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)]

DIGEST

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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.