

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)

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AN ACT

To enact R.S. 6:356, relative to banks; to provide relative to the use of a trade or assumed name of an FDIC-insured depository institution; to provide relative to the use of a bank name following mergers and consolidations; to provide for the continued use of a name of a nonsurviving state bank; to provide for limitations and requirements; to provide for terms; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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

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

A. In a merger or consolidation transaction, the surviving or new bank shall have the right to use the name of the nonsurviving state bank for a reasonable time immediately following the merger or consolidation transaction when circumstances make it appropriate.

B. Notwithstanding the provisions of Subsection A of this Section, in a merger or consolidation transaction, the surviving or new federally insured state or national bank shall have the continuing right to use the name of the

1 nonsurviving state bank upon cessation of its corporate existence following the
2 effective date of the merger or consolidation transaction, as a division of the
3 surviving or new bank, under the following conditions and circumstances:

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

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

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

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

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

27 (iii) Educating the staff of the surviving or new bank regarding the
28 possibility of depositor confusion with respect to deposit insurance, including
29 instructing staff at each branch or any other facility using a division name, to

1 inquire whether a depositor, prior to opening a new account, has deposits at any
 2 of the surviving or new bank's facilities or branches, and inform the depositor
 3 of disclosures that identify a particular branch or facility as a division of a
 4 surviving or new bank.

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

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

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

SB 521 Engrossed

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Boudreaux

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 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)