

## Chapter 714

### 1973 REPLACEMENT PART

## Branch Banking

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### CROSS REFERENCES

Bank closings, Saturdays, holidays and emergencies, 187.030, 707.430      Bank deposits and collections, Ch. 74

714.010 [Repealed by 1973 c.797 §428]

714.020 [Repealed by 1973 c.797 §428]

**714.030 Branches not in compliance with chapter prohibited.** (1) Except as expressly authorized in ORS 714.030 to 714.130, an institution shall not open or maintain any branch.

(2) This section does not apply to branches of foreign institutions existing or authorized to do business in this state as a foreign institution on February 28, 1933. After February 28, 1933, in every respect a branch of a foreign institution described in this subsection shall be governed by and comply with ORS 714.030 to 714.130 to the same extent as institutions organized and doing business in this state on February 28, 1933.

(3) Except as provided in subsection (2) of this section, foreign institutions shall not establish branches.

[Amended by 1973 c.797 §321]

**714.040 Application required to establish branch; fee; time limitation; penalty.**

(1) Before any branch is established, the board of directors of an institution desiring to establish a branch shall file an application with the superintendent. The fee for filing the application is \$250. The application shall be investigated, approved or disapproved and subject to appeal in the same manner as is provided in the case of the organization of an institution. An institution shall not establish or operate any branch without first receiving the written approval of the superintendent.

(2) A branch shall commence business within one year after the application for the branch has been approved by the superintendent. If a branch fails to commence business within the year or according to any extension of time granted by the superintendent, the approval of the application shall be withdrawn and the branch may not operate.

(3) For each day an institution operates a branch without first receiving the written approval of the superintendent, the institution is subject to a penalty of \$100. The penalty shall be assessed and collected as prescribed in subsection (2) of ORS 706.570.

[Amended by 1971 c.68 §4; 1973 c.797 §322]

**714.050 Restrictions on establishment of branch in cities under 50,000.** A branch of a bank shall not be established in any city,

town, village or community of less than 50,000 population where there is a national or state bank regularly transacting a banking business, except by purchasing or merging with an existing national or state bank within that city, town, village or community.

[Amended by 1973 c.797 §323]

**714.055 Determining population.** For the purpose of ORS 714.050, the population shown and determined by the last preceding federal census or any reliable census compiled subsequent to the federal census, is:

(1) The population of the city in which the branch is to be organized; or

(2) If the principal place of business of a bank is located outside the corporate limits of any city, the population within a radius of three miles of the principal place of business, excluding the population within the boundaries of any municipal corporation.

[1973 c.797 §324]

**714.060 Capital requirements to establish branch bank.**

(1) A bank having an unimpaired capital actually paid in, in cash of not less than \$1 million, and a trust company having an unimpaired capital actually paid in, in cash of not less than \$500,000, may establish and maintain one or more branches if the unimpaired capital and surplus of the bank or trust company is equal to the aggregate amount required by law to organize institutions in the places where the principal office and branches are to be located.

(2) An institution may establish and maintain one or more branches at any place within the county where the institution is located, or outside the county within the tributary trade area as determined by the superintendent, if the unimpaired capital and surplus of the institution is equal to the aggregate amount required by law to organize institutions in the places where the main office and branches are to be located or is sufficient to maintain an acceptable ratio of capital and surplus to deposit liabilities, as determined by the superintendent.

[Amended by 1973 c.797 §325]

**714.065 Installation of automated facility; approval by superintendent.**

(1) An automated banking facility is an extension of branch services and shall be installed within the property confines or the building of the principal office or branch of a bank, other than an automated facility, unless otherwise approved by the superintendent as provided in subsection (2) of this section.

(2) The superintendent may approve the installation of an automated facility outside the property confines or the building of the principal office or branch of a bank other than an automated facility, if he finds that:

(a) The facility is an extension of branch services; and

(b) The location of the facility is within 100 yards of the property confines or building of the principal place of business or a branch of the bank, other than an automated facility.

(3) Approval to install and operate an automated facility does not preclude the installation and operation of automated facilities by other banks at or near the same location.

(4) Automated facilities which are off premise may not be manned by people, except as they are stationed in the vicinity of the automated facility for purposes of providing physical security, instructions to customers or service to the facility.

(5) A bank may, upon notice to the superintendent, install four automated facilities without being subject to the restrictions of subsections (1) and (2) of this section. [1973 c.797 §326]

714.070 [Repealed by 1973 c.797 §428]

#### 714.080 Reports of deposits of branches.

Upon the call for a report of condition by the superintendent, a financial institution which operates a branch shall report to the superintendent the total of deposits received and held by it through each branch.

[Amended by 1973 c.797 §327]

714.090 [Amended by 1971 c.68 §5; repealed by 1973 c.797 §428]

**714.100 Display of words "branch" and "office."** Every institution which maintains a branch shall, on all window signs, in advertising any branch and on letterheads on which the business of a branch is transacted, use in addition to the name of the institution, the words "branch" or "office" or both, preceded by the name of the branch.

[Amended by 1963 c.195 §11; 1969 c.360 §1; 1973 c.797 §328]

#### 714.110 Moving or discontinuing branch.

A branch, once established, may not be moved or discontinued without the previous written approval of the superintendent.

[Amended by 1973 c.797 §329]

714.120 [Repealed by 1963 c.402 §11]

**714.130 National bank's authority to establish branches.** A national bank engaged in a general banking business in this state

may perform all acts which institutions of this state are permitted to perform under ORS 714.030 to 714.130, if the national bank complies with the particular conditions and restrictions prescribed for institutions of this state, with the exercise of like privileges.

[Amended by 1973 c.797 §330]

**714.140 Application to establish branch banks in foreign countries or invest in foreign banks required; approval or rejection by superintendent.** (1) Upon the approval of the superintendent and subject to rules promulgated by the superintendent pursuant to ORS 183.310 to 183.410 an institution which is a member of the Federal Reserve System may:

(a) If it possesses a capital and surplus of at least \$1 million, establish branches in foreign countries or dependencies or insular possessions of the United States to further foreign commerce of the United States and to act, if required to do so, as the fiscal agent of the United States.

(b) Invest an amount not exceeding in the aggregate 10 percent of its paid-in capital and surplus in the stock of banks or corporations chartered or incorporated under the laws of the United States or of any other state, 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) An institution shall file with the superintendent an application for permission to exercise the powers established in subsection (1) of this section. The application shall specify the name, capital and surplus of the institution filing it, the powers applied for, and the place or places where the banking operations are to be carried on.

(3) The superintendent may approve or reject the application, in whole or in part, if the granting of the application is considered inexpedient. The superintendent may increase or decrease the number of places where the banking operations may be carried on.

[Amended by 1973 c.797 §331]

**714.150 Investment in foreign banks; agreement between foreign bank and superintendent as prerequisite; effect of failure to comply with agreement.** (1) Before an institution may purchase stock in any corporation mentioned in paragraph (b) of subsection (1) of ORS 714.140, the corporation shall agree to restrict its operations or conduct its business in the manner and under the limitations prescribed by the superintendent for the places in which the business is to be conducted.

(2) If the superintendent determines that the limitations prescribed by him are not being complied with, he may investigate the matter. If the investigation shows that the corporation or the institution holding stock in the corporation has not complied with the limitations, the superintendent may require the institution to dispose of stock holdings in the corporation.

[Amended by 1973 c.797 §332]

**714.160 Furnishing information about foreign branches or foreign banks to superintendent on demand; examination of foreign branches or foreign banks.** An institution 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 the branches, banks or corporations to the superintendent upon demand, and the superintendent may order special examinations of the branches, banks or corporations.

[Amended by 1973 c.797 §333]

**714.170 Separate accounts for foreign branches.** An institution shall maintain the accounts of each foreign branch independently of the accounts of other foreign branches established by it and of its home office. At the end of each year, the profit or loss accrued at each branch shall be transferred to the general ledger as a separate item.

[Amended by 1973 c.797 §334]

**714.990** [Repealed by 1973 c.797 §428]

#### CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173.170, I, Thomas G. Clifford, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.  
Done at Salem, Oregon,  
on November 1, 1973.

Thomas G. Clifford  
Legislative Counsel