

808 KAR 15:040. Multibank Companies.

RELATES TO: KRS 286.3-095, 286.3-905

STATUTORY AUTHORITY: KRS 286.1-011(2), 286.3-020

NECESSITY, FUNCTION, AND CONFORMITY: KRS 286.1-011(2) requires the Department of Financial Institutions to exercise all administrative functions of the state in relation to the regulation, supervision, chartering, and licensing of banks. KRS 286.3-020 authorizes the commissioner to approve applications for a bank or trust company charter. KRS 286.3-095 and 286.3-905 set forth statutory procedures for filing applications by a bank holding company or individual to acquire control of a state-chartered bank or bank holding company that controls a state-chartered bank; the setting of filing and examination fees; and the examination of any holding company that controls a state-chartered bank. This administrative regulation establishes the procedures to be used in the application and examination processes.

Section 1. (1) KRS 286.3-095(1), (2), and KRS 286.3-905 shall not apply to transactions involving applications filed with the Federal Reserve Board for prior approval to become a one-bank holding company.

(2) KRS 286.3-905 shall apply to transactions involving:

(a) Applications by a bank holding company to acquire control of a state-chartered bank or to acquire control of a bank holding company that controls a state-chartered bank;

(b) Applications by a bank holding company that controls a state-chartered bank to acquire control of a national bank or bank holding company that controls a national bank;

(c) Applications by a bank holding company that controls a state-chartered bank to acquire control of a bank or bank holding company not having its principal place of business in this state; and

(d) Applications by a bank holding company not having its principal place of business in this state to acquire control of a state-chartered bank or bank holding company that controls a state-chartered bank.

(3) If a proposed change occurs in the outstanding voting stock of a state-chartered bank subject to KRS 286.3-095 or 286.3-905 and a bank holding company application or change of control notice is required by federal regulatory agencies, the concurrent filing of a copy of the application or notice submitted to the federal regulatory agency with the commissioner shall fulfill the documentation requirement of KRS 286.3-095 or 286.3-905.

(4) The original bank holding company application shall be filed with the commissioner concurrently with the application filed with the Federal Reserve Board and shall be on the same application form used by the Federal Reserve Board. All subsequent information furnished by the applicant to the Federal Reserve Board shall be concurrently filed with the department.

(5) A complete application is which includes all information necessary for the commissioner to make a decision to approve or disapprove the application pursuant to KRS 286.3-905(1) and has been accepted for processing by the Federal Reserve Board.

Section 2. Filing Fee. Each application shall include a nonrefundable investigation fee of \$2,500. The fee assessed by the commissioner shall be paid prior to approval of the application by the commissioner.

Section 3. Examination Fees. If the commissioner examines or elects to participate in a joint examination with the applicable federal regulatory agency of any holding company that controls a state-chartered bank, the examination fee assessed against the company examined shall be based upon fair compensation for time and actual expenses.

Section 4. Publication of Notice. Publication of notice of intention of a bank holding company to acquire control of a state-chartered bank or to acquire control of a bank holding company which controls a state-chartered bank shall be the responsibility of the applicant pursuant to Regulation Y issued by the Federal Reserve Board (12 C.F.R. 225, as revised effective December 28, 2004).

Section 5. Hearings. The department shall not hold hearings on any application or notice. Hearings, if any, shall be conducted by the Federal Reserve Board in accordance with Regulation Y or by the appropriate federal banking agency pursuant to the federal Bank Change in Control Act of 1978, as amended (12 U.S.C. 1817(j)).

Section 6. Nonbank Activities and Acquisitions. Nonbank activities and acquisitions for bank holding companies are regulated by the Federal Reserve Board in accordance with Regulation Y.

Section 7. Coordination with Federal Reserve Board. The commissioner shall coordinate the application process for acquisition of control of state-chartered banks and bank holding companies which control a state-chartered bank with the Federal Reserve Board to ensure that no unreasonable delays occur in the approval process. (45 Ky.R. 2283, 2914; eff. 5-3-2019.)