

FINANCE CODE

TITLE 3. FINANCIAL INSTITUTIONS AND BUSINESSES

SUBTITLE C. SAVINGS BANKS

CHAPTER 97. HOLDING COMPANIES

SUBCHAPTER A. GENERAL PROVISIONS APPLICABLE TO HOLDING COMPANIES

Sec. 97.001. RULES. (a) The finance commission shall adopt rules:

(1) providing for the registration of and reporting by holding companies;

(2) setting limitations on the activities and investments of holding companies; and

(3) concerning other matters as appropriate under this chapter.

(b) The finance commission may adopt rules governing transactions between a subsidiary savings bank of a holding company and an affiliate of the subsidiary.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 867, Sec. 63, eff. Sept. 1, 2001.

Sec. 97.002. REGISTRATION. (a) A holding company shall register with the commissioner, on a form prescribed by the commissioner, not later than the 90th day after the date the company becomes a holding company.

(b) The registration must include information, including information on related matters the commissioner determines is necessary and appropriate, regarding the holding company's and its subsidiaries':

(1) financial condition;

(2) ownership;

(3) operations;

(4) management; and

(5) intercompany relations.

(c) The commissioner may require the registration to be under oath.

(d) On application, the commissioner may extend the time

limit under Subsection (a).

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 97.003. RELEASE FROM REGISTRATION. The commissioner, on the commissioner's own motion or on application, may release a registered holding company from the registration if the commissioner determines that the company no longer controls a savings bank.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 97.004. REPORTS. (a) Each holding company and each subsidiary of a holding company, other than a savings bank, shall file with the commissioner reports required by the commissioner.

(b) Each report must:

(1) be made under oath;

(2) be in the form and for the period prescribed by the commissioner; and

(3) contain information concerning the operations of the holding company and its subsidiaries as required by the commissioner.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 97.005. BOOKS AND RECORDS. Each holding company shall maintain books and records as required by the commissioner.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 97.006. EXAMINATIONS. (a) The commissioner may require an examination of a holding company and each subsidiary of a holding company.

(b) The holding company shall pay the cost of an examination.

(c) The confidentiality provisions of Subchapter H, Chapter 96, apply to this section.

(d) The commissioner may furnish examination and other reports to any appropriate governmental department, agency, or instrumentality of this state, another state, or the United States.

(e) For purposes of this section, the commissioner, if

feasible, may use reports filed with or examinations made by appropriate federal agencies or regulatory authorities of other states.

(f) The commissioner may:

(1) examine a holding company that controls a state savings bank to the same extent as if the holding company were a state savings bank; and

(2) bring an enforcement action under Chapter 96 against a holding company described by Subdivision (1) or other person that violates or participates in a violation of this subtitle, an agreement filed with the commissioner under this chapter, or a rule adopted by the finance commission or order issued by the commissioner under this subtitle, as if the holding company were a state savings bank.

(g) The grounds, procedures, and effects of an enforcement action brought under Subsection (f) apply to a holding company, an officer, director, or employee of a holding company, or a controlling shareholder or other person participating in the affairs of a holding company in the same manner as the grounds, procedures, and effects apply to a state savings bank, an officer, director, or employee of a state savings bank, or a controlling shareholder or other person participating in the affairs of a state savings bank.

(h) A state savings bank that is controlled by a holding company that is not a Texas holding company shall be subject to all laws of this state that are applicable to state savings banks that are controlled by Texas holding companies.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 963 (S.B. 1900), Sec. 3, eff. September 1, 2021.

Sec. 97.007. AGENT FOR SERVICE OF PROCESS. The commissioner may require a holding company or a person, other than a corporation, connected with a holding company to execute and file an irrevocable appointment of agent for service of process on a form prescribed by the commissioner.

SUBCHAPTER B. MUTUAL HOLDING COMPANIES

Sec. 97.051. REORGANIZATION TO BECOME MUTUAL HOLDING COMPANY. (a) Notwithstanding any other law, a savings bank may be reorganized as a mutual holding company by submitting to the commissioner an application for approval of reorganization.

(b) Before submission, an application for reorganization must be approved by a majority vote of the members or shareholders of the savings bank cast at an annual meeting or a special meeting called to consider the reorganization.

Added by Acts 2005, 79th Leg., Ch. 1018 (H.B. 955), Sec. 5.21, eff. September 1, 2005.

Sec. 97.052. APPLICATION FOR APPROVAL OF REORGANIZATION. The application for approval of reorganization must contain:

(1) a brief statement summarizing a reorganization plan;

(2) two copies of the proposed articles of incorporation of the subsidiary savings bank acknowledged by the incorporators of the subsidiary savings bank;

(3) two copies of the proposed bylaws of the savings bank;

(4) a statement that the plan of reorganization was advised, authorized, and approved by the savings bank in the manner and by the vote required by its charter and the laws of this state; and

(5) a statement of the manner of approval.

Added by Acts 2005, 79th Leg., Ch. 1018 (H.B. 955), Sec. 5.21, eff. September 1, 2005.

Sec. 97.053. PLAN OF REORGANIZATION. (a) The plan of reorganization must provide that:

(1) a subsidiary savings bank shall:

(A) be incorporated under Subchapter B, Chapter 92; or

(B) on prior approval of the commissioner, be incorporated under Subchapter C, Chapter 92;

(2) the savings bank shall transfer a substantial part of its assets to the subsidiary savings bank, and the subsidiary savings bank shall assume a substantial part of the savings bank's liabilities, including all depository liabilities;

(3) as a result of the reorganization, the mutual holding company must hold more than 50 percent of the stock of the subsidiary savings bank; and

(4) after transfer and assumption, persons with prior corresponding rights as depositors or creditors against a savings bank have the same rights with respect to the mutual holding company and the subsidiary savings bank.

(b) The plan of reorganization must set forth the necessary corporate steps for the savings bank to reorganize into a mutual holding company, including:

(1) all required charter amendments; and

(2) a description of the corporate management of the reorganized mutual holding company.

(c) The plan of reorganization may contain any other provision not inconsistent with law or finance commission rules.

Added by Acts 2005, 79th Leg., Ch. 1018 (H.B. 955), Sec. 5.21, eff. September 1, 2005.