

CHAPTER 1274**BANKING LAWS SUSPENSION***S.J.R. 2002*

A JOINT RESOLUTION suspending for a limited period of time the enforcement of state banking laws, including branch banking restrictions, to the extent such law may conflict or interfere with the administration of the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and providing an effective date.

WHEREAS, Congress passed last summer legislation known as the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which included provisions authorizing federal disposition of state and federal savings and loan associations or savings banks which are in default, in danger of default, or eligible for assistance as those terms are expressed in that legislation, and which are collectively referred to as savings associations eligible for assistance; and

WHEREAS, the Resolution Trust Corporation and other federal agencies have made it clear that they intend to exercise in Iowa the preemptive authority created under that federal legislation to expedite their disposition of savings associations eligible for assistance; and

WHEREAS, Iowa's banking laws have restrictions on matters such as home office protection and branching which will make it extremely difficult for Iowa banks and bank holding companies to be effective, competitive bidders to purchase savings associations eligible for assistance; and

WHEREAS, failure to suspend Iowa banking laws which may interfere with or inhibit federal disposition of savings associations eligible for assistance will force the superintendent of banking to defend Iowa's existing laws in federal court, resulting in an expensive, time-consuming process with a very uncertain outcome; and

WHEREAS, suspending certain of Iowa's present banking laws should result in maximum competition to purchase the savings associations eligible for assistance and should result in the receipt of optimum prices; NOW THEREFORE,

Be It Enacted by the General Assembly of the State of Iowa:

That the banking laws contained in Code chapter 524, as identified by the superintendent of banking, are suspended to the extent that the laws restrict any state or nationally chartered bank located in Iowa or bank holding company owning a bank located in Iowa in the acquisition of savings associations eligible for assistance or their assets or liabilities. Such suspension shall remain in effect until July 1, 1991. On and after July 1, 1991, the restrictions in Code chapter 524 shall be applied as though acquisitions made pursuant to this resolution had not been made.

This Joint Resolution, being deemed of immediate importance, takes effect upon enactment.

Approved March 8, 1990