Chapter 714

(1962 reprint)

Branch Banking

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CROSS REFERENCES

Banks closing on Saturday, 187.030, 707.430

714.090

Examination fees, 706.530

714.990

Penalty for violation of ORS 714.140 to 714.170, 706.990

714.010 "Branch" defined. As used in ORS 714.010 to 714.130, "branch" includes any branch bank, branch office, branch agency, additional office or any branch place of business at which deposits are received, or checks paid, or money lent.

714.020 Branches permitted. Any bank or trust company organized under the laws of this state may establish or operate a branch or branches under the terms and conditions of this chapter and not otherwise.

714.030 Branches not in compliance with chapter prohibited. Except as expressly authorized in ORS 714.010 to 714.130, no bank or trust company or any officer, director, agent or employe thereof, shall open or maintain any branch or subsidiary office for the transaction of any business in this state or receive deposits or pay checks other than at its principal place of business. This section does not apply to branches of foreign banks or trust companies existing or authorized to do business in this state as a foreign bank or trust company on February 28, 1933, but every such foreign branch bank or trust company shall, after February 28, 1933, in every respect be governed by and comply with ORS 714.010 to 714.130 to the same extent as other state banks or trust companies organized and doing business in this state on February 28, 1933.

714.040 Application for permission to establish branch. Before any branch is established, the board of directors of any bank or trust company desiring to establish such branch shall make application therefor to the Superintendent of Banks. The application shall be filed and shall be investigated and approved or disapproved by the Superintendent of Banks, and shall be subject to appeal to the State Banking Board, all in the same manner as is provided in the case of the organization of a bank or trust company. No bank or trust company shall establish or operate any branch or branches without first receiving the written approval of the Superintendent of Banks. The fee for filing the application is $50.

714.050 Restrictions on establishment of branch in cities under 50,000. No branch shall be established in any city, town, village or community of less than 50,000 population according to the last previous federal census where there is a national or state bank regularly transacting a customary banking business, except by taking over an existing national or state bank or trust company or trust department within that city, town, village or community.

714.060 Capital requirements to establish branch bank. (1) Any bank or trust company having an unimpaired capital actually paid in, in cash of not less than $1 million, and any trust company not receiving commercial or savings deposits having an unimpaired capital actually paid in, in cash of not less than $500,000, may establish and maintain one or more branch offices at any place within this state, provided the unimpaired capital and surplus of such bank or trust company is equal to the aggregate amount which would be required by law to organize banks in the places where the main office and branches are to be located.

(2) Any bank or trust company may establish and maintain one or more branch offices at any place within the county where the bank or trust company is located, or outside the county within the tributary trade area as such may be determined by the Superintendent of Banks, provided the unimpaired capital and surplus of such bank or trust company is equal to the aggregate amount which would be required by law to organize banks in the places where the main office and branches are to be located.

714.070 Restrictions on banks existing on February 28, 1933. No bank or trust company existing on February 28, 1933, shall establish any branch until it has filed supplementary articles of incorporation authorizing such bank or trust company to establish branches and accepting all the provisions of the Constitution and laws of Oregon affecting like corporations.

714.080 Reports of deposits of branches. Every bank which operates any branch office must report to the Superintendent of Banks the total of deposits received and held by it through each branch office.

714.090 Examination fees. The Superintendent of Banks shall collect for the examination of each branch bank or trust company the fee required for the examination of a bank or trust company. In computing this fee, the capital of the branch shall be considered to be one-tenth of the total liabilities carried at the branch, but in no case shall the fee for the examination of a branch be less than $50. The

fee charged for an examination of the main office of a bank or trust company having branches shall be based upon the total capital and surplus of such bank or trust company, plus the total resources, as required by law, without deduction on account of any fee charged for the examination of a branch.

714.100 Display of word "branch" and home office address. Every bank which maintains a branch office must, on all window signs and in advertising and on letterheads and other stationery on which the business of the branch office is transacted, use in letters and type equal in prominence to that used in its corporate name the word "branch" and the designation of the place where its head office is located.

714.110 Moving or discontinuing branch. No branch office, once established, may be moved or discontinued without the previous written approval of the Superintendent of Banks.

714.120 Checks and instruments drawn on or payable at one branch when received at another branch of same bank are deemed drawn on or payable at a separate bank. Any check, note or other instrument providing for the payment of money and drawn on or payable at one office or branch of any bank organized under the laws of or doing business in this state, and received for deposit or collection or for any other purpose at another office or branch of such bank, shall be deemed for all purposes as drawn on or payable at another bank. Any provision of this section may be modified or set aside by an agreement in writing between any such bank and any party from whom any check, note or other instrument is received for collection, deposit or other purpose.

714.130 National bank's authority to establish branches. Any national banking association engaged in a general banking business in this state may do all things and perform all acts which banks of this state are permitted to do or perform under ORS 714.010 to 714.130, provided the particular conditions and restrictions prescribed for banks of this state, with the exercise of like privileges, are imposed upon and complied with by the national banking association.

714.140 Application to establish branch banks in foreign countries or invest in foreign banks; approval or rejection by superintendent. (1) Any bank or trust company which is a member of the Federal Reserve System organized or transacting business under the laws of this state and possessing a capital and surplus of one million dollars or more may file with the Superintendent of Banks application for permission to exercise, upon conditions and under such rules and regulations as he may prescribe, either or both of the powers specified in paragraphs (a) and (b) of this subsection; and any such bank or trust company, without regard to the amount of its capital and surplus, may file such application for permission to exercise the powers specified in paragraph (b) of this subsection:

(a) To establish branches in foreign countries or dependencies or insular possessions of the United States, for the furtherance of the foreign commerce of the United States, and to act, if required to do so, as the fiscal agent of the United States.

(b) To invest an amount not exceeding in the aggregate 10 percent of its paid-in capital stock and surplus in the stock of one or more banks or corporations chartered or incorporated under the laws of the United States or of any state thereof, and principally engaged in international or foreign banking, or banking in a dependency or insular possession of the United States, either directly or through the agency, ownership or control of local institutions in foreign countries, or in such dependencies or insular possessions, including the stock of one or more banks or corporations chartered or incorporated under section 25(a) of the Federal Reserve Act, as approved December 24, 1919.

(2) Such application shall specify the name, capital and surplus of the bank filing it, the powers applied for, and the place or places where the banking operations are to be carried on.

(3) The Superintendent of Banks has power to approve or reject such application, in whole or in part, if for any reason the granting of the application is deemed inexpedient, and also has power from time to time to increase or decrease the number of places where such banking operations may be carried on.

714.150 Investment in foreign banks; agreement between foreign bank and superintendent as prerequisite; effect of failure to comply with agreement. (1) Before any bank or trust company organized under the Bank Act shall be permitted to purchase stock in any corporation mentioned in paragraph (b) of subsection (1) of ORS 714.140, the corporation shall enter into an agreement or undertaking with the Superintendent of Banks to restrict its operations or conduct its business in such manner and under such limitations or restrictions as the superintendent may prescribe for the places wherein such business is to be conducted.

(2) If at any time the superintendent ascertains that the rules and regulations prescribed by him are not being complied with, he may institute an investigation of the matter and send for persons and papers, subpena witnesses and administer oaths in order to satisfy himself as to the actual nature of the transactions referred to. If such investigation results in establishing the failure of the corporation in question, or of the bank or trust company which may be stockholders therein, to comply with the regulations laid down by the Superintendent of Banks, such bank or trust company may be required to dispose of stock holdings in the corporation upon reasonable notice from the Superintendent of Banks.

714.160 Furnishing information about foreign branches or foreign banks to superintendent on demand; examination of foreign branches or foreign banks. Every bank or trust company organized under the Bank Act operating foreign branches or investing in the capital stock of banks or corporations, as provided in subsection (1) of ORS 714.140, shall furnish information concerning the condition of such branches, banks or corporations to the Superintendent of Banks upon demand, and the superintendent may order special examinations of such branches, banks or corporations at such times as he deems best.

714.170 Separate accounts for foreign branches. Every bank or trust company organized under the Bank Act shall conduct the accounts of each foreign branch independently of the accounts of other foreign branches established by it and of its home office, and shall, at the end of each year, transfer to its general ledger the profit or loss accrued at each branch as a separate item.

714.180 to 714.980 [Reserved for expansion]

714.990 Penalties. Every bank and every officer or director thereof violating the provisions of ORS 714.010 to 714.130 shall forfeit to the people of the state the sum of $100 for every day during which any branch office is maintained without the certificate of authority required by ORS 714.010 to 714.130.