

INTERPRETIVE LETTER 93-023 (NOVEMBER 5, 1993)

Laws of New York are reciprocal with laws of Illinois for interstate acquisitions.

This letter is in reply to your request that the Illinois Commissioner of Banks and Trust Companies ("Commissioner") find that the banking laws of the state of New York with respect to interstate acquisitions are reciprocal with such laws in Illinois. As outlined in this letter, we conclude that New York's and Illinois' interstate banking laws are reciprocal.

Section 3.071 of the Illinois Bank Holding Company Act ("Illinois Act"), 205 ILCS 10/3.071 (1992) [Ill. Rev. Stat. ch. 17, par. 2510.01], provides that an out-of-state bank holding company may acquire an Illinois bank or bank holding company if the laws of the state that is the principal place of business of the out-of-state bank holding company expressly authorize the acquisition by an Illinois bank holding company of a bank or bank holding company in that state "under qualifications and conditions which are not unduly restrictive when compared to those imposed by the laws of Illinois."

We have reviewed New York bank holding company law, N.Y. Banking Law Sections 141-147 (McKinney 1992), and we specifically find that an Illinois bank holding company could acquire a New York bank holding company and its subsidiary banks under terms and conditions that are similar to those imposed under Illinois law on an acquiring New York institution. Therefore, the Commissioner now finds, as of the date of this letter, that the laws of New York are reciprocal with the laws of Illinois.

When a specific New York bank holding company applies to acquire an Illinois bank or Illinois bank holding company, the Commissioner will again have to make the reciprocity finding in response to that application. However, absent any material changes to the interstate banking provisions of New York law or to the Illinois Act, a New York bank holding company will be permitted to acquire an Illinois bank holding company subject to the provisions of the Illinois Act.