

STATE OF FLORIDA
DEPARTMENT OF BANKING AND FINANCE
DIVISION OF BANKING

IN RE :

FLORIDA CHARTERED BANKERS' BANKS)	84-6 OGA
)	Administrative
Proceeding		
LENDING LIMITATIONS)	No. 84-60-DOB
_____)	Docketed – 11/1/84

ORDER

In the exercise of the power and authority vested in this office pursuant to Section 655.061, Florida Statutes, it is hereby found and ordered:

1. Section 658.12(4), Florida Statutes, defines a "Banker's Bank" as a bank insured by the Federal Deposit Insurance Corporation or a holding company which owns or controls such an insured bank where the stock of such bank or holding company is owned exclusively by other banks and such bank or holding company and all subsidiaries thereof are engaged exclusively in providing services for other depository institutions and their officers, directors, and employees.

2. Section 658.165(4), Florida Statutes, states "If the department finds that any provision of this chapter is inconsistent with the purpose for which a banker's bank is organized and that the welfare of the public or any financial institution would not be jeopardized thereby, it may by rule or order exempt a banker's bank from such provision or limit the application thereof."

1. Section 658.48(4)(b), Florida Statutes, provides a limitation of ten percent of the capital accounts of the lending bank on loans made to any one borrower on the security of shares of capital stock or the obligations subordinate to deposits of

another bank. Furthermore, a limitation of 25 percent of the capital accounts of the lending state bank shall apply to the aggregate of all loans secured by the shares of capital stock or the obligations subordinate to deposits of any one bank.

4. An important role of a banker's bank is as a provider of credit needs associated with the succession of independent bank ownership and the organization of de novo independent banks. This appears to be a primary purpose that helps assure the continuation of independent community banks. Therefore, it is concluded that lending upon the security of bank stock is consistent with the purposes for which a banker's bank is organized. It is also concluded that the provisions of Section 658.48(4)(b), Florida Statutes, imposing limits upon the ability of a banker's bank to provide such credit are inconsistent with the purpose for which a banker's bank is organized.

IT IS THEREFORE ORDERED:

1. That Florida-chartered bankers' banks are exempted from the lending restrictions imposed by Section 658.48(4)(b), Florida Statutes.

DONE AND ORDERED this 1st day of November, 1984, in Tallahassee, Florida.

GERALD LEWIS
Comptroller, State of Florida