

INTERPRETIVE LETTER 88-2 (FEBRUARY 5, 1988)

Irrevocable consent to waive home office protection provided to another bank for the establishment of a branch waives home office protection only for that specific branch.

This is in response to your inquiry regarding whether a state chartered bank, by providing written irrevocable consent to a branch of another bank, would be waiving its "home office protection" as to any other bank's branches.

Section 5(15)(b) of the Illinois Banking Act provides that a bank seeking to establish a branch at a location which is less than 3500 yards from the establishing bank's main banking premises, shall not establish such branch closer than 200 yards to any then existing main banking premises of another bank. This Section further provides that if the branch is established at a location which is more than 3500 yards from the establishing bank's main banking premises, such branch shall not be closer than one mile to any then existing main banking premises of another bank. Section 5(15)(b)(ii) of the Act provides that the distance limitations in Section 5(15)(b) shall not apply to the establishment of a branch if the branch is established with the written irrevocable consent of a bank which has its main banking premises within 200 yards of the branch to be established if the branch is less than 3500 yards from the establishing bank or within one mile of the branch to be established if the branch is more than 3500 yards from the establishing bank. It is the position of this Agency that the written irrevocable consent is applicable only to the specifically identified branch which has received such consent for the establishment of a branch.