

286.3-020 Approval of application for charter -- Prerequisites to financial institution doing business under its charter -- Waiver in cases of merger or consolidation.

- (1) (a) The commissioner shall approve an application for a bank, trust company, or combined bank and trust company charter upon a finding that the public convenience and advantage will be served by opening the proposed institution.
- (b) To determine whether public convenience and advantage will be served, the commissioner shall consider whether:
 1. Conditions in the community indicate reasonable assurance of successful operation for the proposed institution;
 2. The proposed institution's organizational and capital structure and amount of capitalization is adequate for the business plan; and
 3. The officers and directors of the proposed institution have sufficient experience, ability, standing, and reputation to provide reasonable assurance of successful operation and of compliance with the law.
- (2) Before any bank, trust company, or combined bank and trust company commences business, except business which is incidental or preliminarily necessary to its organization or as otherwise provided in subsection (3) of this section, it shall:
 - (a) Obtain from the commissioner a charter authorizing it to commence doing business;
 - (b) Ensure that the oaths of all directors have been taken in accordance with KRS 286.3-060; and
 - (c) Provide satisfactory proof to the commissioner that:
 1. The accounts of the institution's depositors will be insured by the Federal Deposit Insurance Corporation;
 2. The institution has subscribed and paid in the required capital; and
 3. The institution has otherwise fully complied with all pertinent laws and administrative regulations.
- (3) In the event that an institution for which a charter under this subtitle is sought is to be created solely for the purpose of effectuating a merger or consolidation to facilitate the formation of a bank holding company, the commissioner may waive all or any part of the requirements of this subtitle.

Effective: July 15, 2024

History: Amended 2024 Ky. Acts ch. 152, sec. 11, effective July 15, 2024. -- Created 2010 Ky. Acts ch. 28, sec. 2, effective July 15, 2010.

Legislative Research Commission Note (7/15/2010). References to the "executive director" of financial institutions in this section, as created by 2010 Ky. Acts ch. 28, sec. 2, have been changed in codification to the "commissioner" of financial institutions to reflect the reorganization of certain parts of the Executive Branch, as set forth in Executive Orders 2009-535 and 2009-1086 and confirmed by the General Assembly in 2010 Ky. Acts ch. 24. These changes were made by the Reviser of Statutes pursuant to 2010 Ky. Acts ch. 24, sec. 1938.