

§ 53C-7-207. Combination with a nonbank subsidiary.

(a) Except as provided in subsection (c) of this section, a bank proposing to do any of the following combinations shall give prior written notice to the Commissioner that provides the details of the proposed combination that are required by the Commissioner:

- (1) Combine with a nonbank subsidiary, if the bank is the resulting entity of the combination.
- (2) Combine a nonbank subsidiary with another company that is not a depository institution, if the nonbank subsidiary is the resulting entity.
- (3) Combine two or more nonbank subsidiaries of two or more banks under common control of the same holding company.

Unless the Commissioner, within 30 days of receiving the notice, notifies the bank or subsidiary that the Commissioner objects to the proposed combination, the bank or subsidiary may complete the combination. However, the Commissioner may extend the period to object to the proposed combination if the Commissioner determines that it raises issues that require additional information or additional time for analysis. While the objection period is so extended, the bank or subsidiary may not proceed with respect to the proposed combination.

(b) A bank may, pursuant to G.S. 53C-2-6, appeal an objection by the Commissioner.

(c) The prior written notice requirement of subsection (a) of this section is not required (i) for a combination of a nonbank subsidiary and another company that is not a depository institution, provided the nonbank subsidiary is not the resulting entity, (ii) for a combination of two or more nonbank subsidiaries of the same bank, each of which shall be effected in accordance with applicable organizational law, or (iii) if all of the following apply:

- (1) The bank is well-capitalized and well-managed as demonstrated by the supervisory rating it received during its most recent examination.
- (2) The nonbank subsidiary with which the combination is to be made engages in either of the following activities:
 - a. One in which the bank is then engaged or has previously been engaged, directly or through a different subsidiary, and for which all necessary approvals of bank supervisory agencies and of the Commissioner have previously been obtained and remain in effect.
 - b. One for which no prior notice or application for approval to any federal bank supervisory authority is required.
- (3) The bank notifies the Commissioner in writing of the combination within 30 days thereafter. (2012-56, s. 4; 2013-29, s. 17; 2017-165, s. 9.)