

**RIEGLE-NEAL INTERSTATE BANKING AND BRANCHING  
EFFICIENCY ACT OF 1994**

[Public Law 103-328]

[As Amended Through P.L. 103-328, Enacted September 29, 1994]

【Currency: This publication is a compilation of the text of Public Law 103-328. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

AN ACT To amend the Bank Holding Company Act of 1956, the Revised Statutes of the United States, and the Federal Deposit Insurance Act to provide for interstate banking and branching.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

**TITLE I—INTERSTATE BANKING AND BRANCHING**

- Sec. 101. Interstate banking.
- Sec. 102. Interstate bank mergers.
- Sec. 103. State “opt-in” election to permit interstate branching through de novo branches.
- Sec. 104. Branching by foreign banks.
- Sec. 105. Coordination of examination authority.
- Sec. 106. Branch closures.
- Sec. 107. Equalizing competitive opportunities for United States and foreign banks.
- Sec. 108. Federal Reserve Board study on bank fees.
- Sec. 109. Prohibition against deposit production offices.
- Sec. 110. Community Reinvestment Act evaluation of banks with interstate branches.
- Sec. 111. Restatement of existing law.
- Sec. 112. GAO report on data collection under interstate branching.
- Sec. 113. Maximum interest rate on certain FMHA loans.
- Sec. 114. Notice requirements for banking agency decisions preempting State law.
- Sec. 115. Moratorium on examination fees under the International Banking Act of 1978.

**TITLE II—GENERAL PROVISIONS**

- Sec. 201. Amendments to Federal Deposit Insurance Act and Federal Home Loan Bank Act.
- Sec. 202. Sense of the Senate concerning multilateral export controls.

- Sec. 203. Amendments relating to silver medals for Persian Gulf veterans.  
 Sec. 204. Commemoration of 1995 Special Olympic World Games.  
 Sec. 205. National Community Service Commemorative Coins.  
 Sec. 206. Robert F. Kennedy Memorial Commemorative Coins.  
 Sec. 207. United States Military Academy Bicentennial Commemorative Coins.  
 Sec. 208. United States Botanic Garden Commemorative Coins.  
 Sec. 209. Mount Rushmore Commemorative Coins.  
 Sec. 210. Study and report on the United States financial services system.  
 Sec. 211. Flexibility in choosing boards of directors.

## TITLE I—INTERSTATE BANKING AND BRANCHING <sup>1</sup>

【Sections 101 through 108 amended other laws.】

### SEC. 109. [12 U.S.C. 1835a] PROHIBITION AGAINST DEPOSIT PRODUCTION OFFICES.

(a) REGULATIONS.—The appropriate Federal banking agencies shall prescribe uniform regulations effective June 1, 1997, which prohibit any out-of-State bank from using any authority to engage in interstate branching pursuant to this title, or any amendment made by this title to any other provision of law, primarily for the purpose of deposit production.

(b) GUIDELINES FOR MEETING CREDIT NEEDS.—Regulations issued under subsection (a) shall include guidelines to ensure that interstate branches operated by an out-of-State bank in a host State are reasonably helping to meet the credit needs of the communities which the branches serve.

(c) LIMITATION ON OUT-OF-STATE LOANS.—

(1) LIMITATION.—Regulations issued under subsection (a) shall require that, beginning no earlier than 1 year after establishment or acquisition of an interstate branch or branches in a host State by an out-of-State bank, if the appropriate Federal banking agency for the out-of-State bank determines that the bank's level of lending in the host State relative to the deposits from the host State (as reasonably determinable from available information including the agency's sampling of the bank's loan files during an examination or such data as is otherwise available) is less than half the average of total loans in the host State relative to total deposits from the host State (as determinable from relevant sources) for all banks the home State of which is such State—

(A) the appropriate Federal banking agency for the out-of-State bank shall review the loan portfolio of the bank and determine whether the bank is reasonably helping to meet the credit needs of the communities served by the bank in the host State; and

(B) if the agency determines that the out-of-State bank is not reasonably helping to meet those needs—

(i) the agency may order that an interstate branch or branches of such bank in the host State be closed unless the bank provides reasonable assurances to the

<sup>1</sup>Note: The Reigle-Neal Interstate Banking and Branching Efficiency Act of 1994 largely amended other Acts.

satisfaction of the appropriate Federal banking agency that the bank has an acceptable plan that will reasonably help to meet the credit needs of the communities served by the bank in the host State, and

(ii) the out-of-State bank may not open a new interstate branch in the host State unless the bank provides reasonable assurances to the satisfaction of the appropriate Federal banking agency that the bank will reasonably help to meet the credit needs of the community that the new branch will serve.

(2) CONSIDERATIONS.—In making a determination under paragraph (1)(A), the appropriate Federal banking agency shall consider—

(A) whether the interstate branch or branches of the out-of-State bank were formerly part of a failed or failing depository institution;

(B) whether the interstate branch was acquired under circumstances where there was a low loan-to-deposit ratio because of the nature of the acquired institution's business or loan portfolio;

(C) whether the interstate branch or branches of the out-of-State bank have a higher concentration of commercial or credit card lending, trust services, or other specialized activities;

(D) the ratings received by the out-of-State bank under the Community Reinvestment Act of 1977;

(E) economic conditions, including the level of loan demand, within the communities served by the interstate branch or branches of the out-of-State bank; and

(F) the safe and sound operation and condition of the out-of-State bank.

(3) BRANCH CLOSING PROCEDURE.—

(A) NOTICE REQUIRED.—Before exercising any authority under paragraph (1)(B)(i), the appropriate Federal banking agency shall issue to the bank a notice of the agency's intention to close an interstate branch or branches and shall schedule a hearing.

(B) HEARING.—Section 8(h) of the Federal Deposit Insurance Act shall apply to any proceeding brought under this paragraph.

(d) APPLICATION.—This section shall apply with respect to any interstate branch established or acquired in a host State pursuant to this title or any amendment made by this title to any other provision of law.

(e) DEFINITIONS.—For the purposes of this section, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY, BANK, STATE, AND STATE BANK.—The terms "appropriate Federal banking agency", "bank", "State", and "State bank" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) HOME STATE.—The term "home State" means—

(A) in the case of a national bank, the State in which the main office of the bank is located; and

(B) in the case of a State bank, the State by which the bank is chartered.

(3) **HOST STATE.**—The term “host State” means a State in which a bank establishes a branch other than the home State of the bank.

(4) **INTERSTATE BRANCH.**—The term “interstate branch” means a branch established pursuant to this title or any amendment made by this title to any other provision of law and any branch of a bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956).

(5) **OUT-OF-STATE BANK.**—The term “out-of-State bank” means, with respect to any State, a bank the home State of which is another State and, for purposes of this section, includes a foreign bank, the home State of which is another State.

【Section 110 amended other laws.】

**SEC. 111. [12 U.S.C. 1811 nt] RESTATEMENT OF EXISTING LAW.**

No provision of this title and no amendment made by this title to any other provision of law shall be construed as affecting in any way—

(1) the authority of any State or political subdivision of any State to adopt, apply, or administer any tax or method of taxation to any bank, bank holding company, or foreign bank, or any affiliate of any such bank, bank holding company, or foreign bank, to the extent that such tax or tax method is otherwise permissible by or under the Constitution of the United States or other Federal law;

(2) the right of any State, or any political subdivision of any State, to impose or maintain a nondiscriminatory franchise tax or other nonproperty tax instead of a franchise tax in accordance with section 3124 of title 31, United States Code; or

(3) the applicability of section 5197 of the Revised Statutes or section 27 of the Federal Deposit Insurance Act.

**SEC. 112. GAO REPORT ON DATA COLLECTION UNDER INTERSTATE BRANCHING.**

(a) **IN GENERAL.**—The Comptroller General of the United States shall submit to the Congress, not later than 9 months after the date of enactment of this Act, a report that—

(1) examines statutory and regulatory requirements for insured depository institutions to collect and report deposit and lending data; and

(2) determines what modifications to such requirements are needed, so that the implementation of the interstate branching provisions contained in this title will result in no material loss of information important to regulatory or congressional oversight of insured depository institutions.

(b) **CONSULTATION.**—The Comptroller General, in preparing the report required by this section, shall consult with individuals representing the appropriate Federal banking agencies, insured depository institutions, consumers, community groups, and other interested parties.

(c) DEFINITIONS.—For purposes of this section, the terms “appropriate Federal banking agency” and “insured depository institution” have the same meanings as in section 3 of the Federal Deposit Insurance Act.

【Sections 113 and 114 amended other laws.】

**SEC. 115. MORATORIUM ON EXAMINATION FEES UNDER THE INTERNATIONAL BANKING ACT OF 1978.**

(a) 【12 U.S.C. 3105 nt】 BRANCHES, AGENCIES, AND AFFILIATES.—Section 7(c)(1)(D) of the International Banking Act of 1978 shall not apply with respect to any examination under section 7(c)(1)(A) of such Act which begins before or during the 3-year period beginning on July 25, 1994.

(b) 【12 U.S.C. 3107 nt】 REPRESENTATIVE OFFICES.—The provision of section 10(c) of the International Banking Act of 1978 relating to the cost of examinations under such section shall not apply with respect to any examination under such section which begins before or during the 3-year period beginning on July 25, 1994.

## TITLE II—GENERAL PROVISIONS

【Section 201 amended other laws. Section 202 expresses the sense of the Senate regarding multilateral export controls. Section 203 amends another law. Sections 204 through 209 consist of Commemorative Coin Acts.】

**SEC. 210. 【12 U.S.C. 1811 nt】 STUDY AND REPORT ON THE UNITED STATES FINANCIAL SERVICES SYSTEM.**

(a) STUDY.—

(1) IN GENERAL.—The Secretary of the Treasury (hereafter in this section referred to as the “Secretary”) shall, after consultation with the Advisory Commission on Financial Services established under subsection (b), and consultation in accordance with paragraph (3), conduct a study of matters relating to the strengths and weaknesses of the United States financial services system in meeting the needs of the system’s users, including the needs of—

- (A) individual consumers and households;
- (B) communities;
- (C) agriculture;
- (D) small-, medium-, and large-sized businesses;
- (E) governmental and nonprofit entities; and
- (F) exporters and other users of international financial services.

(2) MATTERS STUDIED.—The study required under paragraph (1) shall include consideration of—

- (A) the changes underway in the national and international economies and the financial services industry, and how those changes affect the financial services system’s ability to efficiently meet the needs of the national economy and the system’s users during the next 10 years and beyond; and

(B) the adequacy of existing statutes and regulations, and the existing regulatory structure, to meet the needs of the financial services system's users effectively, efficiently, and without unfair, anticompetitive, or discriminatory practices.

(3) CONSULTATION.—Consultation in accordance with this paragraph means consultation with—

(A) the Board of Governors of the Federal Reserve System;

(B) the Commodity Futures Trading Commission;

(C) the Comptroller of the Currency;

(D) the Director of the Office of Thrift Supervision;

(E) the Federal Deposit Insurance Corporation;

(F) the Secretary of the Department of Housing and Urban Development;

(G) the Securities and Exchange Commission;

(H) the Director of the Congressional Budget Office;

and

(I) the Comptroller General of the United States.

(b) ADVISORY COMMISSION ON FINANCIAL SERVICES.—

(1) ESTABLISHMENT.—There is established the Advisory Commission on Financial Services (hereafter in this section referred to as the “Advisory Commission”).

(2) MEMBERSHIP OF COMMISSION.—The Advisory Commission—

(A) shall consist of not less than 9 nor more than 14 members appointed by the Secretary from among individuals—

(i) who are—

(I) users of the financial services system; or

(II) experts in finance or on the financial services system; and

(ii) who are not employees of the Federal Government; and

(B) shall include representatives of business, agriculture, and consumers.

(3) CHAIRPERSON.—The Secretary or the Secretary's designee shall serve as Chairperson of the Advisory Commission.

(4) TRAVEL EXPENSES.—Members of the Advisory Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in performing services for the Advisory Commission.

(5) TERMINATION.—The Advisory Commission shall terminate 30 days after the date of submission of the report required under subsection (d).

(c) RECOMMENDATIONS.—Based on the results of the study conducted under subsection (a), the Secretary shall develop such recommendations as may be appropriate for changes in statutes, regulations, and policies to improve the operation of the financial services system, including changes to better—

(1) meet the needs of, and assure access to the system for, current and potential users;

- (2) promote economic growth;
- (3) protect consumers;
- (4) promote competition and efficiency;
- (5) avoid risk to the taxpayers;
- (6) control systemic risk; and
- (7) eliminate discrimination.

(d) REPORT.—Not later than 15 months after the date of enactment of this Act, the Secretary shall submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report describing the study conducted under subsection (a) and any recommendations developed under subsection (c).

【Section 211 amended another law.】