

**INTERPRETIVE LETTER NO. 95-4A (SEPTEMBER 8, 1995)**

**The Commissioner reaffirms the finding of reciprocity in Interpretive Letter 95-4 upon reviewing subsequent Connecticut amendments to applicable laws.**

This letter responds to your letter dated \*, to the Commissioner of Banks and Trust Companies ("Commissioner") in which you requested that the Commissioner reaffirm Interpretive Letter Number 95-4, dated July 12, 1995. Interpretive Letter Number 95-4 found the Illinois banking laws governing interstate acquisitions reciprocal to those of Connecticut.

We reviewed Connecticut Public Act No. 95-155, effective June 27, 1995, which amends several provisions of Connecticut banking law. These amendments were not considered in Interpretive Letter Number 95-4. The material change made by Public Act 95-155 adds the restriction that the bank or the banks of the holding company to be acquired must be "in existence and continuously operating for at least five years," unless this requirement is waived. Conn. Gen. Stat. sec. 36a-411 (1994) as amended by Section 26 of Public Act No. 95-155.

The Commissioner specifically finds that an Illinois bank holding company could acquire a Connecticut bank holding company and its subsidiary banks under qualifications and conditions similar to those imposed by Illinois law on an acquiring Connecticut institution. The five year restriction, as authorized by the Riegle-Neal Interstate Banking and Branching and Efficiency Act of 1994, does not impose an unduly restrictive condition. Therefore, the Commissioner finds that the bank holding company interstate acquisition laws of Connecticut, as amended by Connecticut Public Act No. 95-155, continue to be reciprocal with those of Illinois.

The reaffirmation of the reciprocity determination remains subject to the conditions listed in Interpretive Letter Number 95-4. Effective September 29, 1995, the reciprocity requirements will be eliminated from the Illinois Bank Holding Company Act, 205 ILCS 10/1 *et seq.* (1994) as amended by Public Act 89-208 ("Act"), thereby liberalizing the provisions governing interstate bank acquisitions in Illinois. Absent any additional material changes to the interstate banking provisions of Connecticut or Illinois, a Connecticut bank holding company will be permitted to acquire an Illinois bank holding company subject to the provisions of the Act.

The Commissioner will update the publicly available copy of Interpretive Letter 95-4 to reflect the opinion expressed in this letter.