

BANKING
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF BANKING

Expedited Branch Applications of Depositories

Posting of Charter and Branch Applications and Acquisition of a Bank or Bank Holding Company Applications on Department Website

Adopted Amendments: N.J.A.C. 3:1-2.1, 2.3, 2.4, 2.5, 2.6, 2.8 and 3:13-1.2

Proposed: October 6, 2003 at 35 N.J.R. 4350(a)

Adopted: January 7, 2004 by Holly C. Bakke, Commissioner, Department of Banking and Insurance

Filed: January 7, 2004 as R.2004 d.50, without change

Authority: N.J.S.A. 17:1-8.1, 17:1-15e, 17:9A-1 et seq., 17:9A-20H, 17:9A-382, 17:12B-1 et seq. and 17:12B-24

Effective Date: February 2 , 2004

Expiration Date: March 6, 2006, N.J.A.C. 3:1
July 3, 2007, N.J.A.C. 3:13

Summary of Public Comments and Agency Responses:

The Department of Banking and Insurance received comments from James M. Meredith, Senior Vice President, New Jersey League of Community Bankers.

COMMENT: The commenter applauded the Department's initiative in streamlining the expedited branching process and making greater use of new technology.

RESPONSE: The Department appreciates the support for the amendment.

COMMENT: The commenter had a concern regarding the 10-day timeframe to file objections to branch applications. The commenter supports the amendment that determines the start of the

10-day period as the date that the notice of the application is posted on the Department's website, as that provides a more uniform starting time for the objection. However, the commenter was concerned that some banks may await receipt of the publications from either the New Jersey Bankers Association or the New Jersey League of Community Bankers for their notification and then may have inadequate time to object due to the lag time between the Department website posting and publication date of the Association or League bulletins. The commenter noted that it may not be practical for all banks, particularly smaller institutions, to initiate a daily search of the Department's website to determine if any branch applications are posted. The commenter also noted that smaller institutions may not have the staffing or internet access for this function. The commenter therefore recommends that the timeframe to file objections be extended to 15 days rather than 10 days from the Department's website posting to allow sufficient time for the notice to be delivered to banking institutions in the event they wish to file an objection.

RESPONSE: The Department appreciates the support for its establishment of a new, firm time for the commencement of the objection period. The Department notes that N.J.A.C. 3:1-2.8 permits a 30-day extension of the 10 day objection period if such extension is requested in writing. The Department believes that through a facsimile machine and/or e-mail, a banking institution that receives notice of a branch application late in the 10 day period could immediately notify the Department either of their objection, or their request for an extension to consider whether to file such an objection. The Department is cognizant of the fact that smaller institutions may not have the staffing to conduct a daily review of the Department's website to determine if any branch applications have been filed, but believes that a weekly search would enable smaller institutions to keep up with any Department branch application postings. Further, if in the future institutions find that they have difficulty meeting the 10-day timeframe within

which to file an objection, the Department would consider amending the rule to increase that timeframe.

Federal Standards Statement

The adopted amendments do not contain standards or requirements that exceed standards or requirements imposed by Federal law. The adopted amendments apply the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq. to depositories seeking to establish a branch.

Full text of adoption follows:

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