or service contract for sale to a state or national bank doing business in this state, and a bank may purchase and enforce the contract under the terms and conditions set forth in sections 47.59, subdivisions 2 and 4 to 14; and 51A.386, subdivision 4. A state bank or national bank may extend credit pursuant to the terms and conditions set forth in sections 47.59, 47.60, and 51A.386, subdivision 4.

History: 1995 c 202 art 3 s 3

48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.

Notwithstanding any law to the contrary, a bank, savings bank, savings association, or credit union organized under the laws of this state, or a national bank or federally chartered savings bank, savings association, or credit union, doing business in this state, may charge on any loan or discount made or upon any note, bill or other evidence of debt, except an extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2 percent in excess of the discount rate, including any surcharge thereon, on 90 day commercial paper in effect at the federal reserve bank located in the Ninth Federal Reserve District.

History: 1995 c 202 art 1 s 25

48.196 PENALTY FOR USURIOUS INTEREST.

The taking, receiving, reserving or charging by a lender of a rate of interest greater than is allowed by state law shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person paying it, or the person's legal representatives, may recover, in an action in the nature of an action of debt, twice the amount of the interest thus paid from the lender taking or receiving the interest, if the action is commenced within two years from the time the usurious transaction occurred. For purposes of this section, the term "lender" means a bank or savings bank organized under the laws of this state, a federally chartered savings association, a savings association organized under chapter 51A, a federally chartered credit union, a credit union organized under chapter 52, an industrial loan and thrift company organized under chapter 53, a regulated lender licensed under chapter 56,

or a mortgagee or lender approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs.

History: 1995 c 202 art 1 s 25

48.24 RESTRICTIONS UPON TOTAL LIABILITIES TO A BANK.

[For text of subs 1 to 3, see M.S.1994]

Subd. 5. Loans or obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that they are secured or covered by guarantees, or by commitments or agreements to take over or to purchase the same, made by:

- (1) the commissioner of agriculture on the purchase of agricultural land;
- (2) any Federal Reserve bank;
- (3) the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States;
- (4) the Minnesota energy and economic development authority;
- (5) the Minnesota export finance authority; or
- (6) a municipality or political subdivision within Minnesota to the extent that the guarantee or collateral is a valid and enforceable general obligation of that political body.

[For text of subs 6 to 8, see M.S.1994]

History: 1995 c 202 art 2 s 15

48.475 TRUST SERVICE OFFICES.

[For text of subs 1 and 2, see M.S.1994]

Subd. 3. **General requirements.** If the bank at which a trust service office is to be established has exercised trust powers, then the trust company or bank which is establishing the trust service office shall enter into an agreement respecting those fiduciary powers to which the trust company or bank shall succeed and shall file the agreement with the commissioner. The trust company or bank which is establishing a trust service office under subdivision 1 shall publish a notice of the filing in the form prescribed by the commissioner in a newspaper published in the municipality in which the trust service office is to be located, and if there is no such newspaper, then in a qualified newspaper likely to give notice in the municipality in which the proposed trust service office is to be located, and proof of publication shall be filed with the commissioner immediately after publication of the notice of filing. After filing and publication, the trust company or bank establishing the trust service office shall, as of the date the office first opens for business, and without further authorization of any kind, succeed to and be substituted for the bank at which the trust service office is located as to all fiduciary powers, rights, duties, privileges, and liabilities of the bank in its capacity as fiduciary for all estates, trusts, conservatorships, guardianships, and other fiduciary relationships of which the bank is then serving as fiduciary, except as may be otherwise specified in the agreement between the bank and the trust company or bank which has established the trust service office. The trust company or bank which has established the trust service office shall also be deemed named as fiduciary in all writings, including, but not limited to, wills, trusts, court orders, and similar documents and instruments, naming the bank at which the trust service office is located signed before the date the trust service office first opens for business, unless expressly negated by the writing or otherwise specified in the agreement between the trust company or bank and the bank at which the trust service office is located. On the effective date of the substitution, the bank at which the trust service office has been established shall be released and absolved from all fiduciary duties and obligations under the writings and shall discontinue its exercise of trust powers on all matters not specifically retained by the agreement. This subdivision does not absolve the bank from liabilities arising out of any breach of fiduciary duty or obligation occurring prior to the date the trust service office first opens for business. This subdivision does not affect the authority, duties, or obligations of a bank with

respect to relationships which may be established without trust powers, whether the relationships arise before or after the establishment of the trust service office.

[For text of subs 4 to 6, see M.S.1994]

History: 1995 c 202 art 1 s 9

48.48 REPORTS TO COMMISSIONER.

Subdivision 1. Submission and publication. At least four times in each year, and at any other time when so requested by the commissioner, every bank or trust company shall, within 30 days of the date of notice, make and transmit to the commissioner or to the commissioner's designee, in a form the commissioner prescribes, a report, attested to in the official minutes of its directors, stating in detail, under appropriate heads, as required by the commissioner, its assets and liabilities at the close of business on the day specified in the request. The commissioner may accept a report made to a federal authority having supervision of banks or trust companies in fulfilling this requirement. That portion of the report constituting the statement of assets, liabilities, and capital and statement of income and expenses must be made available to the public within 45 days of the notice at every location of the bank or trust company including detached facilities and trust service offices.

Subd. 2. Penalties for late submission. For failure to send these reports to the commissioner or to the commissioner's designee in the time specified, a bank or trust company shall forfeit to the state the sum of \$25 for each day of delay and shall pay the accumulated sum to the commissioner upon a formal demand for payment by the commissioner. If it appears that a report was transmitted by a bank or trust company on or before the end of the 30-day period, the commissioner shall waive any forfeit. In the event it does not appear that a report was timely transmitted, the commissioner may nevertheless waive forfeit upon a showing by the bank or trust company to the satisfaction of the commissioner that failure to send the reports was the result of causes beyond the control of the bank or trust company.

History: 1995 c 202 art 2 s 16,17

48.49 BOOKS TO BE KEPT.

Every such bank shall open and keep such books and accounts as the commissioner may prescribe, for the purpose of keeping accurate and convenient records of its transactions.

History: 1995 c 202 art 2 s 18

48.512 PROCEDURES FOR OPENING CHECKING ACCOUNTS.

[For text of subs 1 to 5, see M.S.1994]

Subd. 6. [Repealed, 1995 c 202 art 4 s 25]

[For text of subs 7 to 9, see M.S.1994]

48.61 AUTHORIZED INVESTMENTS FOR STATE BANKS AND TRUST COMPANIES.

[For text of subs 1 to 6, see M.S.1994]

Subd. 7. Subsidiaries. (a) A state bank or trust company may organize, acquire, or invest in a subsidiary located in this state for the purposes of engaging in one or more of the following activities, subject to the prior written approval of the commissioner:

(1) any activity, not including receiving deposits or paying checks, that a state bank is authorized to engage in under state law or rule or under federal law or regulation unless the activity is prohibited by the laws of this state;

(2) any activity that a bank clerical service corporation is authorized to engage in under section 48.89; and

(3) any other activity authorized for a national bank, a bank holding company, or a subsidiary of a national bank or bank holding company under federal law or regulation of general applicability, and approved by the commissioner by rule.

(b) A bank or trust company subsidiary may engage in an activity under this section only upon application together with a filing fee of \$250 and with the prior written approval of the commissioner. In approving or denying a proposed activity, the commissioner shall consider the financial and management strength of the bank or trust company, the current written operating plan and policies of the proposed subsidiary corporation, the bank or trust company's community reinvestment record, and whether the proposed activity should be conducted through a subsidiary of the bank or trust company.

(c) The aggregate amount of funds invested in either an equity or loan capacity in all of the subsidiaries of the bank or trust company authorized under this subdivision shall not exceed 25 percent of the capital stock and paid in surplus of the bank or trust company.

(d) A subsidiary organized or acquired under this subdivision is subject to the examination and enforcement authority of the commissioner under chapters 45 and 46 to the same extent as a state bank or trust company.

(e) For the purposes of this section, "subsidiary" means a corporation of which more than 50 percent of the voting shares are owned or controlled by the bank or trust company.

[For text of subd 8, see M.S.1994]

Subd. 9. Merger with subsidiaries; authority. (a) Notwithstanding any other law to the contrary, a bank may merge a subsidiary authorized and established according to this section into itself if it owns 100 percent of the outstanding voting stock.

(b) A merger of a subsidiary authorized by subdivision 1 must conform to the procedures in section 302A.621.

(c) Before filing the articles of merger with the secretary of state, the merger plan must be filed with and approved in writing by the commissioner who shall determine that:

(1) the provisions of section 302A.621 are followed; and

(2) the merger will not have an undue adverse effect on the safety and soundness of the bank.

History: 1995 c 202 art 1 s 10; art 2 s 19

48.611 [Repealed, 1995 c 202 art 1 s 26]

48.65 TRUST COMPANIES TO COMPLY WITH CERTAIN LAWS.

No trust company of this state shall conduct a banking business, as defined in section 47.02, without fully complying with the provisions of section 48.221 relating to the reserve requirements of the state banks.

History: 1995 c 202 art 1 s 11

48.67 [Repealed, 1995 c 171 s 70]

48.90 LEGISLATIVE INTENT.

Subdivision 1. Severability. It is the express intention of the Minnesota legislature to act pursuant to the United States Code, title 12, section 1842(d), as amended by title I of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 to provide for interstate banking on a nationwide basis and to preserve certain state law, policy, and practices.

[For text of subds 2 and 3, see M.S.1994]

History: 1995 c 202 art 4 s 7

48.91 TITLE.

Sections 48.90 to 48.99 may be cited as the "interstate banking act."

History: 1995 c 202 art 4 s 8

48.92 DEFINITIONS.

Subdivision 1. Terms. When used in sections 48.90 to 48.99, the terms defined in this section have the meanings given them, unless their context requires a different meaning.

Subd. 2. Control. "Control," with respect to a bank holding company, bank, or bank to be organized pursuant to chapters 46, 47, 48, and 300, means that term as defined in section 46.048, subdivision 1.

[For text of subs 3 to 5, see M.S.1994]

Subd. 6. Home state. "Home state" means: (1) with respect to a national bank, the state in which the main office of the bank is located; (2) with respect to a state bank, the state by which the bank is chartered; and (3) with respect to a bank holding company, the state in which the total deposits of all banking subsidiaries of the company are the largest on the later of (i) July 1, 1966, or (ii) the date on which the company becomes a bank holding company under the Bank Holding Company Act of 1956, as amended, United States Code, title 12, section 1842.

Subd. 7. Host state. "Host state" is a state other than the home state of the bank holding company, in which the company controls, or seeks to control, a bank subsidiary.

Subd. 8. Out-of-state bank holding company. "Out-of-state bank holding company" means a bank holding company as defined in the Bank Holding Company Act of 1956, as amended, whose home state is a state other than Minnesota.

Subd. 9. Interstate bank holding company. "Interstate bank holding company" means (a) a bank holding company whose home state is Minnesota and that is engaging in interstate banking, and (b) an out-of-state bank holding company engaged in banking in this state.

[For text of subd 10, see M.S.1994]

Subd. 11. Out-of-state bank. "Out-of-state bank" means a bank whose home state is other than Minnesota.

History: 1995 c 202 art 1 s 12; art 4 s 9-14

48.93 ACQUISITION PROCEDURE.

Subdivision 1. Application. An out-of-state bank holding company may, through a purchase of stock or assets of a bank, or through a purchase of stock or assets of or merger with a bank holding company, acquire control in an existing bank or banks whose home state is Minnesota if it meets the conditions in this section, sections 46.047 and 46.048 and it files an application in writing with the commissioner on forms provided by the department. The commissioner, upon receipt of the application, shall act upon it in the manner provided for in sections 46.047 and 46.048, except that the commissioner may extend the 60-day period an additional 30 days if in the commissioner's judgment any material information submitted is substantially inaccurate or the acquiring party has not furnished all the information required by statute, rule, or the commissioner. Within three days after making the decision to disapprove any proposed acquisition, the commissioner shall notify the acquiring party in writing of the disapproval. The notice must provide a statement of the basis for the disapproval.

[For text of subd 2, see M.S.1994]

Subd. 3. Criteria for approval. Except as otherwise provided by rule of the department, an application filed pursuant to subdivision 1 must contain the information required by sections 46.047 and 46.048.

Subd. 4. Disapproval. The commissioner shall disapprove any proposed acquisition if:

- (1) the financial condition of any acquiring person is such as might jeopardize the financial stability of the bank or prejudice the interests of the depositors of the bank;
- (2) the competence, experience, integrity of any acquiring person or of any of the proposed management personnel indicates that it would not be in the interest of the depositors of the bank, or in the interest of the public to permit the person to control the bank;
- (3) the acquisition will result in undue concentration of resources or substantial lessening of competition in this state;
- (4) the application is incomplete or any acquiring party neglects, fails, or refuses to furnish all the information required by the commissioner;
- (5) a subsidiary of the acquiring bank holding company has failed to meet the requirements set forth in the federal Community Reinvestment Act; or

(6) the bank to be acquired has not been in existence for at least five years. For purposes of this paragraph, a bank that has been chartered solely for the purpose of, and does not open for business before, acquiring control of, or acquiring all or substantially all of the assets of, an existing bank is considered to have been in existence for the same period of time as the bank to be acquired. For determining the time period of existence of a bank, the time period begins after the issuance of a certificate of authorization and from the date the approved bank actually opens for business.

[For text of subd 5, see M.S.1994]

History: 1995 c 202 art 4 s 15-17

48.95 [Repealed, 1995 c 202 art 4 s 26]

48.96 SUPERVISION.

The department may enter into cooperative and reciprocal agreements with federal or state regulatory authorities responsible for supervision of out-of-state bank holding companies for exchange or acceptance of reports of examination and other records from the authorities in lieu of conducting its own examinations. The department may enter into joint actions with federal or state regulatory authorities responsible for supervision of out-of-state bank holding companies to carry out its responsibilities and assure compliance with the laws of this state.

History: 1995 c 202 art 4 s 18

48.97 Subdivision 1. [Repealed, 1995 c 202 art 4 s 25]

Subd. 2. [Repealed, 1995 c 202 art 1 s 26; art 4 s 25]

Subd. 3. [Repealed, 1995 c 202 art 1 s 26; art 4 s 25]

Subd. 4. [Repealed, 1995 c 202 art 1 s 26; art 4 s 25]

48.98 [Repealed, 1995 c 202 art 4 s 26]

48.99 SPECIAL ACQUISITIONS AUTHORIZED.

Subdivision 1. **Application criteria for approval.** Pursuant to the present requirement of the United States Code, title 12, section 1842(d) and notwithstanding any other provision of state law, an out-of-state bank holding company, or any subsidiary of a bank holding company, may acquire a bank located in this state where the commissioner has determined that a merger, consolidation, or purchase of assets and assumption of liabilities is necessary and in the public interest to prevent the probable failure of a bank or is made for the incorporation of a new bank in the same locality coincidental with the closing of an existing bank by the commissioner or federal authorities and does not increase the number of banks in the community affected. The acquisition is subject to the prior written approval of the commissioner of an application submitted under this section and after the following considerations:

- (1) the financial and managerial resources of the applicant;
- (2) the future prospects of the applicant and the state bank or its subsidiary whose assets, interest in, or shares it will acquire;
- (3) the financial history of the applicant;
- (4) whether the acquisition or holding may result in undue concentration of resources or substantial lessening of competition in this state, but any deposit concentration limitations imposed on the acquisition by Public Law Number 103-328, title 1, section 101, (a)(2), may be waived by order of the commissioner;
- (5) the convenience and needs of the public of this state; and
- (6) whether the acquisition or holding will strengthen the financial condition of the state bank.

[For text of subs 2 to 4, see M.S.1994]

History: 1995 c 202 art 4 s 19

48.991 [Repealed, 1995 c 202 art 4 s 25]

48.993 RECIPROCAL INTERSTATE BRANCHING.

With the prior approval of the commissioner, a bank doing business in the state of Iowa, North Dakota, South Dakota, or Wisconsin may establish a de novo detached facility in this state not more than 30 miles from its principal office measured in a straight line from the closest points of the closest structures provided further that:

(a) There is in effect in the home state a statute, rule, or ruling that permits Minnesota home state banks to establish de novo branches in the state under conditions substantially similar to those imposed by the laws of Minnesota as determined by the commissioner.

(b) There is in effect a cooperative agreement between the home state and host state banking regulator to facilitate their respective regulation and supervision of the bank including application and approval process, and the coordination of examinations. The agreement must at a minimum provide:

(1) common form and information requirements to be completed by the applicant bank;

(2) common form and procedure required to publish the application in the location of the branch in the host state;

(3) a fee for the application to the state of Minnesota, department of commerce, for filing and approval as the host state of the application of \$500;

(4) the requirements and limitations on the location and operations of an interstate branch must be the same as for host state branches in sections 47.51 to 47.55. Transfer of location under section 47.56 is limited by this section;

(5) the branch is subject to the laws of the host state relating to banking in resolution of conflicts of laws between the home and host state; and

(6) the deposits of the bank must be insured by the Federal Deposit Insurance Corporation.

(c) The home state banking regulator has granted any and all necessary approvals.

(d) Beginning one year following establishment of a detached facility in a host state, the home state bank's level of lending in the host state relative to the deposits from the host state shall not be less than half of the level of the bank's loan to deposit ratio in its home state operations. The bank shall maintain sufficient records to permit an examination to determine compliance with this requirement by the host state banking regulator. If the bank is found to be in noncompliance, the home state or host state banking regulator may order that an interstate branch of the bank in the host state be closed.

(e) For purposes of this section, "home state" has the meaning given in section 48.92, and "host state" means a state other than the home state.

History: 1995 c 202 art 4 s 20

NOTE: This section expires May 31, 1997. See Laws 1995, chapter 202, article 4, section 24.

48.995 FOREIGN CORPORATION FILING.

Subdivision 1. Trust powers. A bank that holds trust powers may conduct the activity through a host state branch provided it complies with section 303.25.

Subd. 2. Filing with secretary of state. Notwithstanding section 303.03, the branch in a host state must operate under a certificate of authority filed with the Minnesota secretary of state.

Subd. 3. Definition. For purposes of this section, "host state" means a state other than the home state, as defined in section 48.92.

History: 1995 c 202 art 4 s 21

NOTE: This section expires May 31, 1997. See laws 1995, chapter 202, article 4, section 24.