

105<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

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**H. R. 1306**

**AN ACT**

To amend the Federal Deposit Insurance Act to clarify the applicability of host State laws to any branch in such State of an out-of-State bank.

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## AN ACT

To amend the Federal Deposit Insurance Act to clarify the applicability of host State laws to any branch in such State of an out-of-State bank.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Riegle-Neal Clarifica-  
3 tion Act of 1997”.

4 **SEC. 2. INTERSTATE BRANCHING.**

5 Subsection 24(j) of the Federal Deposit Insurance  
6 Act (12 U.S.C. 1831a(j)) is amended to read as follows:

7 “(j) ACTIVITIES OF BRANCHES OF OUT-OF-STATE  
8 BANKS.—

9 “(1) APPLICATION OF HOST STATE LAW.—The  
10 laws of a host State, including laws regarding com-  
11 munity reinvestment, consumer protection, fair lend-  
12 ing, and establishment of intrastate branches, shall  
13 apply to any branch in the host State of an out-of-  
14 State State bank to the same extent as such State  
15 laws apply to a branch in the host State of an out-  
16 of-State national bank. To the extent host State law  
17 is inapplicable to a branch of an out-of-State State  
18 bank in such host State pursuant to the preceding  
19 sentence, home State law shall apply to such branch.

20 “(2) ACTIVITIES OF BRANCHES.—An insured  
21 State bank that establishes a branch in a host State  
22 may conduct any activity at such branch that is per-  
23 missible under the laws of the home State of such  
24 bank, to the extent such activity is permissible either  
25 for a bank chartered by the host State (subject to

1 the restrictions in this section) or for a branch in  
2 the host State of an out-of-State national bank.

3 “(3) COORDINATION WITH SECTION 44.—No  
4 provision of this subsection shall be construed as af-  
5 fecting the applicability of any State law of any  
6 home State under subsection (b), (c), or (d) of sec-  
7 tion 44.

8 “(4) DEFINITIONS.—The terms ‘host State’,  
9 ‘home State’, and ‘out-of-State bank’ have the same  
10 meanings as in section 44(f).”.

Passed the House of Representatives May 21, 1997.

Attest:

*Clerk.*