

## RÉSUMÉ DIGEST

ACT 16 (HB 396)

2019 Regular Session

Anders

Prior law allowed a state bank to hold immovable property in perpetuity, exempt from the divestiture requirements in existing law, if all of the following conditions were met:

- (1) The property is not being operated by the financial institution as an ongoing business.
- (2) The property has been written down to the value of one dollar on the books of the bank.
- (3) The property has been transferred into a subsidiary of the bank.

New law retains prior law but adds the condition that written approval has been obtained from the commissioner.

New law provides that a state bank may, through a wholly-owned operating subsidiary, conduct any activity or make any investment that a state bank is authorized to conduct or make under existing law.

New law requires a state bank that establishes a subsidiary in accordance with new law to provide the commissioner written notice within the 30 days following the establishment of the subsidiary or commencement of the new activity in the subsidiary.

New law requires a state bank to obtain written approval from the commissioner in order to conduct any activity through the subsidiary, except as provided for in new law.

New law provides that new law shall be applicable to associations in the same manner as they are applicable to banks.

New law provides that new law shall be applicable to savings banks in the same manner as they are applicable to banks.

Effective August 1, 2019.

(Amends R.S. 6:822(3)(d) and 1229.1; Adds R.S. 6:243(C)(1)(d) and 246)