

## No. 1995-39

## AN ACT

## HB 1481

Amending the act of November 30, 1965 (P.L.847, No.356), entitled "An act relating to and regulating the business of banking and the exercise by corporations of fiduciary powers; affecting persons engaged in the business of banking and corporations exercising fiduciary powers and affiliates of such persons; affecting the shareholders of such persons and the directors, trustees, officers, attorneys and employes of such persons and of the affiliates of such persons; affecting national banks located in the Commonwealth; affecting persons dealing with persons engaged in the business of banking, corporations exercising fiduciary powers and national banks; conferring powers and imposing duties on the Banking Board, on certain departments and officers of the Commonwealth and on courts, prothonotaries, clerks and recorders of deeds; providing penalties; and repealing certain acts and parts of acts," to harmonize with the Federal interstate banking law by providing for interstate mergers and branching; providing for authorization to receive deposits, fiduciary powers, bank holding companies, limits on indebtedness, qualifications of directors, conversions and enforcement and other provisions applicable to the department.

The purpose of these amendments to the Banking Code of 1965 is to harmonize Pennsylvania law with the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Public Law 103-328, 108 Stat. 2338), to enable Pennsylvania institutions to participate fully in interstate banking and to remove obstacles to the choice by banks from other states engaged in interstate banking to select Pennsylvania as a head office location. These amendments shall be liberally construed to accomplish these purposes.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 102(h) of the act of November 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965, is amended and the section is amended by adding a subsection to read:

Section 102. Definitions

Subject to additional definitions contained in subsequent chapters of this act which are applicable to specific chapters or sections thereof, the following words and phrases when used in this act shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

\* \* \*

(h) "Branch"—an office[, agency] or other place of business, other than the principal place of business, of an institution for the transaction of any business of the institution, except any of the following conducted or maintained with the approval of the department:

- (i) a temporary agency,

- (ii) a school at which deposits are accepted by an officer, employe or agent of the institution, [or]
- (iii) an office used solely for internal operations of the institution to which the public is not admitted for the conduct of banking business[.],
- (iv) *an automated teller machine,*
- (v) *a loan production office, or*
- (vi) *any other office which the department may determine by rule or regulation.*

\* \* \*

*(hh) "Interstate bank"—a banking institution existing under the laws of another state, the District of Columbia or a territory or possession of the United States and authorized to engage in the business of receiving demand deposits or a national bank having a head office in another state, the District of Columbia or a territory or possession of the United States and authorized to engage in the business of receiving demand deposits, which lawfully maintains one or more branch offices in this Commonwealth.*

Section 2. Section 103(a) of the act is amended to read:

Section 103. Declaration of Purposes; Standards for Exercise of Power and Discretion by Department

(a) Purposes of the act—The General Assembly declares as its purposes in adopting this act to provide for:

- (i) the safe and sound conduct of the business of institutions subject to this act,
- (ii) the conservation of their assets,
- (iii) the maintenance of public confidence in them,
- (iv) the protection of the interests of their depositors, creditors and shareholders and of the interest of the public in the soundness and preservation of the banking system,
- (v) the opportunity for institutions subject to this act to remain competitive with each other, with financial organizations existing under other laws of this Commonwealth, and with banking and financial organizations existing under the laws of other states, the United States and foreign countries,
- (vi) the opportunity for institutions subject to this act to serve effectively the convenience and needs of their depositors, borrowers and other customers, to participate in and promote the economic progress of Pennsylvania and the United States and to improve and expand their services and facilities for those purposes,
- (vii) the opportunity for the management of institutions to exercise their business judgment, subject to the provisions of this act, in conducting the affairs of their institutions, to the extent compatible with, and subject to, the purposes recited in the preceding clauses of this subsection (a),
- (viii) a delegation to the department of adequate rule-making power and administrative discretion, subject to the provisions of this act and to the purposes stated in this subsection (a), in order that the supervision and

regulation of institutions subject to this act may be flexible and readily responsive to changes in economic conditions and to changes in banking and fiduciary practices, [and]

(ix) simplification and modernization of the law governing banking and governing the exercise of fiduciary and other representative powers by corporations[.], and

(x) *authorization of institutions to participate fully in interstate banking and branching and to be competitive with interstate banking organizations based in other states.*

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Section 3. Section 105(a) of the act, amended December 18, 1986 (P.L.1702, No.205), is amended to read:

Section 105. Persons Authorized to Engage in Business of Receiving Deposits and Money for Transmission

(a) Restriction of authorized persons—No person may lawfully engage in this Commonwealth in the business of receiving money for deposit or transmission, or lawfully establish in this Commonwealth a place of business for such purpose, except a bank, a bank and trust company, *an interstate bank*, a savings bank, a private bank, a savings association to the extent provided in the Savings Association Code of 1967, a regional thrift institution to the extent provided in section 117 of this act or section 114 of the Savings Association Code of 1967 and a person duly authorized by Federal law to engage in the business of receiving money for deposit or transmission. A bank, a bank and trust company, *an interstate bank* and a savings bank that receives money for deposit shall insure such deposits with the Federal Deposit Insurance Corporation or any other Federal agency authorized by law to insure deposits.

\* \* \*

Section 4. Sections 106(b) and 115 of the act are amended to read:

Section 106. Corporations Authorized to Act as Fiduciary

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(b) Foreign fiduciaries—No corporation existing under the laws of a state other than this Commonwealth or national bank located in another state, *except an interstate bank*, may act in this Commonwealth as fiduciary unless:

(i) it shall be appointed fiduciary by will or other testamentary writing, by a deed of trust or by a court or register of wills of this Commonwealth or it shall be designated as fiduciary by the beneficiaries or by one or more other fiduciaries of the estate or trust pursuant to the terms of the instrument, or

(ii) it shall be the successor by merger or consolidation to a corporation lawfully acting as fiduciary in this Commonwealth at the time of such merger or consolidation

and unless the laws of such other state confer like powers on corporations existing under the laws of this Commonwealth. No corporation of another state or national bank located in another state authorized to act as fiduciary

pursuant to this subsection (b) shall be authorized to establish a place of business in this Commonwealth.

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### Section 115. Bank Holding Companies

**(a) Definitions—As used in this section:**

(i) **“Bank holding company”**—a company, as defined by the Federal Bank Holding Company Act of 1956 (70 Stat.133), which is or becomes a bank holding company within the provisions of the Federal act including, without limitation, its provisions determining what constitutes control.

(ii) **“Institution”**—a national bank whose principal place of business is located in Pennsylvania or a bank or bank and trust company.

(iii) **“Pennsylvania bank holding company”**—a bank holding company whose banking subsidiaries’ operations are principally conducted in this State as determined by the state in which total deposits of all such banking subsidiaries are largest.

**(b) Control of institutions—**

(i) **No bank holding company other than a Pennsylvania bank holding company may control an institution except as expressly provided in section 116 with respect to bank holding companies in other states.**

(ii) **A Pennsylvania bank holding company may control one or more institutions subject to the limitations that for a period of four years after the effective date of this act it may not control more than four institutions and for a period of four years following such initial four-year period it may not control more than eight institutions.**

**(c) Enforcement—The department shall enforce the provisions of this section and, to that end, is authorized to issue such regulations and orders as may enable the department to administer and carry out the purposes of this section. The department may, from time to time, examine the books, records and affairs of any Pennsylvania bank holding company, or require reports, under oath, in order to keep informed as to whether the provisions of this act and such regulations and orders made thereunder have been or are being complied with. The cost of such examination shall be assessed against and paid by such Pennsylvania bank holding company.**

**(d) Penalty provisions—Any company which violates any provision of this section shall be guilty of a misdemeanor, and upon conviction thereof, be sentenced to pay a fine of not more than five thousand dollars (\$5,000) for each day during which such violation continues. Any person who willfully participates in a violation of any of the provisions of this section shall be guilty of a misdemeanor, and, upon conviction thereof, be sentenced to pay a fine of not more than five thousand dollars (\$5,000) or imprisonment of not more than two years, or both.]**

***A bank holding company, as defined by the Federal Bank Holding Company Act (70 Stat. 133, 12 U.S.C. § 1841 et seq.), located in this Commonwealth, another state, the District of Columbia or a territory or possession of the United States may control one or more banks, bank and trust companies, national banks and interstate banks and, with the prior written approval of the department, may acquire control of a bank, bank and trust company or national bank located in this Commonwealth.***

Section 5. Section 116 of the act is repealed.

Section 6. Section 306(c)(vii)(B) of the act is amended to read:

Section 306. Limits on Indebtedness of One Customer (Including Purchased Paper)

\* \* \*

(c) Indebtedness excluded—There shall be excluded from the indebtedness of one customer to which the fifteen percent limitation of this section applies:

\* \* \*

(vii) obligations of, and obligations guaranteed by:

\* \* \*

(B) the Commonwealth of Pennsylvania ***or a state where the institution lawfully maintains branches***, a political subdivision of the Commonwealth ***or such state***, a public body of the Commonwealth ***or such state*** or a public body of a political subdivision of the Commonwealth ***or such state***, or

\* \* \*

Section 7. Section 401 of the act, amended April 16, 1981 (P.L.9, No.4), is amended to read:

Section 401. Application of Chapter

This chapter shall apply to, and the word “institution” in this chapter shall mean, a bank and trust company, ***an interstate bank which has fiduciary powers under its law of incorporation***, a trust company and a savings bank, except that section 407 shall apply only to a trust company. The powers conferred by this chapter on a bank and trust company shall be independent of, and shall not expand, the banking powers of such an institution.

Section 8. Section 901 of the act is amended to read:

Section 901. Application of Chapter

This chapter shall apply to, and the word “institution” in this chapter shall mean, an institution subject to this act, ***an interstate bank and a banking institution existing under the laws of another jurisdiction which will become an interstate bank upon the acquisition of a branch in this Commonwealth.***

Section 9. Section 904 of the act, amended March 4, 1982 (P.L.135, No.44), April 8, 1982 (P.L.262, No.79) and December 18, 1986 (P.L.1702, No.205), is amended to read:

**Section 904. Authorization of New Branches**

**[(a) Upon a merger or consolidation, a conversion of a national bank into an institution or a conversion of a private bank into an institution authorized by this act, the resulting institution may, with the prior written approval of the department, maintain as branches, in addition to its principal place of business, every office which was maintained prior to the merger or consolidation by the parties thereto or prior to the conversion by the national bank or private bank and which is located in the same county as the principal place of business of the resulting institution in a contiguous county or in a bicontiguous county, except as provided in sections 907 and 908. The term "bicontiguous county," as used in this section, means one which, with respect to the county where the principal place of business of an institution is located, is contiguous to a county contiguous thereto but which is not contiguous to such county in which the principal place of business is located. In the case of a national bank which has changed the location of its main office to a new location in a county contiguous to the county where it was originally chartered to do business and thereafter relocates its main office again, the determination of what is a bicontiguous county shall be made on the basis of the county of the first relocation of its main office unless the county to which the most recent relocation has been made is the county in which it was originally chartered to do business or a county contiguous thereto.**

**(b) Except as provided in subsection (a) of this section and in sections 907 and 908, an institution may establish branches after the effective date of this act only in the same county in which its principal place of business is located in a contiguous county or in a bicontiguous county or in a county of the first class, or of the second class or of the second class A, upon compliance with the following requirements:**

**(i) the proposed branch shall be authorized by resolution of its board of directors or trustees, or in the case of a private bank its owners,**

**(ii) the institution, in the case of a bank, a bank and trust company, a trust company or a stock savings bank, shall have, in addition to the minimum capital and surplus required under sections 1102 and 1103, such additional amounts of capital and surplus as may be required in the discretion of the department, or in the case of a mutual savings bank shall have at least the total of surplus, unallocated reserves and undivided profits required by the department or in the case of a private bank shall have at least the net worth required by the department,**

**(iii) if the location of the proposed branch is outside of the city, incorporated town, borough or township in which the principal place of business of the institution is located, the institution shall give written notice of the filing of the application for approval of the**

branch to each other institution whose principal place of business is located in the county of the location of the proposed branch,

(iv) for a period of four years after the effective date of this act, the location of the proposed branch in a bicontiguous county shall not be in any city, incorporated town, township or borough having a population of fifteen thousand or less where the principal place of business of any other institution or national bank is located. Four years after the effective date of this act and prior to eight years after the effective date of this act, the location of a branch in a bicontiguous county shall not be in any city, incorporated town, township or borough having a population of ten thousand or less where the principal place of business of any other institution or national bank is located, and

(v) the department shall give its written approval of the branch after the filing by the institution of an application for approval in a form prescribed by the department accompanied by any applicable fee and after investigation by the department.

(c) Eight years immediately following the effective date of this act, an institution other than a savings bank may locate branches within any county in the Commonwealth, subject to the same approval of the department as is required under subsection (b)(v).

(d) A savings bank may, from and after the effective date of this act, establish and maintain branches within any county in the Commonwealth, or within any state of the United States or the District of Columbia, subject to the same approval of the department as is required under subsection (b)(v).]

(a) *General rule—An institution may establish and maintain:*

(i) *branches maintained on the date of these amendments;*

(ii) *branches acquired from a predecessor in a merger, consolidation or conversion; and*

(iii) *branches established with the prior written approval of the department after the filing of an application for approval in a form prescribed by the department accompanied by any applicable fee and after investigation by the department, except that department approval shall not be required for national banks.*

(b) *Reciprocity condition—A banking institution existing under the laws of another jurisdiction may not establish a branch in this Commonwealth unless the laws of the state where it is located would permit an institution chartered under the laws of this Commonwealth or a national bank located in this Commonwealth to establish and maintain a branch in such other state on substantially the same terms and conditions.*

(c) *Savings banks—A savings bank may establish and maintain branches within any county of this Commonwealth or within any state of the United States or the District of Columbia, subject to the written approval of the department upon an application for approval in a form*

*prescribed by the department accompanied by any applicable fee and after investigation by the department.*

Section 10. Section 907 of the act is amended by adding a subsection to read:

Section 907. Branches Outside Pennsylvania

\* \* \*

*(c) An institution may maintain branches in any other state, the District of Columbia or a territory or possession of the United States upon receiving the prior written approval of the department after filing an application and paying a fee to the department in a form and amount prescribed by the department, except no approval is required for national banks under this subsection.*

Section 11. Section 1403(b) of the act, amended July 9, 1992 (P.L.430, No.90), is amended to read:

Section 1403. Number, Qualifications and Eligibility of Directors or Trustees

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*(b) Qualifications—Each director or trustee shall be a citizen of the United States[: Provided, however, That this citizenship requirement may be waived for not more than twenty percent of the total number of directors of an institution or trustees of a savings bank with the prior written approval of the department, and at least two-thirds of the directors or trustees must have resided in Pennsylvania or within one hundred miles of the location of the institution for at least one year immediately preceding their election and must be residents of Pennsylvania or reside within one hundred miles of the location of the institution during their continuance in office.] except that the department may waive the requirement of citizenship for one or more directors or trustees by written approval imposing any conditions which it may deem appropriate, including, but not limited to, consent to service of process.*

\* \* \*

Section 12. Section 1602(a) of the act, amended August 1, 1969 (P.L.211, No.85), is amended to read:

Section 1602. Authority to Merge or Consolidate

(a) Upon compliance with the requirements of this chapter one or more institutions and one or more national banks *and interstate banks, without regard to whether any such interstate bank maintains branches in this Commonwealth at the time of a merger or consolidation*, may merge or consolidate into a national bank and, with the approval by the department, may merge into an institution or consolidate into a new institution except that[:

**(i) a savings bank may enter into a merger or consolidation only as provided in section 1609, and**



(ii) a trust company may enter into a merger or consolidation only with another trust company *or a stock savings bank under section 1609.*

\* \* \*

Section 13. Sections 1603(g), 1608, 1702, 1703, 1704 and 1705 of the act are amended to read:

Section 1603. Requirements for a Merger or Consolidation

The requirements for a merger or consolidation which must be satisfied by the parties thereto are as follows:

\* \* \*

(g) Action where approval by department not required—If a proposed merger or consolidation will result in a national bank *or an interstate bank*, an institution which is a party to a plan shall:

(i) notify the department of the proposed merger or consolidation,

(ii) provide such evidence of the adoption of the plan as the department may request,

(iii) notify the department of any abandonment or disapproval of the plan, and

(iv) file with the Department of Banking and with the Department of State a certificate of the approval of the merger or consolidation by the Comptroller of the Currency of the United States.

Section 1608. Succession to Fiduciary Accounts and Appointments;

Application for Appointment of New Fiduciary

(a) Fiduciary accounts—If a party to a plan of merger or consolidation was authorized to act in a fiduciary capacity and if the [**resulting institution or resulting national bank**] *resulting institution, resulting national bank or resulting interstate bank* is similarly authorized, the [**resulting institution or resulting national bank**] *resulting institution, resulting national bank or resulting interstate bank* shall be automatically substituted by reason of the merger or consolidation as fiduciary of all accounts held in that capacity by such party to the plan, without further action and without any order or decree of any court or public officer, and shall have all the rights and be subject to all the obligations of such party as fiduciary.

(b) Appointments—No designation, nomination or appointment as fiduciary of a party to a plan of merger or consolidation shall lapse by reason of the merger or consolidation. The [**resulting institution or resulting national bank**] *resulting institution, resulting national bank or resulting interstate bank* shall, if authorized to act as fiduciary, be entitled to act as fiduciary pursuant to each such designation, nomination or appointment to the same extent as the party to the plan so named could have acted in the absence of the merger or consolidation.

(c) Application for new fiduciary—Any person with an interest in an account held in a fiduciary capacity by a party to a plan of merger or consolidation may, within sixty days after the effective date of the merger or consolidation, apply to the appropriate court or public officer for the appointment of a new fiduciary to replace the [**resulting institution or**

**resulting national bank] resulting institution, resulting national bank or resulting interstate bank** on the ground that the merger or consolidation will adversely affect the administration of the fiduciary account. The court or public officer shall have the discretion to appoint a new fiduciary to replace the **[resulting institution or resulting national bank] resulting institution, resulting national bank or resulting interstate bank** if it should find, upon hearing after notice to all parties in interest, that the merger or consolidation will adversely affect the administration of the fiduciary account and that the appointment of a new fiduciary will be in the best interests of the beneficiaries of the fiduciary account. This provision shall be in addition to any other provision of law governing the removal of fiduciaries and shall be subject to the terms upon which the party to the plan which held the fiduciary account was designated as fiduciary.

**Section 1702. Authority for Conversion of National Bank or Interstate Bank Into Institution**

A national bank *or interstate bank* may, subject to the provisions of this chapter, convert into an institution upon:

- (a) authorization by and compliance with the laws of the United States *or of the jurisdiction under which the interstate bank exists*,
- (b) adoption of a plan of conversion by the affirmative vote of at least:
  - (i) a majority of its directors, and
  - (ii) the holders of two-thirds of each class of its shares at a meeting held upon not less than ten days' notice to all shareholders, and
- (c) approval by the department.

**Section 1703. Application for Approval by Department**

The national bank *or interstate bank* shall make an application to the department for approval of the conversion in a manner prescribed by the department and shall deliver to the department when available:

- (a) articles of conversion,
- (b) evidence of reservation in the Department of State of the name of the resulting institution,
- (c) applicable fees payable to the department in connection with the articles and with the conduct of the investigation required by section 1706, and
- (d) as soon as available, proof of publication of the advertisement required by section 1705.

**Section 1704. Articles of Conversion**

The articles of conversion shall be signed by two duly authorized officers of the national bank *or interstate bank* under its seal and shall contain:

- (a) its name and the name of the resulting institution,
- (b) the location and post office address of its principal place of business,
- (c) the votes by which the plan of conversion was adopted and the time, place and notice of each meeting in connection with such adoption,
- (d) the names and addresses of the first directors of the resulting institution,

(e) the provisions required in articles of incorporation of a new institution by clauses (iii), (iv), (v), (viii) and (ix) of subsection 1004(b) of this act, and  
(f) the plan of conversion.

#### Section 1705. Advertisement

(a) The national bank *or interstate bank* shall advertise its intention to deliver, or the delivery of, articles of conversion to the department once in each newspaper in which such advertisement is required to be published in accordance with section 109 of this act.

(b) The advertisement shall appear prior to, or within seven days after, the date of delivery of the articles of conversion to the department and shall set forth briefly:

(i) the names of the national bank *or interstate bank* and the resulting institution,

(ii) the location and post office address of its principal place of business,

(iii) a statement that articles of conversion are to be, or have been delivered under the provisions of this act,

(iv) the purpose or purposes of the resulting institution, and

(v) the date of delivery of the articles of conversion to the department.

Section 14. Section 1706 of the act, repealed in part June 3, 1971 (P.L.118, No.6), is amended to read:

#### Section 1706. Approval of Conversion by Department

(a) Upon receipt of an application for approval of a conversion the department shall conduct such investigation as it may deem necessary to ascertain whether:

(i) the articles of conversion and supporting items satisfy the requirements of this act,

(ii) the plan adequately protects the interests of depositors, other than creditors and shareholders, and

(iii) the requirements for a conversion under all applicable laws have been satisfied and the resulting institution would satisfy the requirements of this act applicable to it.

(b) Within thirty days after receipt of the application, the Department of Banking shall approve or disapprove the application on the basis of its investigation. If the Department of Banking shall approve the application, it shall deliver the articles of conversion with its written approval to the Department of State and notify the national bank *or interstate bank* of its action. If the Department of Banking shall disapprove the application it shall give written notice to the national bank *or interstate bank* of its disapproval and a statement in detail of the reasons for its decision.

Section 15. Sections 1708, 1710, 1711 and 2001 of the act are amended to read:

Section 1708. Effect of Filing of Articles of Conversion in Department of State and of Certificate of Conversion

(a) Effective date—As of the filing of the articles of conversion in the Department of State, the conversion shall become effective.

(b) Conclusiveness of certificate—The certificate of conversion shall be conclusive evidence of the performance of all conditions required by this act for conversion of a national bank *or interstate bank* into an institution, except as against the Commonwealth.

(c) Corporate succession—When a conversion becomes effective, the existence of the national bank *or interstate bank* shall continue in the resulting institution which shall have, without further act or deed, all the property, rights, powers, duties and obligations of the national bank.

(d) Articles of resulting institution—The articles of the resulting institution shall be the provisions stated in the articles of conversion.

(e) Authorized business—The resulting institution shall have the authority to engage only in such business and exercise only such powers as it would have upon original incorporation under this act and shall be subject to the same prohibitions and limitations as it would be subject to upon original incorporation.

(f) Liabilities—No liability of the national bank *or interstate bank* or of its shareholders, directors or officers shall be affected, nor shall any lien on any property of the national bank *or interstate bank* be impaired, by the conversion. Any claim existing or action pending by or against the national bank *or interstate bank* may be prosecuted to judgment as if the conversion had not taken place or the resulting institution may be substituted in its place. Section 1710. Rights of Dissenting Shareholders of Converting National Bank *or Interstate Bank*

If a shareholder of a national bank *or interstate bank* which converts into an institution shall object to the plan of conversion and shall comply with the requirements of applicable laws of the United States *or the laws of the jurisdiction under which the interstate bank exists*, the resulting institution shall be liable for the value of his shares as determined in accordance with such laws of the United States *or the laws of the jurisdiction under which the interstate bank exists*. If the laws of the United States do not provide rights of dissenting shareholders or requirements for the exercise of such rights and the valuation of shares, such shareholder shall be entitled to the rights and remedies of a dissenting shareholder under, and subject to compliance with, the provisions of section 1222 of this act.

Section 1711. Succession to Fiduciary Accounts and Appointments; Application for Appointment of New Fiduciary

The provisions of section 1608 of this act shall apply to a resulting institution or resulting national bank *or interstate bank* after a conversion with the same effect as though such institution or national bank *or interstate bank* were a party to a plan of merger or consolidation, and the conversion were a merger or consolidation, within the provisions of that section.

**Section 2001. Application of Chapter**

This chapter shall apply to, and the word "institution" in this chapter shall mean, an institution subject to this act *and an interstate bank except a national bank.*

Section 16. Section 2002(a) and (c) of the act, amended July 6, 1984 (P.L.621, No.128), are amended and the section is amended by adding a subsection to read:

**Section 2002. Examinations and Reports**

(a) Frequency and scope of examinations—The department shall examine all institutions at least once every two calendar years and may examine any institution more frequently and at any time it deems such action necessary or desirable for protection of depositors, other creditors or shareholders. The examination shall include a review of the accounts, records and affairs of the institution, its compliance with law, such other matters as the department may determine and in the case of a bank and trust company or a trust company a review of accounts held in a fiduciary or other representative capacity. *In the case of an interstate bank, the department may accept, in lieu of any examination required by this section and any report required by the act of May 15, 1933 (P.L.565, No.111), known as the "Department of Banking Code," examinations and reports made pursuant to the banking laws of the jurisdiction under which the interstate bank exists, or examinations and reports which it accepts under subsection (b) and, in its discretion, may make such examinations and require such reports of Pennsylvania operations of the interstate bank as it deems appropriate.*

\* \* \*

(c) Department of Banking Code—Except as modified by the provisions of this section, the provisions of the Department of Banking Code governing examinations [and], reports *and enforcement powers of the department* shall [continue to] apply to institutions[.] *and interstate banks which are not national banks.*

(d) *Agreements—Notwithstanding any other laws of this Commonwealth, the Secretary of Banking may enter into cooperative, coordinating and information-sharing agreements with any other bank supervisory agencies with respect to the periodic examination or other supervision of any branch in this Commonwealth of an interstate bank or any branch of an institution existing under the laws of this Commonwealth located in another state. The Secretary of Banking may enter into joint examinations or joint enforcement actions with the other bank supervisory agencies having concurrent jurisdiction over an interstate bank or any branch of an institution existing under the laws of this Commonwealth.*

Section 17. This act shall take effect immediately.

APPROVED—The 6th day of July, A.D. 1995.

THOMAS J. RIDGE