

DATE: July 1, 2002

SUBJECT: Banking Agencies Issue Host State Loan-to-Deposit Ratios

HIGHLIGHTS: The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency have issued the host state loan-to-deposit ratios that the banking agencies will use to determine compliance with section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. These ratios update data released in June 2001.

In general, section 109 prohibits a bank from establishing or acquiring a branch or branches outside of its home state primarily for the purpose of deposit production. Section 109 also prohibits branches of banks controlled by out-of-state bank holding companies from operating primarily for the purpose of deposit production.

DOCUMENT LOCATION: The June 24, 2002 press release (with attachment that includes the updated ratios) is available under the Board of Governors' web site: <http://www.federalreserve.gov/boarddocs/press/all/2002>

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