

2026 Regular Session

SENATE BILL NO. 521 (Substitute of Senate Bill No. 175 by Senator Boudreaux)

BY SENATOR BOUDREAUX

BANKS/BANKING. Provides relative to the name of a bank. (gov sig)

1 AN ACT

2 To enact R.S. 6:356, relative to banks; to provide relative to the use of a bank name

3 following mergers and consolidations; to provide for the continued use of a name of

4 a nonsurviving state bank; to provide for limitations and requirements; to provide for

5 terms; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 6:356 is hereby enacted to read as follows:

8 **§356. Continuation of corporate name; use of previous name**

9 **A. In a merger or consolidation transaction, the surviving or new bank**

10 **shall have the right to use the name of the nonsurviving state bank for a**

11 **reasonable time immediately following the merger or consolidation transaction**

12 **when circumstances make it appropriate.**

13 **B. Notwithstanding the provisions of Subsection A of this Section, in a**

14 **merger or consolidation transaction, the surviving or new federally insured**

15 **state or national bank shall have the continuing right to use the name of the**

16 **nonsurviving state bank upon cessation of its corporate existence following the**

17 **effective date of the merger or consolidation transaction, as a division of the**

1 surviving or new bank, under the following conditions and circumstances:

2 (1) Any name usage provided in this Section shall be in strict accordance  
3 with the name use guidelines and requirements of the appropriate chartering  
4 authority of the surviving or new bank and the Federal Deposit Insurance  
5 Corporation, with respect to the avoidance of false or misleading  
6 representations as to availability and extent of federal deposit insurance for  
7 depositors of the surviving or new bank.

8 (2)(a) The name of the nonsurviving state bank shall only be used if the  
9 name is immediately followed by the phrase "a division of" followed by the legal  
10 name of the surviving or new bank, or similar language as may be required by  
11 the Federal Deposit Insurance Corporation or the applicable chartering  
12 authority, hereinafter referred to as a "division name".

13 (b) When using a division name, a surviving or new bank shall take  
14 reasonable steps to ensure that depositors will not be confused about either the  
15 identity of the surviving or new bank or the extent of Federal Deposit Insurance  
16 Corporation insurance coverage and the reasonable steps shall include but not  
17 be limited to the following:

18 (i) Clearly and conspicuously disclosing in signs, advertising, and similar  
19 materials that the facility is a division of the surviving or new bank to ensure  
20 that the signs and advertising do not create a deceptive or misleading  
21 impression.

22 (ii) Using the legal name of the surviving or new bank for legal  
23 documents, certificates of deposit, signature cards, loan agreements, account  
24 statements, checks, drafts, and other similar documents.

25 (iii) Educating the staff of the surviving or new bank regarding the  
26 possibility of depositor confusion with respect to deposit insurance, including  
27 instructing staff at each branch or any other facility using a division name, to  
28 inquire whether a depositor, prior to opening a new account, has deposits at any  
29 of the surviving or new bank's facilities or branches, and inform the depositor

1 of disclosures that identify a particular branch or facility as a division of a  
 2 surviving or new bank.

3 (iv) Using lettering for the name of the nonsurviving state bank and the  
 4 legal name of the surviving or new bank that is the same font size and spacing  
 5 in all signage, advertising, marketing materials, digital platforms, and any other  
 6 public-facing materials. Nothing in this Item shall prohibit the use of different  
 7 font styles in the signage, advertising, marketing materials, digital platforms,  
 8 and any other public facing materials provided that the font size and spacing  
 9 of the name of the nonsurviving state bank and the legal name remains  
 10 identical.

11 (v) The provisions of this Subparagraph may be enforced by mandatory  
 12 injunction or any other procedure allowed by the Louisiana Code of Civil  
 13 Procedure.

14 (c) Obtaining from a depositor opening a new account at a branch or  
 15 facility operating under a division name, a signed statement acknowledging that  
 16 the depositor is aware that the branch or other facility is in fact part of the same  
 17 federally insured state or national bank and that the deposits held at each  
 18 branch or facility are not separately insured.

19 Section 2. This Act shall become effective upon signature by the governor or, if not  
 20 signed by the governor, upon expiration of the time for bills to become law without signature  
 21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 22 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 23 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Senate Legislative Services.  
 The keyword, summary, and digest do not constitute part of the law or proof  
 or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Present law prohibits any person other than a licensed financial institution from using certain  
 terms and words as part of its name or title.

Proposed law retains present law and provides that in a bank merger or consolidation, the surviving or resulting bank may use the name of the nonsurviving bank for a reasonable period following the transaction when appropriate.

Proposed law provides that the surviving or new federally insured bank may continue to use the name of the nonsurviving state bank as a division, subject to federal and chartering authority requirements and clear identification as a division of the surviving or new bank.

Proposed law requires a surviving or new bank using a division name to take reasonable steps to prevent depositor confusion regarding the identity of the bank and the extent of FDIC insurance coverage.

Proposed law requires that when a nonsurviving state bank's name is used as a division name following a merger or consolidation, the name of the nonsurviving state bank and the legal name of the surviving or new bank be displayed in identical font size and spacing across all signage, advertising, marketing materials, digital platforms, and other public-facing materials. Authorizes the use of different font styles, provided that the font size and spacing remain identical.

Proposed law provides that the font size and spacing requirements for the display of the nonsurviving and surviving bank names may be enforced by mandatory injunction or any other remedy authorized by present law.

Proposed law requires clear disclosure in signage and advertising, use of the bank's legal name in official documents, staff training on deposit insurance issues, and acknowledgment from depositors that deposits across divisions are not separately insured.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 6:356)

#### Summary of Amendments Adopted by Senate

##### Senate Floor Amendments to engrossed bill

1. Requires equal font size and spacing for both bank names in all public-facing materials and allows enforcement through injunction or other legal remedies.
2. Make technical changes.