

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

BY SENATOR BOUDREAUX AND REPRESENTATIVE CHASSION

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 limitations and requirements;
4 to provide for terms; to provide for an effective date; and to provide for related
5 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. Mergers and consolidation; use of previous name**

9 **In a merger or consolidation transaction, the surviving or new federally**
10 **insured state or national bank shall have the continuing right to use the name**
11 **of the nonsurviving state bank upon cessation of its corporate existence**
12 **following the effective date of the merger or consolidation transaction, as a**
13 **division of the surviving or new bank, under the following conditions and**
14 **circumstances:**

15 **(1) Disclosing, clearly and conspicuously, in signs, advertising, and**
16 **similar materials that the facility is a branch, division, or other unit of the**
17 **insured institution. The institution should exercise care that the signs and**
18 **advertising do not create a deceptive or misleading impression.**

19 **(2) Using the legal name of the insured institution for legal documents,**
20 **certificates of deposit, signature cards, loan agreements, account statements,**
21 **checks, drafts, and other similar documents.**

22 **(3) Educating the staff of the insured depository institution regarding the**
23 **possibility of customer confusion with respect to deposit insurance. The insured**
24 **depository institution shall instruct staff at the branch and any other facilities**
25 **operating under trade names to inquire of customers, prior to opening new**
26 **accounts, whether the customer has deposits at the depository institution's other**

1 facilities or branches. During the time period soon after one institution acquires
 2 or combines with another, staff shall be reminded to call customers' attention
 3 to disclosures that identify a particular branch or facility as part of an
 4 institution.

5 (4) Obtaining from depositors opening new accounts at the branch a
 6 signed statement acknowledging that the depositor is aware that the branch and
 7 other facilities are in fact parts of the same insured institution and that deposits
 8 held at each facility are not separately insured.

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

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____