

SB 85 - AS INTRODUCED

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.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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:

1 1 Banks and Banking; Loan Associations; Credit Unions; Organization of State Banks;
2 Application. Amend RSA 383-A:3-305(a) to read as follows:

3 (a) The organizer of a state bank shall apply for a charter by filing an application under
4 RSA 383-A:6-602. The commissioner shall prescribe the form of the application. The form shall
5 specify information required to process the application for the type of state bank to be organized.
6 The information shall include: the name of the state bank; the address of a depository bank's
7 principal office; the state bank's registered agent and registered office; the name and address of each
8 organizer; the name, address, background, and experience of the proposed directors and the
9 executive officers; for trust companies and family trust companies, the proposed work location for
10 each executive officer where the executive officer will conduct trust business; the name, address, and
11 equity interest of each person holding 10 percent or more of the state bank's voting interests or other
12 beneficial interests; the proposed organizational documents, including the organizational instrument
13 executed by the organizer; a capital plan for the first 3 [5] years of operations, including a statement
14 as to the amount of the proposed initial capital, an explanation as to why that amount of capital is
15 adequate for its business operations, and the sources and uses of capital; a business plan describing
16 the business of the state bank, the customers or markets that it intends to serve, and its business
17 strategy for the first 3 [5] years of operation; pro forma financial statements for the first 3 [5] years
18 of operations; and any other facts or circumstances deemed relevant to the application by the
19 commissioner.

20 2 Banks and Banking; Loan Associations; Credit Unions; Organization of State Banks; Material
21 Change in Operating Conditions. Amend RSA 383-A:3-318 to read as follows:

22 383-A:3-318 Material Change in Operating Conditions. If a board of directors of a depository
23 bank proposes to make a material change in the business plan, capital plan, or other factors
24 considered by the commissioner in granting a charter to the depository bank within 3 [5] years of its
25 receipt of a certificate to engage in business under RSA 383-A:3-315, then the board of directors may
26 not make the change unless it submits an application seeking approval of the change to the
27 commissioner as provided in RSA 383-A:6-602 and it is permitted to do so by the commissioner.

28 3 Banks and Banking; Loan Associations; Credit Unions; Banking Business; Loans and
29 Investments. Amend RSA 383-B:3-303(a)(7)(A) to read as follows:

30 (7)(A) A depository bank shall adopt prudent policies with respect to its lending
31 activities. The total liabilities of a person for money borrowed from a depository bank shall not

SB 85 - AS INTRODUCED

- Page 2 -

1 exceed the limitation prescribed for national banks under federal law, *or 20 percent of the bank's*
2 *capital, whichever is greater. A depository bank may lend an additional 5 percent of the*
3 *bank's capital to a borrower, up to a maximum of 25 percent of the bank's capital, provided*
4 *the amount of the obligation in excess of 20 percent is fully secured by obligations of the*
5 *United States of like value.* No depository bank shall make a loan or loans to a borrower and its
6 affiliates, if any, or in any group of a similar type of loans, that would pose a risk to the safety and
7 soundness of the bank.

8 4 Effective Date. This act shall take effect 60 days after its passage.