03/20/2025 0907s

2025 SESSION

25-1020
07/05

SENATE BILL ***85***

AN ACT relative to chartered bank lending limits.

SPONSORS: Sen. Pearl, Dist 17; Sen. Lang, Dist 2; Sen. Reardon, Dist 15; Sen. Innis, Dist 7; Sen. Rosenwald, Dist 13; Sen. McGough, Dist 11; Sen. Watters, Dist 4; Sen. Murphy, Dist 16; Sen. McConkey, Dist 3; Rep. D. McGuire, Merr. 14; Rep. Moffett, Merr. 4; Rep. Hunt, Ches. 14; Rep. Potucek, Rock. 13

COMMITTEE: Commerce

ANALYSIS

This bill:

I. Raises the amount of money a bank can loan to a single borrower.

II. Shortens the de novo status period for new banks.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 225
SB 85 - FINAL VERSION

03/20/2025 0907s

25-1020
07/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to chartered bank lending limits.

Be it Enacted by the Senate and House of Representatives in General Court convened:

225:1 Banks and Banking; Loan Associations; Credit Unions; Banking Business; Loans and Investments. Amend RSA 383-B:3-303(a)(7)(A) to read as follows:

(7)(A) A depository bank shall adopt prudent policies with respect to its lending activities. The total liabilities of a person for money borrowed from a depository bank shall not exceed the limitation prescribed for national banks under federal law***, or the following limitations, whichever is greater: (i) 20 percent of the total of the depository bank's capital and surplus; or (ii) 25 percent of the total of the depository bank's capital and surplus, if the amount of the liabilities in excess of the limitation in clause (i) is fully secured by obligations of the United States of like value. To qualify for the higher limitation in clause (ii), the depository bank shall perfect a security interest under applicable law and the obligations of the United States shall have a current market value at all times of at least 100 percent of the amount of the liabilities that exceed the limitation in clause (i).*** No depository bank shall make a loan or loans to a borrower and its affiliates, if any, or in any group of a similar type of loans, that would pose a risk to the safety and soundness of the bank.

225:2 Depository Bank Act; Definition of Capital and Surplus. Amend RSA 383-B:2-201(b)(3) to read as follows:

(3) "Capital and surplus" has the same meaning as the term is used in [~~12 U.S.C. section 32~~] ***12 C.F.R. part 32***.

225:3 Banks and Banking; Loan Associations; Credit Unions; Organization of State Banks; Application. Amend RSA 383-A:3-305(a) to read as follows:

(a) The organizer of a state bank shall apply for a charter by filing an application under RSA 383-A:6-602. The commissioner shall prescribe the form of the application. The form shall specify information required to process the application for the type of state bank to be organized. The information shall include: the name of the state bank; the address of a depository bank's principal office; the state bank's registered agent and registered office; the name and address of each organizer; the name, address, background, and experience of the proposed directors and the executive officers; for trust companies and family trust companies, the proposed work location for each executive officer where the executive officer will conduct trust business; the name, address, and equity interest of each person holding 10 percent or more of the state bank's voting interests or other beneficial interests; the proposed organizational documents, including the organizational instrument executed by the organizer; a capital plan for the first ***3*** [~~5~~] years of operations, including a statement as to the amount of the proposed initial capital, an explanation as to why that amount of capital is adequate for its business operations, and the sources and uses of capital; a business plan describing the business of the state bank, the customers or markets that it intends to serve, and its business strategy for the first ***3*** [~~5~~] years of operation; pro forma financial statements for the first ***3*** [~~5~~] years of operations; and any other facts or circumstances deemed relevant to the application by the commissioner. ***Notwithstanding the foregoing, the commissioner may, in his or her discretion, extend or reduce the period of time set forth above for the capital plan, business plan, or pro forma financial plan to correspond with the period required by the Federal Deposit Insurance Corporation in support of any related application for deposit insurance.***

225:4 Banks and Banking; Loan Associations; Credit Unions; Organization of State Banks; Material Change in Operating Conditions. Amend RSA 383-A:3-318 to read as follows:

383-A:3-318 Material Change in Operating Conditions. If a board of directors of a depository bank proposes to make a material change in the business plan, capital plan, or other factors considered by the commissioner in granting a charter to the depository bank within ***3*** [~~5~~] years of its receipt of a certificate to engage in business under RSA 383-A:3-315, then the board of directors may not make the change unless it submits an application seeking approval of the change to the commissioner as provided in RSA 383-A:6-602 and it is permitted to do so by the commissioner. ***Notwithstanding the foregoing, the commissioner may extend the 3 year period by an additional 2 years for any depository bank subject to this section, if the commissioner determines such extension is necessary in the interest of safety and soundness.***

225:5 Effective Date. This act shall take effect upon its passage.

Approved: July 15, 2025
Effective Date: July 15, 2025