DATE: May 22, 2003

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


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.


FURTHER INFORMATION: Henry F. Dove, Jr., Supervisory Examiner, Banking Supervision and Regulation Department (314) 444-8846, or 1-800-333-0810, ext. 448846