

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 459

To provide for nationwide banking and branching.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1993

Mr. HOAGLAND (for himself and Mr. McCOLLUM) introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

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## A BILL

To provide for nationwide banking and branching.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Nationwide Banking  
5       and Branching Act of 1993”.

6       **SEC. 2. NATIONWIDE BANKING.**

7       (a) INTERSTATE ACQUISITIONS.—Section 3(d) of the  
8       Bank Holding Company Act of 1956 (12 U.S.C. 1842(d))  
9       is amended to read as follows:

10       “(d) INTERSTATE ACQUISITIONS.—

1           “(1) IN GENERAL.—The Board may approve an  
2 application under this section by a bank holding  
3 company or foreign bank to acquire, directly or indi-  
4 rectly, any voting shares of, interest in or all or sub-  
5 stantially all of the assets of any additional insured  
6 depository institution (as defined in section 3 of the  
7 Federal Deposit Insurance Act) or bank holding  
8 company located in any State.

9           “(2) STATE LAW.—Any acquisition described in  
10 paragraph (1) that has been approved under this  
11 section may be consummated notwithstanding any  
12 State law that would prohibit or otherwise limit such  
13 acquisition on the basis of—

14                   “(A) the location or size of the acquiring  
15 company, foreign bank, or subsidiary of such  
16 company or foreign bank;

17                   “(B) the number of insured depository in-  
18 stitution subsidiaries of such company or for-  
19 eign bank; or

20                   “(C) any other factor that, directly or indi-  
21 rectly has the effect of prohibiting or limiting  
22 the acquisition of shares or control of an in-  
23 sured depository institution or bank holding  
24 company located in that State by an out-of-  
25 State bank holding company or foreign bank if

1 such factor is not applied with similar effect in  
2 the case of acquisitions of insured depository in-  
3 stitutions or bank holding companies located in  
4 such State by bank holding companies located  
5 in the State.”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall take effect on the date of the enactment  
8 of this Act.

9 **SEC. 3. INTERSTATE BRANCHING BY NATIONAL BANKS.**

10 Section 5155 of the Revised Statutes (12 U.S.C. 36)  
11 is amended—

12 (1) by redesignating subsections (d) through (h)  
13 as subsections (e) through (i), respectively; and

14 (2) by inserting after subsection (c) the follow-  
15 ing:

16 “(d) INTERSTATE BRANCHING BY NATIONAL  
17 BANKS.—

18 “(1) IN GENERAL.—

19 “(A) APPROVALS AUTHORIZED.—Begin-  
20 ning 2 years after the date of the enactment of  
21 the Nationwide Banking and Branching Act of  
22 1993, the Comptroller of the Currency may ap-  
23 prove an application under this subsection  
24 which will permit a national bank to establish  
25 or acquire, and operate, branches located out-

1 side the State in which the main office of such  
2 bank is located, subject to paragraphs (2), (3),  
3 and (5).

4 “(B) CONDITIONS.—In determining wheth-  
5 er to grant approval under subparagraph (A),  
6 the Comptroller of the Currency shall consider  
7 the bank’s rating under the Community Rein-  
8 vestment Act of 1977.

9 “(C) APPLICABLE LAW.—

10 “(i) IN GENERAL.—Except with re-  
11 gard to State tax laws, any branch estab-  
12 lished or acquired under subparagraph (A)  
13 shall be subject to the laws of the host  
14 State as if it were a branch of a national  
15 bank with its main office in that State.

16 “(ii) FILING REQUIREMENT.—A host  
17 State may require any national bank that  
18 has its main office in another State that  
19 wishes to establish a branch within the  
20 host State to comply with filing require-  
21 ments that are not discriminatory in na-  
22 ture and that are similar in their effect to  
23 those that are imposed on a corporation  
24 from another State that is not engaged in  
25 the business of banking and that seeks to

1 engage in business in the host State. The  
2 host State may preclude any national bank  
3 the main office of which is located in an-  
4 other State from establishing or operating  
5 a branch within the host State if that na-  
6 tional bank materially fails to comply with  
7 the filing requirements.

8 “(2) STATE ELECTION TO PROHIBIT INTER-  
9 STATE BRANCHING.—

10 “(A) IN GENERAL.—The provisions of  
11 paragraph (1) shall not apply to branches lo-  
12 cated or to be located in a State which has en-  
13 acted, during the period beginning on the date  
14 of the enactment of this Act, and ending 2  
15 years after the date of the enactment of this  
16 Act, a law that applies equally to national and  
17 State banks and that expressly prohibits all  
18 out-of-State banks from establishing or acquir-  
19 ing branches located in that State.

20 “(B) EFFECT OF PROHIBITION.—A na-  
21 tional bank that has its main office in a State  
22 that has in effect a prohibition under subpara-  
23 graph (A) may not acquire or establish a  
24 branch located in any other State under the  
25 provisions of this subsection.

1           “(3) STATE ELECTION TO PERMIT INTERSTATE  
2 BRANCHING.—

3           “(A) DURING THE 2-YEAR PERIOD FOL-  
4 LOWING ENACTMENT.—The Comptroller of the  
5 Currency may approve an application under  
6 paragraph (1)(A) before the expiration of the 2-  
7 year period described in paragraph (1)(A), if  
8 the State in which the branch is or will be lo-  
9 cated enacts a law during that period (in which  
10 case paragraph (2)(A) shall not apply to such  
11 State) expressly permitting the establishment  
12 and acquisition of interstate branches in that  
13 State by all national and State banks before the  
14 expiration of the time period described in para-  
15 graph (1)(A).

16           “(B) STATE PERMITTED TO AUTHORIZE  
17 INTERSTATE BRANCHING AFTER PROHIBITING  
18 INTERSTATE BRANCHING.—A State that origi-  
19 nally elected, pursuant to paragraph (2), to pro-  
20 hibit interstate branching may nonetheless elect  
21 at any later time to permit interstate branching  
22 if such State enacts a law expressly permitting  
23 the establishment and acquisition of interstate  
24 branches in that State by all national and State  
25 banks.

1           “(4) STATE IMPOSED CONDITIONS ON INTER-  
2 STATE BRANCHING.—A State may require a bank  
3 submitting an application under this subsection to  
4 file a copy of the application with the host State  
5 banking authority in a timely manner (and the  
6 Comptroller of the Currency shall consider any time-  
7 ly comments of the host State prior to approving  
8 that application).

9           “(5) DEFINITIONS.—For purposes of this sub-  
10 section—

11           “(A) HOST STATE.—The term ‘host State’  
12 means the State in which a national bank es-  
13 tablishes, acquires, or maintains a branch other  
14 than the State in which the bank has its main  
15 office and is engaging in banking business.

16           “(B) INSURED DEPOSITORY INSTITU-  
17 TION.—The term ‘insured depository institu-  
18 tion’ has the same meaning as in section 3 of  
19 the Federal Deposit Insurance Act.

20           “(6) STATE TAXATION AUTHORITY NOT AF-  
21 FECTED.—No provision of this subsection shall be  
22 construed to affect the authority of any State or po-  
23 litical subdivision of any State to apply any tax or  
24 method of taxation to a national, State, or foreign  
25 bank, or a bank holding company, when such tax or

1 tax method is otherwise permissible by or under the  
2 Constitution of the United States or other Federal  
3 law.”.

4 **SEC. 4. INTERSTATE BRANCHING BY STATE BANKS.**

5 Section 18(d) of the Federal Deposit Insurance Act  
6 (12 U.S.C. 1828(d)) is amended by adding at the end the  
7 following:

8 “(3) INTERSTATE BRANCHING BY STATE  
9 BANKS.—Beginning 2 years after the date of the en-  
10 actment of the Nationwide Banking and Branching  
11 Act of 1993, an insured State bank may establish or  
12 acquire, and operate, branches located outside the  
13 State in which the bank is chartered if authorized by  
14 the law of the State in which the bank is chartered.

15 “(4) APPLICABLE LAW.—

16 “(A) IN GENERAL.—Except with regard to  
17 State tax laws, any branch of an out-of-State  
18 State bank shall be subject to the laws of the  
19 host State as if such branch were a branch of  
20 a bank chartered by that State.

21 “(B) ACTIVITIES OF BRANCHES.—An in-  
22 insured State bank that establishes a branch or  
23 branches pursuant to paragraph (3) may not  
24 conduct any activity at such branch that is not

1           permissible for a bank chartered by the host  
2           State.

3           “(C) FILING REQUIREMENT.—A host State  
4           may require any insured bank chartered by an-  
5           other State that wishes to establish a branch  
6           within the host State to comply with filing re-  
7           quirements that are not discriminatory in na-  
8           ture and that are similar in their effect to those  
9           that are imposed on a corporation from another  
10          State that is not engaged in the business of  
11          banking and that seeks to engage in business in  
12          the host State. The host State may preclude  
13          any State bank chartered by another State  
14          from establishing or operating a branch within  
15          the host State if that State bank or its branch  
16          materially fails to comply with the filing re-  
17          quirements.

18          “(D) RESERVATION OF CERTAIN RIGHTS  
19          TO STATES.—Nothing in this subsection limits  
20          in any way the right of a State to—

21                  “(i) determine the authority of State  
22                  banks chartered in that State to establish  
23                  and maintain branches; or

24                  “(ii) supervise, regulate, and examine  
25                  State banks chartered by that State.

1           “(5) STATE ELECTION TO PROHIBIT INTER-  
2 STATE BRANCHING.—

3           “(A) IN GENERAL.—The provisions of  
4 paragraph (3) shall not apply to branches lo-  
5 cated or to be located in a State which has en-  
6 acted, during the period beginning on the date  
7 of the enactment of the Nationwide Banking  
8 and Branching Act of 1993, and ending 2 years  
9 after the date of the enactment of such Act, a  
10 law that applies equally to national and State  
11 banks and that expressly prohibits all out-of-  
12 State banks from establishing or acquiring  
13 branches located in that State.

14           “(B) EFFECT OF PROHIBITION.—A State  
15 bank that is chartered by a State that has in  
16 effect a prohibition under subparagraph (A)  
17 may not acquire or establish a branch located  
18 in any other State under the provisions of para-  
19 graph (3) or paragraph (6) of this subsection.

20           “(6) STATE ELECTION TO PERMIT INTERSTATE  
21 BRANCHING.—

22           “(A) DURING THE 2-YEAR PERIOD FOL-  
23 LOWING ENACTMENT.—A State bank may es-  
24 tablish or acquire and operate a branch outside  
25 the State in which the main office of the bank

1 is located, before the expiration of the 2-year  
2 period described in paragraph (3), if the State  
3 in which the branch is or will be located enacts  
4 a law during that period (in which case para-  
5 graph (5)(A) shall not apply to such State) ex-  
6 pressly permitting the establishment and acqui-  
7 sition of interstate branches in that State by all  
8 national and State banks before the expiration  
9 of the time period described in paragraph (3).

10 “(B) STATE PERMITTED TO AUTHORIZE  
11 INTERSTATE BRANCHING AFTER PROHIBITING  
12 INTERSTATE BRANCHING.—A State that origi-  
13 nally elected, pursuant to paragraph (5), to pro-  
14 hibit interstate branching may nonetheless elect  
15 at any later time to permit interstate branching  
16 if such State enacts a law expressly permitting  
17 the establishment and acquisition of interstate  
18 branches in that State by all national and State  
19 banks.

20 “(7) STATE IMPOSED CONDITIONS ON INTER-  
21 STATE BRANCHING.—

22 “(A) A State may require a bank submit-  
23 ting an application under the authority of para-  
24 graph (3) or paragraph (6) of this subsection to  
25 file a copy of the application with the host

1 State banking authority in a timely manner  
2 (and the home State banking authority and the  
3 appropriate Federal banking agency shall con-  
4 sider any timely comments of the host State  
5 prior to approving that application).

6 “(B) A State may impose other conditions  
7 on a branch established or acquired under para-  
8 graph (3) or paragraph (6) if—

9 “(i) the conditions do not discriminate  
10 against out-of-State State banks or bank  
11 holding companies; and

12 “(ii) the imposition of the conditions  
13 is not preempted by Federal law.

14 “(8) COORDINATION OF EXAMINATION AUTHOR-  
15 ITY.—

16 “(A) IN GENERAL.—A host State bank su-  
17 pervisory or regulatory authority may examine  
18 branches established or acquired in the host  
19 State by banks chartered by another State for  
20 the purpose of determining compliance with  
21 host State laws regarding permissible activities  
22 and to ensure that the activities of the branch  
23 are conducted in a manner consistent with  
24 sound banking principles and do not constitute

1 a serious risk to the safety and sound operation  
2 of the branch.

3 “(B) ENFORCEMENT.—In the event that a  
4 host State bank authority as described in sub-  
5 paragraph (A) determines that there is a viola-  
6 tion of host State law concerning the activities  
7 being conducted by the State branch or that the  
8 branch is being operated in a manner not con-  
9 sistent with sound banking principles or in an  
10 unsafe and unsound manner, such host State  
11 bank authority may undertake such enforce-  
12 ment actions or proceedings as would be per-  
13 mitted under host State law as if the branch in  
14 question were a bank chartered by that host  
15 State.

16 “(C) COOPERATIVE AGREEMENT.—The  
17 State bank authorities from one or more States  
18 are authorized to enter into cooperative agree-  
19 ments of facilitate State regulatory supervision  
20 of State banks, including cooperative agree-  
21 ments relating to the coordination of examina-  
22 tions and joint participation in examinations.

23 “(D) FEDERAL REGULATORY AUTHOR-  
24 ITY.—

1           “(i) IN GENERAL.—Nothing in this  
2 subsection limits in any way the authority  
3 of the appropriate Federal banking agency  
4 to examine any bank or branch of a bank  
5 for which the agency is the appropriate  
6 Federal banking agency.

7           “(ii) REVIEW OF INTERSTATE AGREE-  
8 MENTS.—If the appropriate Federal bank-  
9 ing authority determines that the States  
10 have failed to reach an agreement under  
11 subparagraph (C), or that such an agree-  
12 ment fails to adequately protect the Fed-  
13 eral Deposit Insurance Fund, the appro-  
14 priate Federal banking authority shall not  
15 defer to State examinations of the out-of-  
16 State branches.

17           “(9) HOST STATE DEFINED.—For purposes of  
18 this subsection, the term ‘host State’ means the  
19 State in which a bank establishes or maintains a  
20 branch other than the State in which the bank is  
21 chartered and engaging in banking business.

22           “(10) STATE TAXATION AUTHORITY NOT AF-  
23 FECTED.—No provision of paragraphs (3) through  
24 (9) of this subsection shall be construed to affect the  
25 authority of any State or political subdivision of any

1 State to apply any tax or method of taxation to a  
2 national, State, or foreign bank, or a bank holding  
3 company, when such tax or tax method is otherwise  
4 permissible by or under the Constitution of the Unit-  
5 ed States or other Federal law.”.

6 **SEC. 5. BRANCHING BY FOREIGN BANKS.**

7 (a) IN GENERAL.—Section 5(a) of the International  
8 Banking Act of 1978 (12 U.S.C. 3103(a)) is amended to  
9 read as follows:

10 “(a) INTERSTATE BANKING OPERATIONS.—

11 “(1) IN GENERAL.—A foreign bank may estab-  
12 lish and operate—

13 “(A) a Federal branch or agency, with the  
14 approval of the Comptroller of the Currency, in  
15 consultation with the Board, in any State out-  
16 side its home State to the extent that such es-  
17 tablishment and operation would be permitted  
18 under section 5155 of the Revised Statutes for  
19 a national bank as if the foreign bank were a  
20 national bank having its main office in the  
21 home State of the foreign bank; or

22 “(B) a State branch or agency, with the  
23 approval of the Board and the appropriate reg-  
24 ulatory authority of the State, in any State out-  
25 side its home State to the extent that such es-

1            establishment and operation would be permitted  
2            under section 18(d) of the Federal Deposit In-  
3            surance Act for a State bank as if the foreign  
4            bank were a State bank chartered in the home  
5            State of the foreign bank.

6            “(2) CRITERIA FOR DETERMINATION.—In re-  
7            viewing an application under paragraph (1), the  
8            Board, in the cases of State branches and agencies,  
9            and the Comptroller of the Currency, in cases of  
10          Federal branches and agencies—

11                  “(A) shall apply the standards for estab-  
12                  lishment of a foreign bank office in the United  
13                  States under section 7(d); and

14                  “(B) may not approve an application un-  
15                  less it determines that the foreign bank’s finan-  
16                  cial resources, including the capital level, are  
17                  equivalent to those required for a domestic  
18                  bank to be approved for branching under sec-  
19                  tion 5155 of the Revised Statutes and section  
20                  18(d) of the Federal Deposit Insurance Act  
21                  and, in the case of the first branching applica-  
22                  tion by such foreign bank, after consultation  
23                  with the Secretary of the Treasury regarding  
24                  capital equivalency. For purposes of determin-  
25                  ing capital equivalency under this paragraph,

1 the guidelines established and reported to the  
2 Congress pursuant to section 7(j) of this Act  
3 shall be applied.

4 “(3) ADDITIONAL AUTHORITY FOR INTERSTATE  
5 BRANCHES AND AGENCIES OF FOREIGN BANKS.—  
6 Notwithstanding paragraph (1) of this subsection  
7 and section 4(h) of this Act, a foreign bank may,  
8 with the approval of the Comptroller of the Cur-  
9 rency, establish and operate a Federal branch or  
10 Federal agency or, with the approval of the Board  
11 and the appropriate State bank supervisor, a State  
12 branch or State agency in any State outside of the  
13 foreign bank’s home State if—

14 “(A) the establishment and operation of a  
15 branch or agency is expressly permitted by the  
16 State in which the branch or agency is to be es-  
17 tablished; and

18 “(B) in the case of a Federal or State  
19 branch, the branch receives only such deposits  
20 as would be permissible for a corporation orga-  
21 nized under section 25(a) of the Federal Re-  
22 serve Act.”.

23 (b) HOME STATE DETERMINATIONS.—

24 (1) METHOD OF DETERMINING.—Section 4(h)  
25 of the International Banking Act of 1978 (12 U.S.C.

1 3102(h)) is amended by adding at the end the fol-  
2 lowing sentence: “For the purposes of section  
3 5155(c) of the Revised Statutes (12 U.S.C. 36(c)),  
4 the home State of a foreign bank shall be its home  
5 State as determined under section 5(c) of this Act.”.

6 (2) SINGLE STATE DETERMINATIONS.—Section  
7 5(c) of the International Banking Act of 1978 (12  
8 U.S.C. 3103(c)) is amended to read as follows:

9 “(c) DETERMINATION OF HOME STATE OF FOREIGN  
10 BANK.—For the purposes of this section—

11 “(1) the home State of a foreign bank that has  
12 branches, agencies, subsidiary commercial lending  
13 companies, or subsidiary banks, or any combination  
14 thereof, in more than 1 State, is the 1 of those  
15 States elected by the foreign bank, or, in default of  
16 such election, by the Board; and

17 “(2) the home State of a foreign bank that has  
18 branches, agencies, subsidiary commercial lending  
19 companies, or subsidiary banks, or any combination  
20 thereof, in only 1 State, is that State.”.

21 **SEC. 6. PERMISSIBLE COMBINATION.**

22 (a) SUBSIDIARY BANKS.—Section 3 of the Bank  
23 Holding Company Act of 1956 (12 U.S.C. 1842) is  
24 amended by adding at the end of the following subsection:

25 “(h) PERMISSIBLE COMBINATION.—

1           “(1) IN GENERAL.—A bank holding company  
2           having subsidiary banks located in more than 1  
3           State may combine 2 or more of such banks into a  
4           single bank by means of merger, consolidation, or  
5           other transaction on or after 2 years from the date  
6           of enactment of the Nationwide Banking and  
7           Branching Act of 1993. Any combination effected in  
8           accordance with this subsection shall be permissible  
9           within a State as of 2 years after the date of enact-  
10          ment of the Nationwide Banking and Branching Act  
11          of 1993, unless such State has enacted a law in ac-  
12          cordance with section 5155(d)(2)(A) of the Revised  
13          Statutes or section 18(d)(5)(A) of the Federal De-  
14          posit Insurance Act that applies equally to national  
15          and State banks and that expressly prohibits all out-  
16          of-State banks from establishing or acquiring  
17          branches located in that State.

18          “(2) BRANCHING AUTHORITY.—The combined  
19          bank may, subject to compliance with all applicable  
20          Federal or State laws relating to the retention, es-  
21          tablishment, acquisition, or operation of a branch,  
22          retain, establish, acquire, and operate additional  
23          branches at any location where the combined bank  
24          or any of the parties to the combination could, if

1 they had not been parties to such combinations, have  
2 retained, established, acquired, or operated a branch.

3 “(3) APPLICABLE LAW.—

4 “(A) NATIONAL BANKS.—Except with re-  
5 gard to State tax laws, any branch of a national  
6 bank established or acquired in connection with  
7 a consolidation or other transaction under para-  
8 graph (1) shall be subject to the laws of the  
9 host State as if it were a branch of a national  
10 bank with its main office in that State.

11 “(B) STATE BANKS.—Except with regard  
12 to State tax laws, any branch of an out-of-State  
13 State bank shall be subject to the laws of the  
14 host State as if such branch were a branch of  
15 a bank chartered by that State.

16 “(4) 2-YEAR TRANSITION PERIOD.—A bank  
17 holding company having subsidiary banks located in  
18 more than 1 State may combine 2 or more such  
19 banks into a single bank by means of merger, con-  
20 solidation, or other transaction before the end of the  
21 2-year period described in paragraph (1), if each  
22 State in which the banks involved in the transaction  
23 are located enacts a law during that period (in which  
24 case section 5155(d)(2)(A) of the Revised Statutes  
25 or section 18(d)(5)(A) of the Federal Deposit Insur-

1       ance Act shall not apply to such States) expressly  
2       permitting interstate mergers and consolidations by  
3       all national and State banks before the expiration of  
4       the time period described in paragraph (1).

5               “(5) STATE TAXATION AUTHORITY NOT AF-  
6       FECTED.—No provision of this subsection shall be  
7       construed to affect the authority of any State or po-  
8       litical subdivision of any State to apply any tax or  
9       method of taxation to a national, State, or foreign  
10      bank, or a bank holding company, when such tax or  
11      tax method is otherwise permissible by or under the  
12      Constitution of the United States or other Federal  
13      law.”.

14      (b) NATIONAL BANKING ASSOCIATIONS.—The Act  
15      entitled “An Act to provide for the consolidation of na-  
16      tional banking associations”, approved November 7, 1918  
17      (12 U.S.C. 215 et seq.), is amended—

18              (1) in the first sentence of subsection (a) of the  
19      first section, by inserting “, or in any State in which  
20      a bank is authorized to engage in an interstate con-  
21      solidation pursuant to section 3(h) of the Bank  
22      Holding Company Act of 1956” after “located in the  
23      same State”;

24              (2) by adding at the end of the first section the  
25      following new subsection:

1       “(h) An interstate consolidation pursuant to this sec-  
2 tion shall be undertaken in accordance with the limitations  
3 and requirements set forth in section 3(h) of the Bank  
4 Holding Company Act of 1956 as if such section 3(h) ap-  
5 plied to such consolidation. The procedures, limitations,  
6 and requirements set forth in this section apply to inter-  
7 state consolidations undertaken pursuant to and in ac-  
8 cordance with such section 3(h) to the extent such proce-  
9 dures, limitations, and requirements of this section are not  
10 inconsistent with such section 3(h).”;

11           (3) in the first sentence of section 2(a)—

12               (A) by striking “under an agreement not  
13 inconsistent with this subchapter”; and

14               (B) by inserting “or within any State in  
15 which a bank is authorized to engage in an  
16 interstate merger pursuant to section 3(h) of  
17 the Bank Holding Company Act of 1956” after  
18 “located within the same State”;

19           (4) by adding at the end of section 2 the follow-  
20 ing new subsection:

21       “(h) An interstate merger pursuant to this section  
22 shall be undertaken in accordance with the limitations and  
23 requirements set forth in section 3(h) of the Bank Holding  
24 Company Act of 1956 as if such section 3(h) applied to  
25 such merger. The procedures, limitations, and require-

1 ments set forth in this section apply to interstate mergers  
2 undertaken pursuant to and in accordance with such sec-  
3 tion 3(h) to the extent such procedures, limitations, and  
4 requirements of this section are not inconsistent with such  
5 section 3(h).”; and

6 (5) in paragraph (4) of section 3, by inserting  
7 “or within any State in which a bank that is author-  
8 ized to engage in an interstate consolidation or  
9 interstate merger pursuant to and in accordance  
10 with section 3(h) of the Bank Holding Company Act  
11 of 1956” after “within the same State”.

12 **SEC. 7. STATE-BY-STATE CRA EVALUATIONS OF DEPOSI-**  
13 **TORY INSTITUTIONS WITH INTERSTATE**  
14 **BRANCHES.**

15 Section 807 of the Community Reinvestment Act of  
16 1977 (12 U.S.C. 2906) is amended by adding at the end  
17 the following new subsection:

18 “(d) STATE-BY-STATE EVALUATION OF INSTITU-  
19 TIONS WITH INTERSTATE BRANCHES.—In the case of a  
20 regulated financial institution which maintains 1 or more  
21 domestic branches located outside the State in which the  
22 institution’s main office is located, in the case of a na-  
23 tional bank, or in which the bank is chartered, in the case  
24 of a State bank (hereafter in this subsection referred to

1 as the ‘home State’), the appropriate Federal financial su-  
2 pervisory agency shall prepare—

3 “(1) a written evaluation of the entire institu-  
4 tion’s record of performance under this Act, as re-  
5 quired by subsections (a), (b), and (c); and

6 “(2) for each State in which the institution  
7 maintains 1 or more domestic branches (including  
8 the institution’s home State), a separate written  
9 evaluation of the institution’s record of performance  
10 within such State under this Act, as required by  
11 subparagraphs (A) and (B) of subsection (b)(1).”.

12 **SEC. 8. GUIDELINES FOR MEETING CREDIT NEEDS.**

13 Under its authority pursuant to the Community Re-  
14 investment Act of 1977, the appropriate Federal banking  
15 agency shall promulgate regulations establishing guide-  
16 lines to ensure that each interstate branch meets the cred-  
17 it needs of the community and market area in which the  
18 branch operates.

19 **SEC. 9. EXISTING LAW UNAFFECTED.**

20 No provision of this Act and no amendment made by  
21 this Act to any other provision of law shall be construed  
22 as affecting in any way the right of any State, or any polit-  
23 ical subdivision of any State, to impose or maintain a non-  
24 discriminatory franchise tax or other nonproperty tax in-

1   stead of a franchise tax in accordance with section 3124  
2   of title 31, United States Code.

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