

**INTERPRETIVE LETTER 91-13 (JUNE 24, 1991)**

**State bank may establish limited purpose national bank which will not accept deposits or pay checks as an operating subsidiary to conduct credit card operations.**

This is in response to your letter of \* regarding a proposal by \* Bank to establish a limited purpose national bank as a wholly-owned, operating subsidiary to take over and conduct credit card operations currently being conducted by \* Bank.

As I understand the facts involved, \* Bank proposes to establish the national bank subsidiary pursuant to the authority of Section 5(12) of the Illinois Banking Act (Ill. Rev. Stat. 1989, ch. 17, par. 311(12)). The subsidiary will not receive deposits or pay checks or other orders for payment. Additionally, Section 3.05 of the Illinois Bank Holding Company Act ("IBHCA") (Ill. Rev. Stat. 1989, ch. 17 par. 2508), which restricts a bank holding company from directly or indirectly acquiring control of a bank until such bank had been in existence for ten years, is not applicable since the national bank subsidiary would not be a "bank" as that term is defined in Section 2(a) of the IBHCA. (Ill. Rev. Stat. 1989, ch. 17, par. 2502(a)).

On the basis of the above understanding, it is the position of this Agency that \* Bank may file a notice of intent to establish a subsidiary with the Commissioner pursuant to Section 5(12) of the Illinois Banking Act in order to establish the limited purpose national bank.