

**HOUSE . . . . . No. 1017**

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The Commonwealth of Massachusetts

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**In the Year Two Thousand Nine**  
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An Act relative to certain actions and transactions before the Board of Bank Incorporation and the Commissioner of Banks..

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Section 3 of said chapter 167A, as appearing in the 2006 Official Edition,  
2 is hereby amended by adding the following paragraph:--

3           The provisions contained in section 2 shall not apply to the acquisition by bank holding  
4 company, or a company or a bank which would become a bank holding company, if a bank or  
5 holding company is:--

6           merged, consolidated, its assets purchased or established on an interim basis  
7 simultaneously with the acquisition of the shares of the bank or bank holding company, and the  
8 bank holding company is not operated by the acquiring bank holding company, company or  
9 bank, as a separate entity other than as the survivor of the merger, consolidation or asset  
10 purchase; and

11           the transaction requires the approval of the Commissioner under the General Laws.

12           The provisions of section 4 relative to the Massachusetts Housing Partnership Fund shall  
13 apply to any transaction which but for the exemption provided for in this paragraph would have  
14 been subject to such provisions. The Commissioner shall not approve any transaction referred to  
15 in clause (ii) until he has received notice from the Massachusetts Housing Partnership Fund that  
16 satisfactory arrangements have been made under said section 4.

17           SECTION 2. Section 2 of Chapter 167H of the General Laws, as so appearing, is hereby  
18 amended by striking out said section 2 and inserting in place thereof the following section:--

19           Section 2.     (a) Notwithstanding the provisions of any general or special law to the  
20 contrary, a mutual banking institution that is a savings bank may reorganize so as to become a  
21 mutual holding company by (1) establishing a subsidiary banking institution as a stock savings  
22 bank in accordance with section three, and transferring to such subsidiary banking institution the  
23 substantial part of its assets and liabilities, including all of its deposit liabilities or (2) by  
24 structuring the reorganization under any procedures acceptable to the commissioner, including  
25 but not limited to the merger of the existing mutual bank with and into a savings bank  
26 established for the purpose of completing the reorganization; provided, that for the purpose of  
27 facilitating a multi-step reorganization the commissioner may, subject to such terms and  
28 conditions as he may impose, grant any and all certificates and approvals to establish and control  
29 a new mutual savings bank. Upon such reorganization, all persons who prior thereto held  
30 depository rights with respect to or other rights as creditors of such mutual banking institution  
31 shall have such rights solely with respect to the said subsidiary banking institution and the  
32 corresponding liability or obligation of the mutual banking institution to such persons shall be  
33 assumed by the subsidiary banking institution. All persons who had liquidation rights pursuant

34 to section thirty-three of chapter one hundred and sixty-eight with respect to the mutual banking  
35 institution shall continue to have such rights solely with respect to said mutual holding company.

36 (b) Notwithstanding the provisions of any general or special law to the contrary,  
37 a mutual banking institution that is a cooperative bank may reorganize so as to become a mutual  
38 holding company by (1) establishing a subsidiary banking institution as a stock cooperative bank  
39 in accordance with section three, and transferring to such subsidiary banking institution the  
40 substantial part of its assets and liabilities, including all of its deposit liabilities or (2) by  
41 structuring the reorganization under any procedures acceptable to the commissioner, including  
42 but not limited to the merger of the existing mutual bank with and into a cooperative bank  
43 established for the purpose of completing the reorganization; provided, that for the purpose of  
44 facilitating a multi-step reorganization the commissioner may, subject to such terms and  
45 conditions as he may impose, grant any and all certificates and approvals to establish and control  
46 a new cooperative bank. Upon such reorganization, all persons who prior thereto held depository  
47 rights with respect to or other rights as creditors of such mutual banking institution shall have  
48 such rights solely with respect to the said subsidiary banking institution and the corresponding  
49 liability or obligation of the mutual banking institution to such persons shall be assumed by the  
50 subsidiary banking institution. All persons who had liquidation rights pursuant to section  
51 twenty-seven of chapter one hundred and seventy with respect to the mutual banking institution  
52 shall continue to have such rights solely with respect to said mutual holding company.

53 (c) Any reorganization of a mutual banking institution pursuant to subsection (a) shall be  
54 approved by a majority of the board of trustees and by a majority of the corporators present and  
55 voting in each case at the annual meeting or at a special meeting called, in accordance with the  
56 by-laws, for such purpose. Any such reorganization pursuant to subsection (b) shall be approved

57 by a majority of the board of directors and by a majority of the shareholders present and voting  
58 in each case at the annual meeting or at a special meeting called, in accordance with the by-laws,  
59 for such purpose.

60 SECTION 3. Chapter 172 of the General Laws, as so appearing, is hereby amended by  
61 inserting after section 9A the following section:--

62 Section 9B. Notwithstanding the provisions of any general or special law to the contrary,  
63 the commissioner may, subject to such terms and conditions as he may impose, grant a certificate  
64 to establish an interim trust company owned by a bank holding company or a banking institution  
65 as defined in chapter 167A or a mutual holding company as defined in chapter 167H for the sole  
66 purpose of facilitating a multi-step transaction involving bank as defined in chapter 167;  
67 provided, however, that the interim trust company shall not receive deposits, or otherwise carry  
68 on a banking business under the laws of the commonwealth.