

By Representative Maygarden

1 A bill to be entitled
2 An act relating to the management and
3 regulation of financial institutions; amending
4 s. 655.005, F.S.; revising definitions;
5 amending s. 655.0322, F.S.; applying prohibited
6 acts and practices provisions to state or
7 federal savings banks; providing penalties;
8 amending s. 655.045, F.S.; deleting a report
9 requirement; amending s. 655.41, F.S.; revising
10 a definition; amending s. 655.414, F.S.;
11 requiring approval by the Department of Banking
12 and Finance for a financial entity to acquire
13 certain financial entities; providing for a
14 nonrefundable filing fee; deleting a
15 requirement to file a separate application for
16 each branch office; amending s. 658.21, F.S.;
17 revising criteria for approval of applications;
18 amending s. 658.23, F.S.; clarifying
19 information required in articles of
20 incorporation; amending s. 658.26, F.S.;
21 providing for approval of a branch application
22 under certain circumstances; revising
23 provisions providing for relocation of certain
24 offices in this state; providing a definition;
25 amending s. 658.295, F.S.; revising certain
26 acquisition criteria; deleting an obsolete
27 provision; amending s. 658.2953, F.S.;
28 correcting a threshold date reference; amending
29 s. 658.73, F.S.; revising application fee
30 provisions; providing for partial refund under
31 certain circumstances; amending s. 663.06,

1 F.S.; providing for indefinite operation of an
2 international banking corporation; deleting
3 temporary operation provisions; amending s.
4 663.12, F.S.; clarifying certain filing fee
5 provisions; creating ss. 667.001-667.013, F.S.;
6 providing a short title; providing definitions;
7 providing applicability; providing for a name;
8 providing for reorganization, merger, or
9 consolidation; providing for conversion of
10 certain banks or associations to capital stock
11 savings banks; providing requirements; imposing
12 a fee; providing powers and duties of the
13 department under certain circumstances;
14 providing for acquisition of assets or control
15 of savings banks; providing criteria and
16 requirements; specifying powers of savings
17 banks; providing for loans and loan expenses;
18 providing for dealing with successors in
19 interest; providing for foreign savings banks;
20 repealing s. 658.295(6)(e), F.S., relating to
21 certain notice of acquisitions; repealing s.
22 658.2953(14)(b), F.S., relating to certain
23 notice of establishment and maintenance of a
24 branch in this state by an out-of-state bank;
25 providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:

28
29 Section 1. Paragraphs (g), (h), and (j) of subsection
30 (1) of section 655.005, Florida Statutes, are amended to read:
31 655.005 Definitions.--

1 (1) As used in the financial institutions codes,
2 unless the context otherwise requires, the term:

3 (g) "Federal financial institution" means a federally
4 or nationally chartered or organized association, bank,
5 savings bank, or credit union.

6 (h) "Financial institution" means a state or federal
7 association, bank, savings bank, trust company, international
8 bank agency, representative office or international
9 administrative office, or credit union.

10 (j) "Financial institutions codes" means:

11 1. Chapter 655, relating to financial institutions
12 generally;

13 2. Chapter 657, relating to credit unions;

14 3. Chapter 658, relating to banks and trust companies;

15 4. Chapter 660, relating to trust business;

16 5. Chapter 663, relating to international banking
17 corporations; ~~and~~

18 6. Chapter 665, relating to associations; ~~and-~~

19 7. Chapter 667, relating to savings banks.

20 Section 2. Subsection (1) of section 655.0322, Florida
21 Statutes, is amended to read:

22 655.0322 Prohibited acts and practices; criminal
23 penalties.--

24 (1) As used in this section, the term "financial
25 institution" means a financial institution as defined in s.
26 655.50 which includes a state trust company, state or national
27 bank, state or federal association, state or federal savings
28 bank, state or federal credit union, Edge Act or agreement
29 corporation, international bank agency, representative office
30 or administrative office or other business entity as defined
31 by the department by rule, whether organized under the laws of

1 this state, the laws of another state, or the laws of the
2 United States, which institution is located in this state.

3 Section 3. Paragraph (a) of subsection (2) of section
4 655.045, Florida Statutes, is amended to read:

5 655.045 Examinations, reports, and internal audits;
6 penalty.--

7 (2)(a) The department shall require each state
8 financial institution, subsidiary, or service corporation to
9 submit a report, at least four times each calendar year, as of
10 such dates as the department may determine. ~~Each such report~~
11 ~~must contain a declaration by the chief executive officer or~~
12 ~~any other officer authorized by the board of directors to make~~
13 ~~such declaration that the report is true and correct to the~~
14 ~~best of his knowledge and belief.~~ Such report must include
15 such information as the department by rule requires for that
16 type of institution.

17 Section 4. Subsection (1) of section 655.41, Florida
18 Statutes, is amended to read:

19 655.41 Cross-industry conversions, mergers,
20 consolidations, and acquisitions; definitions used in ss.
21 655.41-655.419.--As used in ss. 655.41-655.419, the term:

22 (1) "Financial entity" means an association, bank,
23 credit union, savings bank, Edge Act or agreement corporation,
24 or trust company organized under the laws of this state or
25 organized under the laws of the United States and having its
26 principal place of business in this state.

27 Section 5. Section 655.414, Florida Statutes, is
28 amended to read:

29 655.414 Acquisition of assets; assumption of
30 liabilities.--With prior approval of the department and upon
31 such conditions as the department prescribes by rule, any

1 financial entity may acquire all or substantially all of the
2 assets of, or assume the liabilities of, any other financial
3 entity in accordance with the procedures and subject to the
4 following conditions and limitations:

5 (1) ADOPTION OF A PLAN.--The board of directors of the
6 acquiring or assuming financial entity and the board of
7 directors of the transferring financial entity must adopt, by
8 a majority vote, a plan for such acquisition, assumption, or
9 sale on such terms as are mutually agreed upon. The plan must
10 include:

11 (a) The names and types of financial entities
12 involved.

13 (b) A statement setting forth the material terms of
14 the proposed acquisition, assumption, or sale, including the
15 plan for disposition of all assets and liabilities not subject
16 to the plan.

17 (c) A provision for liquidation of the transferring
18 financial entity upon execution of the plan.

19 (d) A statement that the entire transaction is subject
20 to written approval of the department and approval of the
21 members or stockholders of the transferring financial entity.

22 (e) If a stock financial institution is the
23 transferring financial entity and the proposed sale is not to
24 be for cash, a clear and concise statement that dissenting
25 stockholders of such financial entity are entitled to the
26 rights set forth in s. 658.44(4) and (5).

27 (f) The proposed effective date of such acquisition,
28 assumption, or sale and such other information and provisions
29 as may be necessary to execute the transaction or as may be
30 required by the department.

31

1 (2) APPROVAL OF DEPARTMENT.--Following approval by the
2 board of directors of each participating financial entity, the
3 plan, together with certified copies of the authorizing
4 resolutions adopted by the boards and a completed application
5 with a nonrefundable filing fee, must be forwarded to the
6 department for its approval or disapproval. The department
7 shall approve the plan of acquisition, assumption, or sale if
8 it appears that:

9 (a) The resulting financial entity would have an
10 adequate capital structure in relation to its activities and
11 its deposit liabilities;

12 (b) The plan is fair to all parties; and

13 (c) The plan is not contrary to the public interest.
14

15 If the department disapproves the plan, it shall state its
16 objections and give an opportunity to the parties to amend the
17 plan to overcome such objections.

18 (3) VOTE OF MEMBERS OR STOCKHOLDERS.--If the
19 department approves the plan, it may be submitted to the
20 members or stockholders of the transferring financial entity
21 at an annual meeting or at any special meeting called to
22 consider such action. Upon a favorable vote of 51 percent or
23 more of the total number of votes eligible to be cast or, in
24 the case of a credit union, 51 percent or more of the members
25 present at the meeting, the plan is adopted.

26 (4) ADOPTED PLAN; CERTIFICATE; ABANDONMENT.--

27 (a) If the plan is adopted by the members or
28 stockholders of the transferring financial entity, the
29 president or vice president and the cashier, manager, or
30 corporate secretary of such financial entity shall submit the
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1 adopted plan to the department, together with a certified copy
2 of the resolution of the members or stockholders approving it.

3 (b) Upon receipt of the certified copies and evidence
4 that the participating financial entities have complied with
5 all applicable federal law and regulations, the department
6 shall certify, in writing, to the participants that the plan
7 has been approved ~~adopted and is in compliance with the~~
8 ~~provisions of this section.~~

9 (c) Notwithstanding approval of the members or
10 stockholders or certification by the department, the board of
11 directors of the transferring financial entity may, in its
12 discretion, abandon such a transaction without further action
13 or approval by the members or stockholders, subject to the
14 rights of third parties under any contracts relating thereto.

15 (5) FEDERALLY CHARTERED INSTITUTION AS A
16 PARTICIPANT.--If one of the participants in a transaction
17 under this section is a federally chartered financial entity,
18 all participants must also comply with such requirements as
19 may be imposed by federal law for such an acquisition,
20 assumption, or sale and provide evidence of such compliance to
21 the department as a condition precedent to the issuance of a
22 certificate authorizing the transaction; however, if the
23 purchasing or assuming financial entity is a federally
24 chartered financial entity, approval of the department is not
25 required.

26 (6) STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.--A
27 mutual financial institution may not sell all or substantially
28 all of its assets to a stock financial entity until it has
29 first converted into a capital stock financial institution in
30 accordance with s. 665.033(1) and (2). For this purpose,
31 references in s. 665.033(1) and (2) to associations are deemed

1 to refer also to credit unions; but, in the case of a credit
2 union, the provision therein concerning proxy statements does
3 not apply.

4 ~~(7) BRANCH OFFICES.--If the acquisition of assets or~~
5 ~~assumption of liabilities includes any bank, association, or~~
6 ~~trust company branch office, a branch application must be~~
7 ~~filed for each proposed branch office of the acquiring or~~
8 ~~assuming financial entity in accordance with s. 658.26.~~

9 Section 6. Subsections (1) and (4) of section 658.21,
10 Florida Statutes, are amended to read:

11 658.21 Approval of application; findings
12 required.--The department shall approve the application if it
13 finds that:

14 (1) ~~Public convenience and advantage will be promoted~~
15 ~~by the establishment of the proposed state bank or trust~~
16 ~~company. Additionally,Local conditions indicate reasonable~~
17 ~~promise of successful operation for the proposed state bank or~~
18 ~~trust company and those financial institutions already~~
19 ~~established in the primary service area. In determining~~
20 ~~whether an applicant meets the requirements of this~~
21 ~~subsection, the department shall consider all materially~~
22 ~~relevant factors, including:~~

23 (a) The purpose, objectives, and business philosophy
24 growth rate, size, location, financial strength, and operating
25 characteristics of financial institutions in the primary
26 service area of the proposed state bank or trust company.

27 (b) The projected financial performance of the
28 proposed bank or trust company growth, economic, and
29 demographic characteristics of the primary service areas and
30 the metropolitan statistical area or county.

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1 (c) The feasibility of the proposed bank or trust
2 company, as stated in the business plan, particularly with
3 respect to asset and liability growth and management.

4 (4) The proposed officers have sufficient financial
5 institution experience, ability, standing, and reputation and
6 the proposed directors have sufficient business experience,
7 ability, standing, and reputation to indicate reasonable
8 promise of successful operation, and none of the proposed
9 officers or directors has been convicted of, or pled guilty or
10 nolo contendere to, any violation of s. 655.50, relating to
11 the Florida Control of Money Laundering in Financial
12 Institutions Act; chapter 896, relating to offenses related to
13 financial institutions; or any similar state or federal law.
14 At least one of the proposed directors who is not also a
15 proposed officer shall have had at least 1 year direct
16 experience as an executive officer, regulator, or director of
17 a financial institution within 3 years of the date of the
18 application. This requirement may be waived by the department
19 if the applicant demonstrates that the proposed director has
20 very substantial experience as an executive officer, director,
21 or regulator of a financial institution more than 3 years
22 before the date of the application. The proposed president or
23 chief executive officer shall have had at least 1 year of
24 direct experience as an executive officer, director, or
25 regulator of a financial institution within the last 3 years.

26 Section 7. Paragraph (g) of subsection (2) of section
27 658.23, Florida Statutes, is amended to read:

28 658.23 Submission of articles of incorporation;
29 contents; form; approval; filing; commencement of corporate
30 existence; bylaws.--

31 (2) The articles of incorporation shall contain:

1 (g) The number of directors, which shall be five or
2 more, and the names and street addresses of the members of the
3 initial ~~first~~ board of directors.

4
5 The department shall provide to the proposed directors form
6 articles of incorporation which shall include only those
7 provisions required by this section or by chapter 607. The
8 form articles shall be acknowledged by the proposed directors
9 and returned to the department for filing with the Department
10 of State.

11 Section 8. Section 658.26, Florida Statutes, 1996
12 Supplement, is amended to read:

13 658.26 Places of transacting business; branches;
14 facilities.--

15 (1) Any bank or trust company heretofore or hereafter
16 incorporated pursuant to this chapter shall have one main
17 office, which shall be located within the state.

18 (2)(a) In addition, with the approval of the
19 department and upon such conditions as the department
20 prescribes, any bank or trust company may establish branches
21 within or outside the state. With the approval of the
22 department upon a determination that the resulting bank or
23 trust company will be of sound financial condition, any bank
24 or trust company incorporated pursuant to this chapter may
25 establish branches by merger with any other bank or trust
26 company.

27 (b) An application for a branch shall be in writing in
28 such form as the department prescribes and be supported by
29 such information, data, and records as the department may
30 require to make findings necessary for approval. Applications
31 filed pursuant to this subsection shall not be published in

1 the Florida Administrative Weekly but shall otherwise be
2 subject to the provisions of chapter 120. Upon the filing of
3 an application and a nonrefundable filing fee for the
4 establishment of any branch permitted by paragraph (a), the
5 department shall make an investigation with respect to
6 compliance with the requirements of paragraph (a) and shall
7 investigate and consider all factors relevant to such
8 requirements, including the following:

9 1. The sufficiency of capital accounts in relation to
10 the deposit liabilities of the bank, or in relation to the
11 number and valuation of fiduciary accounts of the trust
12 company, including the proposed branch, and the additional
13 fixed assets, if any, which are proposed for the branch and
14 its operations, without undue risk to the bank or its
15 depositors, or undue risk to the trust company or its
16 fiduciary accounts;

17 2. The sufficiency of earnings and earning prospects
18 of the bank or trust company to support the anticipated
19 expenses and any anticipated operating losses of the branch
20 during its formative or initial years;

21 3. The sufficiency and quality of management available
22 to operate the branch;

23 4. The name of the proposed branch to determine if it
24 reasonably identifies the branch as a branch of the main
25 office and is not likely to unduly confuse the public; and

26 5. Substantial compliance by the applicants with
27 applicable law governing their operations.

28 (c) A branch application, filed by a strong,
29 well-managed state bank or trust company, which is not denied
30 within 10 working days after receipt of the application shall
31 be deemed approved unless the department notifies the

1 financial institution in writing that the application was not
2 complete.

3 (3)(a) ~~An office in this state which has been in~~
4 ~~operation for at least 18 months may be relocated within this~~
5 ~~state upon 30 days' prior written notification to the~~
6 ~~department. An office in this state which has been open for~~
7 ~~less than 18 months may be relocated within this state with~~
8 ~~prior written approval of the department, if the relocation~~
9 ~~will not create an unsafe and unsound condition. An~~
10 application for relocation shall be in writing in such form as
11 the department prescribes and shall be supported by such
12 information, data, and records as the department may require
13 to make findings necessary for approval.~~Additional~~
14 ~~investments in land, buildings, leases, and leasehold~~
15 ~~improvements resulting from such relocation shall comply with~~
16 ~~the limitations imposed by s. 658.67(7)(a). The location of~~
17 ~~an office may not be moved beyond the limits of the county or~~
18 ~~counties in which the bank or trust company maintains~~
19 ~~authorized bank or trust company offices and may not be moved~~
20 ~~outside this state unless expressly authorized by the~~
21 ~~financial institutions codes or by federal law.~~

22 (b) Applications filed pursuant to this subsection
23 shall not be published in the Florida Administrative Weekly
24 but shall otherwise be subject to the provisions of chapter
25 120. However, an application for the relocation of a main
26 office that has not been in operation for at least 24 months
27 shall be published in the Florida Administrative Weekly. Upon
28 the filing of a relocation application and a nonrefundable
29 filing fee, the department shall investigate to determine
30 substantial compliance by the financial institution with
31 applicable law governing its operations. Additional

1 investments in land, buildings, leases, and leasehold
2 improvements resulting from such relocation shall comply with
3 the limitations imposed by s. 658.67(7)(a). A main office may
4 not be moved outside this state unless expressly authorized by
5 the financial institutions codes or by federal law. ~~The~~
6 ~~redesignation of a main office and a branch office within this~~
7 ~~state may be made with prior written notification to the~~
8 ~~department. However, the redesignation of the main office~~
9 ~~during the bank or trust company's first 18 months of~~
10 ~~operation requires the prior written approval of the~~
11 ~~department.~~

12 (c) A relocation application, filed by a strong,
13 well-managed state bank or trust company, which is not denied
14 within 10 working days after receipt shall be deemed approved
15 unless the department notifies the financial institution in
16 writing that the application was not complete.

17 (d) In addition to the application required by
18 paragraph (a), a financial institution whose main office in
19 this state has been in operation less than 24 months must
20 provide evidence that the criteria of s. 658.21(1) will be
21 met.

22 (e) With 30 days' prior written notice, an established
23 branch office may be consolidated with another established
24 branch office when the two offices are located within a 1-mile
25 radius. The notice shall include any information the
26 department may prescribe by rule.

27 (f) A branch office may be closed with 30 days' prior
28 written notice to the department. The notice shall include any
29 information the department may prescribe by rule.

30 (4) With prior written notification to the department,
31 any bank may operate facilities which are not physically

1 connected to the main or branch office of the bank, provided
2 that the facilities are situated on the property of the main
3 or branch office or property contiguous thereto. Property
4 which is separated from the main or branch office of a bank by
5 only a street, and one or more walkways and alleyways are
6 determined to be, for purposes of this subsection, contiguous
7 to the property of the main or branch office.

8 (5) A bank may provide, directly or through a contract
9 with another company, off-premises armored car service to its
10 customers. Armored car services shall not be considered a
11 branch for the purposes of subsection (2).

12 (6)(a) Any state bank that is a subsidiary of a bank
13 holding company may agree to receive deposits, renew time
14 deposits, close loans, service loans, and receive payments on
15 loans and other obligations, as an agent for an affiliated
16 depository institution.

17 (b) The term "close loan" does not include the making
18 of a decision to extend credit or the extension of credit.

19 (c) As used in this section, "receive deposits" means
20 the taking of deposits to be credited to an existing account
21 and does not include the opening or origination of new deposit
22 accounts at an affiliated institution by the agent
23 institution.

24 (d) Under this section, affiliated banks may act as
25 agents for one another regardless of whether the institutions
26 are located in the same or different states. This section
27 applies solely to affiliated depository institutions acting as
28 agents, and has no application to agency relationships
29 concerning nondepositories as agent, whether or not affiliated
30 with the depository institution.

31

1 (e) In addition, under this section, agent banks may
2 perform ministerial functions for the principal bank making a
3 loan. Ministerial functions include, but are not limited to,
4 such activities as providing loan applications, assembling
5 documents, providing a location for returning documents
6 necessary for making the loan, providing loan account
7 information, and receiving payments. It does not include such
8 loan functions as evaluating applications or disbursing loan
9 funds.

10
11 For the purposes of this section, a strong, well-managed state
12 bank or trust company is an institution that has been in
13 operation for at least 24 months, is well capitalized, has
14 received a satisfactory rating at the institution's most
15 recent state or federal safety and soundness examination, and
16 is not the object of any enforcement action.

17 Section 9. Paragraph (b) of subsection (3) and
18 paragraph (a) of subsection (8) of section 658.295, Florida
19 Statutes, 1996 Supplement, are amended to read:

20 658.295 Interstate banking.--

21 (3) STATEMENT OF LEGISLATIVE INTENT.--In general,
22 states have a strong interest in the activities and operations
23 of depository institutions doing business within their
24 jurisdictions, regardless of the type of charter an
25 institution holds. In particular, states have a legitimate
26 interest in protecting the rights of consumers, businesses,
27 and communities. Further, Congress did not intend that the
28 Interstate Banking and Branching Efficiency Act of 1994 alter
29 this balance and thereby weaken states' authority to protect
30 the interests of consumers, businesses, or communities.

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1 (b) Nothing in this section shall be construed to
2 prohibit the acquisition by an out-of-state bank holding
3 company of all or substantially all of the shares of a bank
4 organized solely for the purpose of facilitating the
5 acquisition of a bank that has been in existence and
6 continuously operated as a bank for more than 3 ~~2~~ years, if
7 the acquisition has otherwise been approved pursuant to this
8 section.

9 (8) STANDARDS FOR APPROVAL.--Except as otherwise
10 provided in this section:

11 (a) No direct or indirect acquisition of a Florida
12 bank or a Florida bank holding company by a bank holding
13 company shall be permitted unless the Florida bank or all
14 Florida bank subsidiaries of the bank holding company to be
15 acquired have been in existence and continuously operating, on
16 the date of such acquisition, for more than 3 years. ~~Provided~~
17 ~~however, that this subsection shall not prohibit approval of~~
18 ~~any acquisition otherwise lawful for which a definitive~~
19 ~~agreement for acquisition is entered into within 6 months of~~
20 ~~the effective date of this statute.~~

21 Section 10. Subsections (2) and (6) of section
22 658.2953, Florida Statutes, 1996 Supplement, are amended to
23 read:

24 658.2953 Interstate branching.--

25 (2) PURPOSE.--The purpose of this section is to permit
26 interstate branching, effective May 31 ~~June 1~~, 1997, by a
27 merger transaction under s. 102 of the Riegle-Neal Interstate
28 Banking and Branching Efficiency Act of 1994, Pub. L. No.
29 103-328, in accordance with this section.

30 (6) AUTHORITY OF STATE BANKS TO ESTABLISH INTERSTATE
31 BRANCHES BY MERGER.--Beginning May 31 ~~June 1~~, 1997, with the

1 prior written approval of the department, a state bank may
2 establish, maintain, and operate one or more branches in a
3 state other than this state pursuant to an interstate merger
4 transaction in which the state bank is the resulting bank. No
5 later than the date on which the required application for the
6 interstate merger transaction is filed with the responsible
7 federal bank regulatory agency, the applicant state bank shall
8 file an application on a form prescribed by the department
9 accompanied by the required fee pursuant to s. 658.73. The
10 applicant shall also comply with the provisions of ss.
11 658.40-658.45.

12 Section 11. Subsections (2) and (3) of section 658.73,
13 Florida Statutes, 1996 Supplement, are amended to read:

14 658.73 Fees and assessments.--

15 (2) Applications filed with the department shall be
16 accompanied by payment of the following nonrefundable fees:

17 (a) Fifteen thousand dollars for each application for
18 authority to organize a new state bank or state trust company.

19 (b) Two thousand five hundred dollars for each
20 application by an existing bank or association for trust
21 powers.

22 (c) Seven thousand five hundred dollars for each
23 application for authority to acquire a controlling interest in
24 a state bank or state trust company; however, if more than one
25 bank or trust company is being acquired in any such
26 application, the fee shall be increased by \$3,500 for each
27 additional bank or trust company. However, in no event shall
28 the fee exceed \$15,000.

29 (d) Seven thousand five hundred dollars for each
30 application for conversion of a national bank to a state bank.

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1 (e) ~~Seven Two thousand five~~ hundred fifty dollars for
2 each application to establish a branch of a strong,
3 well-managed state bank, ~~an out-of-state bank, or a state~~
4 trust company as defined in s. 658.26. One thousand five
5 hundred dollars for each application to establish a branch by
6 any other state bank or state trust company.

7 (f) One thousand five hundred dollars for each
8 application for authority to establish a trust service office
9 of a state trust company or of a trust department of a state
10 bank or association, and a like amount for each application by
11 a bank or association with trust powers which is not a state
12 bank or state association for authority to establish a trust
13 service office at a state bank, state association, or state
14 credit union.

15 (g) Seven thousand five hundred dollars for each
16 application for a merger or consolidation; however, if three
17 or more banks or trust companies are involved in any such
18 application, the fee shall be \$3,500 for each involved
19 institution. However, in no event shall the fee exceed
20 \$15,000.

21 (h) Two thousand five hundred dollars to establish a
22 successor institution.

23 (i) Two hundred fifty dollars for each application by
24 a strong, well-managed state bank or trust company, as defined
25 in s. 658.26, to relocate the main office of a state bank or a
26 state trust company. Each other state bank or trust company
27 shall pay a fee of \$750 for each application for relocation of
28 its main office. ~~Seven thousand five hundred dollars for each~~
29 ~~application by an out-of-state bank holding company to make an~~
30 ~~acquisition pursuant to s. 658.295.~~

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1 (j) Two thousand five hundred dollars for each
2 application for the purchase of assets and the assumption of
3 liabilities. If, as a result of such application, the
4 applicant will establish more than 10 branch offices within
5 this state, an application fee of \$100 is required for each
6 additional branch office.

7 (3)(a) If, as a result of any application filed with
8 the department, the department determines that an examination
9 is necessary to assess the financial condition of any
10 financial institution, the applying financial institution
11 shall pay to the department a nonrefundable examination fee,
12 pursuant to s. 655.045(1).

13 (b) The department may refund up to one-half of the
14 fee submitted with an application if the application is
15 withdrawn by the applicant prior to publication in the Florida
16 Administrative Weekly.

17 (4)~~(3)~~ The amounts of all fees and assessments
18 provided for in this section shall be deemed to be maximum
19 amounts; and the department has the authority to establish, by
20 rule, and from time to time to change, fees and assessments in
21 amounts less than the maximum amounts stated in this section.

22 Section 12. Section 663.06, Florida Statutes, is
23 amended to read:

24 663.06 Licenses; permissible activities.--

25 (1) An international banking corporation licensed to
26 operate an office in this state may engage in the business
27 authorized by this part at the office specified in such
28 license for an indefinite ~~such period as is provided in~~
29 ~~subsection (2) or subsection (3)~~. An international banking
30 corporation may operate more than one international bank
31 agency, international branch, or international representative

1 office, each at a different place of business, provided that
2 each office shall be separately licensed. No license to
3 operate an international bank office is transferable or
4 assignable. However, the location of an international bank
5 office may be changed after notification of the department.
6 Every such license shall be, at all times, conspicuously
7 displayed in the place of business specified therein.

8 ~~(2) Except as provided in subsection (3), a license to~~
9 ~~operate an international bank agency, international branch,~~
10 ~~international representative office, or international~~
11 ~~administrative office shall be valid for a period of 1 year,~~
12 ~~unless such license is suspended or revoked sooner pursuant to~~
13 ~~subsection (5). The license may be renewed annually upon~~
14 ~~application to the department, upon forms available for that~~
15 ~~purpose, within 30 days prior to the expiration of the~~
16 ~~license. The license may be renewed by the department, in its~~
17 ~~discretion, upon its determination, with or without~~
18 ~~examination, that the international banking corporation is in~~
19 ~~a safe and sound condition and has complied with all~~
20 ~~requirements of law with respect to the international bank~~
21 ~~agency, international branch, international representative~~
22 ~~office, or international administrative office; that the~~
23 ~~renewal of the license will not be detrimental to the public~~
24 ~~interest; and that the renewal has been duly authorized by~~
25 ~~proper corporate action. Each application for renewal of a~~
26 ~~license shall be accompanied by the fee prescribed in s.~~
27 ~~663.12.~~

28 ~~(3) Notwithstanding the provisions of subsection (2),~~
29 ~~the department may, in its discretion, issue a license to an~~
30 ~~international banking corporation for an indefinite period if~~
31 ~~it finds that the international banking corporation has~~

1 ~~satisfied the requirements for renewal of its license and has~~
2 ~~held a license for the previous 3 years. However, an~~
3 ~~indefinite license to operate an international bank agency or~~
4 ~~international branch may not be issued to an international~~
5 ~~banking corporation unless it has held one or the other of~~
6 ~~such licenses for at least 3 years. A license issued for an~~
7 ~~indefinite period shall be valid without renewal unless~~
8 ~~suspended or revoked pursuant to subsection (5). An~~
9 ~~international banking corporation that is granted a license~~
10 ~~for an indefinite period shall file with the department such~~
11 ~~annual financial statements as the department may require and~~
12 ~~shall pay an annual fee equal to the annual renewal fee for~~
13 ~~each license held by the international banking corporation.~~
14 ~~Such annual fee shall be paid not later than January 31 of~~
15 ~~each year.~~

16 (2)~~(4)~~ An international banking corporation which
17 proposes to terminate the operations of its international bank
18 agency, international branch, international representative
19 office, or international administrative office shall surrender
20 its license to the department and comply with such procedures
21 as the department may prescribe by rule.

22 (3)~~(5)~~ An international bank agency, international
23 branch, international representative office, or international
24 administrative office license may be suspended or revoked by
25 the department, with or without examination, upon its
26 determination that the international banking corporation does
27 not meet all requirements for original licensing ~~or any of the~~
28 ~~criteria established by subsection (2) for renewal of a~~
29 ~~license.~~ The department may by rule prescribe additional
30 conditions or standards under which the license of an
31 international bank agency, international branch, international

1 representative office, or international administrative office
2 may be suspended or revoked.

3 (4)~~(6)~~ In the event any such license is surrendered by
4 the international banking corporation or is suspended or
5 revoked by the department, ~~or the renewal thereof is refused~~
6 ~~by the department~~, all rights and privileges of the
7 international banking corporation to transact the business
8 thus licensed shall cease. The department shall, by rule,
9 prescribe procedures for the surrender of a license and for
10 the orderly cessation of business by an international banking
11 corporation in a manner which is not harmful to the interests
12 of its customers or of the public.

13 (5)~~(7)~~ In addition to the activities in which it is
14 expressly permitted to engage:

15 (a) An international branch may engage in any
16 activities permissible for an international bank agency.

17 (b) An international bank agency may engage in any
18 activities permissible for an international administrative
19 office.

20 (c) An international administrative office may engage
21 in any activities permissible for an international
22 representative office.

23 Section 13. Paragraph (e) of subsection (1) and
24 subsection (2) of section 663.12, Florida Statutes, are
25 amended to read:

26 663.12 Fees; assessments; fines.--

27 (1) Each application for a license under the
28 provisions of this part shall be accompanied by a
29 nonrefundable filing fee payable to the department in the
30 following amount:
31

1 (e) Two thousand dollars annually for operating an
2 international representative office or international
3 administrative office ~~the annual renewal of an existing~~
4 ~~license.~~

5 (2) Each international bank agency, international
6 branch and state-chartered investment company shall pay to the
7 department a semiannual assessment, payable on or before
8 January 31 and July 31 of each year, in an amount determined
9 by rule by the department and calculated in a manner so as to
10 recover the costs of the department incurred in connection
11 with the supervision of international banking activities
12 licensed under this part. These rules shall provide for
13 uniform rates of assessment for all licenses of the same type,
14 shall provide for declining rates of assessment in relation to
15 the total assets of the licensee held in the state, but shall
16 not, in any event, provide for rates of assessment which
17 exceed the rate applicable to state banks pursuant to s.
18 658.73, unless the rate of assessment would result in a
19 semiannual assessment of less than \$1,000. For the purposes
20 of this subsection, the total assets of an international bank
21 agency, international branch, or state-chartered investment
22 company shall include amounts due the agency or branch or
23 state investment company from other offices, branches, or
24 subsidiaries of the international banking corporations or
25 other corporations of which the agency, branch, or
26 state-chartered investment company is a part or from entities
27 related to that international banking corporation.

28 Section 14. Sections 667.001, 667.002, 667.003,
29 667.004, 667.005, 667.006, 667.007, 667.008, 667.009, 667.010,
30 667.011, 667.012, and 667.013, Florida Statutes, are created
31 to read:

1 667.001 Short title.--This chapter may be cited as the
2 "Florida Savings Bank Act."
3 667.002 Definitions.--Except to the extent
4 specifically qualified by context, when used in this chapter:
5 (1) "Capital stock" means the aggregate of shares of
6 nonwithdrawable capital issued by a capital stock association,
7 but does not include nonwithdrawable capital represented by
8 capital certificates.
9 (2) "Dwelling unit" means a single, unified
10 combination of rooms which is designed for residential use by
11 one family in a multiple dwelling unit structure and which is
12 not "home property."
13 (3) "Earnings" means that part of the sources
14 available for payment of earnings of a savings bank which is
15 declared payable on savings accounts from time to time by the
16 board of directors and is the cost of savings money to the
17 savings bank. Earnings also may be referred to as "interest."
18 (4) "Home property" means real estate on which is
19 located, or will be located pursuant to a real estate loan, a
20 structure designed for residential use by one family or a
21 single condominium unit, including common elements pertinent
22 to such unit, designed for residential use by one family in a
23 multiple-dwelling-unit structure or complex and including
24 fixtures, home furnishings, and equipment.
25 (5) "Liquid assets" means:
26 (a) Cash on hand.
27 (b) Cash on deposit in a federal home loan bank or
28 federal reserve bank, or a state bank which performs similar
29 reserve functions, and which is withdrawable upon not more
30 than 30 days' notice and which is not pledged as security for
31 indebtedness. Any deposits in a financial depository

1 institution under the control of or in the possession of any
2 supervisory authority are not liquid assets.

3 (c) Obligations of, or obligations which are fully
4 guaranteed as to principal and interest by, the United States
5 or this state.

6 (d) Such other assets as may be approved by the
7 department which are accepted as liquid assets for federally
8 insured savings banks by the appropriate federal regulatory
9 agency.

10 (6) "Net income" means gross revenues for an
11 accounting period, less all expenses paid or incurred, taxes,
12 and losses sustained as shall not have been charged to
13 reserves pursuant to the provisions of this chapter.

14 (7) "Primarily residential property" means real estate
15 on which there is located, or will be located pursuant to a
16 real estate loan:

17 (a) Any structure designed or used primarily for
18 residential rather than nonresidential purposes and consisting
19 of more than one dwelling unit.

20 (b) Any structure designed or used primarily for
21 residential rather than nonresidential purposes for students,
22 residents and persons under care, employees, or members of the
23 staff of an educational, health, or welfare institution or
24 facility.

25 (c) Any structure which is used in part for
26 residential purposes for not more than one family and in part
27 for business purposes, provided the residential use of such
28 structure must be substantial and permanent, not merely
29 transitory.

30 (8) "Real estate loan" means any loan or other
31 obligation secured by a lien on real estate in any state held

1 in fee or in a leasehold extending or renewable automatically
2 for a period of at least 15 years beyond the date scheduled
3 for the final principal payment of such loan or obligation, or
4 any transaction out of which a lien or claim is created
5 against such real estate, including, but not limited to, the
6 purchase of such real estate in fee by a savings bank and the
7 concurrent or immediate sale of such real estate on
8 installment contract.

9 (9) "Savings account" means that part of the savings
10 liability of the savings bank which is credited to the account
11 of the holder of such account. A savings account also may be
12 referred to as a "savings deposit."

13 (10) "Savings bank" means a capital stock or mutual
14 savings bank subject to the provisions of this chapter.

15 (11) "Savings liability" means the aggregate amount of
16 savings accounts of depositors, including earnings credited to
17 such accounts, less redemptions and withdrawals.

18 (12) "State savings bank" means any savings bank which
19 has an existing savings bank charter issued pursuant to the
20 provisions of the financial institutions codes.

21 (13) "Stockholder" means the holder of one or more
22 shares of any class of capital stock of a capital stock
23 savings bank organized or operating pursuant to the provisions
24 of this chapter.

25 667.003 Applicability of chapter 658.--Any state
26 savings banks is subject to all the provisions, and entitled
27 to all the privileges, of the financial institutions codes
28 except where it appears, from the context or otherwise, that
29 such provisions clearly apply only to banks or trust companies
30 organized under the laws of this state or the United States.
31 Without limiting the foregoing general provisions, it is the

- 1 intent of the Legislature that the following provisions apply
2 to a savings bank to the same extent as if the savings bank
3 were a "bank" operating under such provisions:
- 4 (1) Section 658.12, relating to definitions.
5 (2) Section 658.16, relating to creation of banking or
6 trust corporation.
7 (3) Section 658.19, relating to application for
8 authority to organize a bank or trust company.
9 (4) Section 658.20, relating to investigation by
10 department.
11 (5) Section 658.21, relating to approval of
12 application; findings required.
13 (6) Section 658.22, relating to coordination with
14 federal agencies.
15 (7) Section 658.23, relating to submission of articles
16 of incorporation; contents; form; approval; filing;
17 commencement of corporate existence; bylaws.
18 (8) Section 658.235, relating to subscriptions for
19 stock; approval of major shareholders.
20 (9) Section 658.24, relating to organizational
21 procedures.
22 (10) Section 658.25, relating to opening for business.
23 (11) Section 658.26, relating to places of transacting
24 business; branches; facilities.
25 (12) Section 658.295, relating to interstate banking.
26 (13) Section 658.2953, relating to interstate
27 branching.
28 (14) Section 658.30, relating to application of the
29 Florida Business Corporation Act.
30 (15) Section 658.32, relating to annual meetings.
31

- 1 (16) Section 658.33, relating to directors, number,
2 qualifications; officers.
- 3 (17) Section 658.34, relating to shares of capital
4 stock.
- 5 (18) Section 658.35, relating to share options;
6 warrants.
- 7 (19) Section 658.36, relating to changes in capital.
- 8 (20) Section 658.37, relating to dividends and
9 surplus.
- 10 (21) Section 658.38, relating to deposit insurance.
- 11 (22) Section 658.39, relating to stockholders;
12 examination of records.
- 13 (23) Section 658.40, relating to definitions for
14 merger and consolidation.
- 15 (24) Section 658.41, relating to merger; resulting
16 state or national bank.
- 17 (25) Section 658.42, relating to plan of merger and
18 merger agreement.
- 19 (26) Section 658.43, relating to approval by
20 department; valuation of assets; emergency action.
- 21 (27) Section 658.44, relating to approval by
22 stockholders; rights of dissenters; preemptive rights.
- 23 (28) Section 658.45, relating to certificate of merger
24 and effective date; effect on charters and powers.
- 25 (29) Section 658.48, relating to loans.
- 26 (30) Section 658.49, relating to loans by banks not
27 exceeding \$50,000.
- 28 (31) Section 658.491, relating to commercial loans by
29 financial institutions.
- 30 (32) Section 658.51, relating to banks authorized to
31 make commodity loans.

- 1 (33) Section 658.53, relating to borrowing; limits of
2 indebtedness.
- 3 (34) Section 658.60, relating to depositories of
4 public moneys and pledge of assets.
- 5 (35) Section 658.65, relating to remote financial
6 service units.
- 7 (36) Section 658.67, relating to investment powers and
8 limitations.
- 9 (37) Section 658.73, relating to fees and assessments.
- 10 (38) Section 658.79, relating to taking possession of
11 insolvent state banks or trust companies.
- 12 (39) Section 658.80, relating to appointment of
13 receiver or liquidator.
- 14 (40) Section 658.81, relating to department action;
15 notice and court confirmation.
- 16 (41) Section 658.82, relating to receiver; powers and
17 duties.
- 18 (42) Section 658.83, relating to liquidator; powers
19 and duties.
- 20 (43) Section 658.84, relating to transfers by banks
21 and other acts in contemplation of insolvency.
- 22 (44) Section 658.90, relating to receivers or
23 liquidators under supervision of department.
- 24 (45) Section 658.94, relating to prima facie evidence.
- 25 (46) Section 658.95, relating to voluntary
26 liquidation.
- 27 (47) Section 658.96, relating to procedure in
28 voluntary liquidation.
- 29 667.004 Name.--The name of every savings bank shall
30 include the words "savings bank." The use of the words
31 "National," "Federal," "United States," "insured," or

1 "guaranteed," separately or in any combination thereof with
2 other words or syllables, is prohibited as part of the
3 corporate name of a savings bank.

4 667.005 Reorganization, merger, or consolidation with
5 a foreign savings bank.--

6 (1) A savings bank shall have the power to reorganize,
7 merge, or consolidate with a foreign savings bank, as defined
8 in s. 667.013, subject to the approval of the department.

9 (2) If the resulting or surviving savings bank is to
10 be a foreign savings bank, the department shall not approve
11 the proposed transaction unless:

12 (a) The laws of the state in which the foreign savings
13 bank has its principal place of business permit savings banks
14 in that state to reorganize, merge, or consolidate with
15 Florida savings banks in transactions in which the resulting
16 or surviving savings bank is a Florida savings bank.

17 (b) The constituent Florida savings bank has been in
18 existence and continuously operating for more than 2 years.

19 (3) A proposed transaction in which the resulting or
20 surviving savings bank is to be a foreign savings bank shall
21 be subject to any conditions, restrictions, and requirements
22 that would apply in the state where the foreign savings bank
23 has its principal place of business if the resulting or
24 surviving savings bank were to be a Florida savings bank,
25 which conditions, restrictions, and requirements would not
26 apply to a reorganization, merger, or consolidation of savings
27 banks all of which are located in that state.

28 (4) A foreign savings bank which is the resulting or
29 surviving savings bank in a reorganization, merger, or
30 consolidation with a Florida savings bank shall not be
31 considered a Florida savings bank.

1 (5) Each application for reorganization, merger, or
2 consolidation with a foreign savings bank shall be accompanied
3 by a nonrefundable filing fee as provided in s. 658.73(2)(g).

4 667.006 Conversion of state or federal mutual savings
5 bank or state or federal mutual association to capital stock
6 savings bank.--

7 (1) CONVERSION INTO CAPITAL STOCK SAVINGS BANK.--Any
8 state or federal mutual savings bank or state or federal
9 mutual association may apply to the department for permission
10 to convert itself into a capital stock savings bank operated
11 under the provisions of this chapter in accordance with the
12 following procedures:

13 (a) The board of directors shall approve a plan of
14 conversion by resolution adopted by a majority vote of all the
15 directors. The plan shall include, but not be limited to:

16 1. Financial statements of the savings bank as of the
17 last day of the month preceding adoption of the plan.

18 2. Such financial data as may be required to determine
19 compliance with applicable regulatory requirements respecting
20 financial condition.

21 3. A provision that each savings account holder of the
22 mutual savings bank will receive a withdrawable account in the
23 capital stock savings bank equal in amount to his withdrawable
24 account in the mutual savings bank.

25 4. A provision that each member of record will be
26 entitled to receive rights to purchase voting common stock.

27 5. Pro forma financial statements of the savings bank
28 as a capital stock savings bank, which shall include data
29 required to determine compliance with applicable regulatory
30 requirements respecting financial condition.

31

1 6. With particularity, the business purpose to be
2 accomplished by the conversion.

3 7. Such other information as the department may
4 require by rule.

5 (b) The plan of conversion shall be executed by a
6 majority of the board of directors and submitted to the
7 department for approval prior to any vote on conversion by the
8 members.

9 (c) The department may approve or disapprove the plan
10 in its discretion, but it shall not approve the plan unless it
11 finds that the savings bank will comply sufficiently with the
12 requirements of the financial institutions codes after
13 conversion to entitle it to become a savings bank operating
14 under the financial institutions codes and the rules of the
15 department. The department may deny any application from any
16 federal savings bank that is subject to any cease and desist
17 order or other supervisory restriction or order imposed by any
18 state or the federal supervisory authority, or insurer, or
19 guarantor or that has been convicted of, or pled guilty or
20 nolo contendere to, a violation of s. 655.50, relating to the
21 Florida Control of Money Laundering in Financial Institutions
22 Act; chapter 896, relating to offenses related to financial
23 transactions; or any similar state or federal law.

24 (d) If the department approves the plan of conversion,
25 the question of such conversion may be submitted to the
26 members at a meeting of voting members called to consider such
27 action. A vote of 51 percent or more of the total number of
28 votes eligible to be cast shall be required for approval,
29 unless federal law permits a lesser percentage of votes for a
30 federal mutual savings bank to convert, in which case that
31 percentage shall control. Notice of the meeting, giving the

1 time, place, and purpose thereof, together with a proxy
2 statement and proxy form covering all matters to be brought
3 before the meeting, shall be mailed at least 30 days prior to
4 the meeting to the department for review and to each voting
5 member at his or her last address as shown on the books of the
6 savings bank.

7 (2) MINUTES OF MEETING.--Copies of the minutes of the
8 meeting of members, verified by the affidavit of the secretary
9 or assistant secretary of the savings bank, shall be filed
10 with the department and with the appropriate federal
11 regulatory agency, within a reasonable time after the meeting.
12 When so filed, the verified copies of the minutes are
13 presumptive evidence of the holding of the meeting and of the
14 action taken.

15 (3) FILING OF ARTICLES OF INCORPORATION AND COMMITMENT
16 FOR INSURANCE OF ACCOUNTS.--The directors of the savings bank
17 shall have executed and filed with the department proposed
18 articles of incorporation as provided in s. 658.23, together
19 with the application for conversion and a firm commitment for,
20 or evidence of, insurance of deposits and other accounts of a
21 withdrawable type. The articles shall contain a statement that
22 the savings bank resulted from the conversion of a state or
23 federal mutual savings bank to a capital stock savings bank.
24 Approval by the department shall be affixed to the articles of
25 incorporation. A copy of the articles of incorporation shall
26 be filed with the Department of State and one copy of the
27 articles of incorporation and the certificate of incorporation
28 shall be returned to the savings bank. The savings bank shall
29 cease to be a mutual savings bank at the time and on the date
30 specified in the approved articles of incorporation.

31

1 (4) SUCCESSION.--Upon conversion of a mutual savings
2 bank, the legal existence of the savings bank shall not
3 terminate, but the capital stock savings bank shall be a
4 continuation of the entity of the mutual savings bank, and all
5 property of the mutual savings bank, including its rights,
6 titles, and interests in and to all property of whatever kind,
7 whether real, personal, or mixed, things in action, and every
8 right, privilege, interest, and asset of every conceivable
9 value or benefit then existing or pertaining to it, or which
10 would inure to it, immediately, by act of law and without any
11 conveyance or transfer and without any further act or deed,
12 shall vest and remain in the capital stock savings bank into
13 which the mutual savings bank has converted. The capital stock
14 savings bank shall have, hold, and enjoy the same in its own
15 right as fully and to the same extent as the same was
16 possessed, held, and enjoyed by the mutual savings bank. The
17 capital stock savings bank, upon the taking effect of the
18 conversion, shall continue to have and succeed to all the
19 rights, obligations, and relations of the mutual savings bank.
20 All pending actions and other judicial proceedings to which
21 the mutual savings bank is a party shall not be abated or
22 discontinued by reason of the conversion but may be prosecuted
23 to final judgment, order, or decree in the same manner as if
24 the conversion had not been made, and the capital stock
25 savings bank resulting from the conversion may continue the
26 actions in its corporate name as a mutual savings bank. Any
27 judgment, order, or decree may be rendered for or against it
28 which might have been rendered for or against the mutual
29 savings bank theretofore involved in the proceedings.
30 (5) FEE.--The application for conversion from a state
31 or federal mutual to a state capital stock savings bank shall

1 be accompanied by a nonrefundable filing fee of \$7,500.
2 Additionally, the department is authorized to assess any
3 savings bank applying to convert pursuant to this section a
4 nonrefundable examination fee to cover the actual costs of any
5 examination required as part of the application process.

6 667.007 Supervisory case; emergency conversion,
7 reorganization, merger; consolidation; acquisition of
8 assets.--

9 (1) The department may determine that a state or
10 federal savings bank is a supervisory case if it finds that:

11 (a) The savings bank is insolvent; or

12 (b) The savings bank is imminently insolvent.

13
14 Any such finding by the department shall be based upon reports
15 furnished to it by a state or federal regulatory agency or
16 upon other evidence from which it is reasonable to conclude
17 that the savings bank is a supervisory case.

18 (2) Notwithstanding any other provision of this
19 chapter or chapter 120, if the department finds that immediate
20 action is necessary to protect the interests of depositors and
21 reduce the potential for claims against the insurance fund, or
22 in order to prevent the probable failure of a state or federal
23 savings bank which is a supervisory case, the department shall
24 have the power, with the concurrence of the appropriate
25 federal regulatory agency in the case of any savings bank the
26 deposits of which are federally insured, to issue an emergency
27 order authorizing:

28 (a) The conversion of such savings bank from a state
29 to a federal charter, or vice versa, without change of
30 business form;

31

1 (b) The reorganization, merger, or consolidation of
2 such state or federal savings bank with another state or
3 federal savings bank;

4 (c) The conversion of such state or federal savings
5 bank into a state or federal capital stock savings bank; or

6 (d) Any state or federal savings bank to acquire the
7 assets of, and assume the liabilities of, such failing savings
8 bank.

9 667.008 Acquisition of assets of or control over a
10 savings bank.--

11 (1)(a) In any case in which a person or group of
12 persons proposes to purchase or acquire voting common stock of
13 any capital stock savings bank, which purchase or acquisition
14 would cause such person or group of persons to have control,
15 as defined herein, of that savings bank, such person or group
16 of persons must first make application to the department for a
17 certificate of approval of such purchase or acquisition.

18 (b) An application for control shall be in such form
19 and request such information as the department may require by
20 rule.

21 (c) The application for control shall be accompanied
22 by a nonrefundable filing fee of \$7,500; however, if more than
23 one savings bank is being acquired in any such application,
24 the fee shall be increased by \$3,000 for each additional
25 savings bank.

26 (2) The department shall issue the certificate of
27 approval only after it has made an investigation and
28 determined that:

29 (a) The proposed new owner or owners of voting capital
30 stock are qualified by character, experience, and financial
31 responsibility to control the savings bank in a legal and

1 proper manner and none of the proposed new owners have been
2 convicted of, or pled guilty or nolo contendere to, a
3 violation of s. 655.50, relating to the Florida Control of
4 Money Laundering in Financial Institutions Act; chapter 896,
5 relating to offenses related to financial transactions; or any
6 similar state or federal law.

7 (b) The interests of the public generally will not be
8 jeopardized by the proposed purchase or acquisition of voting
9 capital stock.

10 (3) This section does not apply to the acquisition of:

11 (a) Directors' voting proxies acquired in the normal
12 course of business as a result of proxy solicitation in
13 conjunction with a stockholders' meeting;

14 (b) Stock in a fiduciary capacity unless the acquiring
15 person has sole discretionary authority to exercise voting
16 rights with respect thereto;

17 (c) Stock acquired in securing or collecting a debt
18 contracted in good faith until 2 years after the date of
19 acquisition;

20 (d) Stock acquired by an underwriter in good faith and
21 without any intent to evade the purpose of this section if the
22 shares are held only for such reasonable period of time as
23 will permit the sale thereof; or

24 (e) Control of a savings bank by a unitary savings
25 bank holding company if the person or persons who control the
26 holding company are the same person or persons who control the
27 savings bank.

28 (4) For purposes of this section, a person or group of
29 persons shall be deemed to have control of a savings bank if
30 such person or group of persons:

31

1 (a) Directly or indirectly, or acting in concert with
2 one or more persons or through one or more subsidiaries, owns,
3 controls, holds the power to vote, or holds proxies
4 representing more than 25 percent of the voting common stock
5 of such savings bank.

6 (b) Controls in any manner the election of a majority
7 of the directors of such savings bank.

8 (c) Exercises a controlling influence over the
9 management or policies of such savings bank.

10 (d) Owns, controls, or has power to vote 10 percent or
11 more of any class of voting securities of the savings bank, if
12 no other person or group of persons owns, controls, or has
13 power to vote a greater proportion of that class of voting
14 securities. In any case in which a proposed purchase or
15 acquisition of voting securities of a savings bank would give
16 rise to the presumption created under this paragraph, the
17 person or group of persons who proposes to purchase or acquire
18 the voting securities shall first give written notice of the
19 proposal to the department. Such notice may present
20 information that the proposed purchase or acquisition will not
21 result in control. The department shall afford the person
22 seeking to rebut the presumption an opportunity to present
23 views in writing or orally before its designated
24 representatives at an informal conference.

25 (5)(a) A foreign savings bank, as defined in s.
26 667.013, whether controlled directly or indirectly by another
27 business organization, may acquire a Florida savings bank,
28 subject to approval by the department. The department shall
29 not approve the proposed acquisition unless:

30
31

1 1. The laws of the state in which the foreign savings
2 bank has its principal place of business permit savings banks
3 in that state to be acquired by Florida savings banks.

4 2. The Florida savings bank which is to be acquired
5 has been in existence and continuously operating for more than
6 2 years.

7 (b) The proposed acquisition shall be subject to any
8 conditions, restrictions, and requirements that would apply in
9 the state where the foreign savings bank has its principal
10 place of business if the foreign savings bank were to be
11 acquired by a Florida savings bank, which conditions,
12 restrictions, and requirements would not apply to the
13 acquisition by such foreign savings bank of another savings
14 bank in that state.

15 (c) This subsection does not apply to any merger by a
16 savings bank subject to s. 123 of Pub. L. No. 97-320.

17 667.009 Powers of savings bank generally.--Every
18 savings bank incorporated pursuant to or operating under the
19 provisions of the financial institutions codes shall have all
20 the powers enumerated, authorized, and permitted by this
21 chapter and such other rights, privileges, and powers as may
22 be incidental to or reasonably necessary or appropriate for
23 the accomplishment of the objectives and purposes of the
24 savings bank. Except as otherwise limited by the provisions of
25 the financial institutions codes, every savings bank shall
26 have the following powers:

27 (1) PROPERTY TRANSFERS.--To acquire, hold, sell,
28 dispose of, and convey real and personal estate consistent
29 with its objects and powers; to mortgage, pledge, or lease any
30 real or personal estate; and to take property by gifts,
31 devise, or bequest.

1 (2) SUBORDINATED DEBT.--To issue and sell, directly or
2 through underwriters, subordinated debt which shall represent
3 nonwithdrawable capital contributions and shall constitute
4 part of the equity capital of the savings bank. Such debt
5 shall have no voting rights; shall be subordinate to all
6 savings accounts, debt obligations, and claims of creditors of
7 the savings bank; and shall constitute a claim in liquidation
8 against any other equity capital account remaining after the
9 payment in full of all savings accounts, debt obligations, and
10 claims of creditors. Such subordinated debt shall be entitled
11 to the payment of earnings prior to the allocation of any
12 income to surplus or other equity capital accounts of the
13 savings bank and may be issued with a fixed rate of earnings
14 or with a prior claim to distribution of a specified
15 percentage of any net income remaining after required
16 allocations to reserves, or a combination thereof. Losses
17 shall be charged against subordinated debt only after other
18 equity capital accounts have been exhausted.

19 (3) SALE OF LOANS.--To sell with or without recourse
20 any loan, including any participating interests therein.

21 (4) SERVICING.--To service loans and investments for
22 others.

23 (5) AGENT.--To act as agent or escrowee for others in
24 any transaction incidental to the operation of its business.

25 (6) LIMITED TRUSTEESHIP.--To act, and receive
26 compensation therefor, as trustee of any trust created or
27 organized in the United States and forming a part of a stock
28 bonus, pension, or profit-sharing plan which qualifies or is
29 qualified for specific tax treatment under s. 401 of the
30 Internal Revenue Code of 1954, as amended, and to act as
31 trustee or custodian of an individual retirement account

1 within the meaning of s. 408 of such code if the funds of such
2 trust or account are invested only in savings accounts of such
3 savings bank or in obligations or securities issued by such
4 savings bank. All funds held in a fiduciary capacity by any
5 such savings bank under the authority of this subsection may
6 be commingled and consolidated for appropriate purposes of
7 investment, provided that records reflecting each separate
8 beneficial interest are maintained by the fiduciary unless
9 such responsibility is lawfully assumed by another appropriate
10 party.

11 (7) SCHOOL SAVINGS.--To contract with the proper
12 authorities of any public or nonpublic elementary or secondary
13 school or institution of higher learning, or any public or
14 charitable institution caring for minors, for the
15 participation and implementation by the savings bank in any
16 school or institutional thrift or savings plan, and to accept
17 savings accounts at such a school or institution, either by
18 its own collector or by any representative of the school or
19 institution which becomes the agent of the savings bank for
20 such purpose.

21 (8) PAYROLL SAVINGS.--To contract with any employer
22 with respect to the solicitation, collection, and receipt of
23 savings by payroll deduction to be credited to a designated
24 account or accounts of his or her or its employee or employees
25 who voluntarily may participate or with respect to the direct
26 deposit of wages or salary paid by such employer to the
27 account of the employee in a financial depository institution
28 by electronic or other medium upon authorization in writing by
29 the employee and his or her designation of the savings bank or
30 other financial depository institution as the recipient of
31 such deposits.

1 (9) DRAFTS.--To issue drafts and similar instruments
2 drawn on the savings bank to aid in effecting withdrawals and
3 for other purposes of the savings bank.

4 667.010 Loans.--On an annual average, based on monthly
5 computations, a savings bank shall have invested at least 50
6 percent of assets, other than liquid assets of a savings bank
7 invested in either real estate loans or interests therein on
8 home property or primarily residential property and not more
9 than 30 percent invested in loans for agricultural, business,
10 corporate, or commercial purposes.

11 667.011 Loan expenses.--Every savings bank may require
12 borrowers to pay all reasonable expenses incurred in
13 connection with the making, closing, disbursing, extending,
14 readjusting, or renewing of real estate loans. Without
15 limiting the generality of the foregoing, such expenses may
16 include appraisal, attorney, abstract, recording, and
17 registration fees; title examination; title insurance;
18 mortgage loan insurance; credit report; survey; drawing of
19 papers; escrow services; loan closing costs; and taxes or
20 charges imposed upon or in connection with the making and
21 recording of any loan. Every savings bank also may require
22 borrowers to pay the cost of all other necessary and
23 incidental services rendered by the savings bank or by others
24 in connection with real estate and other loans in such
25 reasonable amounts as may be fixed by the board of directors.
26 Without limiting the generality of the foregoing, such costs
27 may include the costs of services of inspectors, engineers,
28 and architects. Such initial charges may be collected by the
29 savings bank from the borrower and paid to any person,
30 including any director, officer, or employee of the savings
31 bank rendering such services, or paid directly by the

1 borrower. In lieu of such initial charges to cover such
2 expenses and costs, a savings bank may make a reasonable
3 charge, part or all of which may be retained by the savings
4 bank which renders such service or part or all of which may be
5 paid to others who render such services. The fees and charges
6 authorized by this chapter shall be in addition to interest
7 authorized by law and shall not be deemed to be a part of the
8 interest collected or agreed to be paid on such loans within
9 the meaning of any law of this state which limits the rate of
10 interest which may be exacted in any transaction. No director,
11 officer, or employee of a savings bank shall receive any fee
12 or other compensation of any kind in connection with procuring
13 any loan for a savings bank, except for services actually
14 rendered as provided in this section.

15 667.012 Dealing with successors in interest.--In the
16 case of any investment made by a savings bank in a real estate
17 loan, in the event the ownership of the real estate security
18 or any part thereof becomes vested in a person other than the
19 party or parties originally executing the security
20 instruments, and provided there is not an agreement in writing
21 to the contrary, a savings bank may, without notice to such
22 party or parties, deal with such successor or successors in
23 interest with reference to said mortgage and the debt thereby
24 secured in the same manner as with such party or parties, and
25 may forbear to sue or may extend time for payment of or
26 otherwise modify the terms of the debt secured thereby,
27 without discharging or in any way affecting the original
28 liability of such party or parties thereunder or upon the debt
29 thereby secured.

30 667.013 Foreign savings banks.--
31

1 (1) DEFINED.--For the purposes of this section, the
2 term "foreign savings bank" includes any domestic joint
3 venture, business trust, syndicate, firm, company, savings
4 bank, fiduciary, partnership, or corporation, and all other
5 groups or combinations, by whatever name called, actually
6 engaged in the business of a savings bank, the principal
7 business office of which is located outside the territorial
8 limits of this state.

9 (2) ACTION BY DEPARTMENT.--The department is
10 authorized, empowered, and directed to obtain an injunction or
11 to take any other action necessary to prevent any foreign
12 savings bank from unlawfully doing any business of a savings
13 bank in this state.

14 (3) ACTIVITIES NOT CONSIDERED "DOING BUSINESS."--For
15 the purposes of this section and any other law of this state
16 prohibiting, limiting, or regulating the doing of business in
17 this state by foreign savings banks or foreign corporations of
18 any type, any federal savings bank, the principal office of
19 which is located outside this state, and any foreign savings
20 bank which is subject to state or federal supervision, or
21 both, which by law are subject to periodic examination by such
22 supervisory authority and to a requirement of periodic audit,
23 shall not be considered to be doing business in this state by
24 reason of engaging in any of the following activities:

25 (a) The purchase, acquisition, holding, sale,
26 assignment, transfer, collecting, and enforcement of
27 obligations or any interest therein secured by real estate
28 mortgages or other instruments in the nature of a mortgage,
29 covering real property located in this state, or the
30 foreclosure of such instruments, or the acquisition of title
31 to such property by foreclosure, or otherwise, as a result of

1 default under such instruments, or the holding, protection,
2 rental, maintenance, and operation of the property so
3 acquired, or the disposition thereof, provided such savings
4 banks shall not hold, own, or operate such property for a
5 period exceeding 5 years without securing the approval of the
6 department.

7 (b) The advertising or solicitation of savings
8 accounts or the making of any representation with respect
9 thereto in this state through the medium of mail, radio,
10 television, magazines, or newspapers or any other medium which
11 is published or circulated within this state, provided that
12 such advertising, solicitation, or the making of such
13 representations is accurately descriptive of the facts.

14 Section 15. Paragraph (e) of subsection (6) of section
15 658.295, Florida Statutes, as amended by chapter 96-168, Laws
16 of Florida, and paragraph (b) of subsection (14) of section
17 658.2953, Florida Statutes, as created by chapter 96-168, Laws
18 of Florida, are hereby repealed.

19 Section 16. This act shall take effect October 1,
20 1997.

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22
23 HOUSE SUMMARY

24 Revises various financial institutions provisions to
25 include application to savings banks. Creates ch. 667,
26 F.S., as the "Florida Savings Bank Act." Provides for
27 applicability of specified financial institutions
28 provisions, for names, for reorganization, merger, or
29 consolidation with foreign savings banks, for conversion
30 of banks or associations to capital stock savings banks,
for powers and duties of the Department of Banking and
Finance, for acquisition of assets or control of savings
banks, for powers of savings banks, for loans and loan
expenses, for dealing with successors in interest, and
for foreign savings banks. See bill for details.