

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

§ 6210. Determination on Application for Charter.

(a) When an application for a charter has been filed with the director, the director shall make or cause to be made a careful investigation and examination relative to the following:

(1) The character, reputation, and financial standing of the organizers or incorporators and their motives in seeking to organize the proposed Commonwealth bank.

(2) The character, financial responsibility, banking or trust experience and business qualifications of those proposed as officers of the bank.

(3) The character, financial responsibility, business experience and standing in the community of the prospective stockholders and of those proposed as directors of the bank.

(4) The need in the island where the bank would be located for banking or banking and trust facilities, or additional banking or banking and trust facilities, as the case may be, giving particular consideration to the adequacy of existing banking and trust facilities therein.

(5) The ability of the Commonwealth to support the proposed bank, giving consideration to:

(i) The competition offered by existing banks and other financial institutions;

(ii) The banking history of the Commonwealth;

(iii) The opportunities for profitable employment of bank funds as indicated by the average demand for credit, the number of potential depositors, the volume of bank transactions, and the business and industries of the territory, with particular regard to their stability, diversification and size; and

(iv) If the bank is to exercise trust powers, the opportunities for profitable employment of fiduciary services.

(6) Such other facts and circumstances bearing on the proposed bank and its relation to the Commonwealth as in the opinion of the director may be relevant.

(b) The director shall compile a report of the results of the investigation, together with all papers, correspondence and information in the director's possession relating to the application for a charter.

(c) Within 90 days after the filing of the application, the director shall consider the findings and all other relevant available information, and shall in his or her discretion approve or disapprove the application, but the director shall not approve the application until the director has ascertained to his or her satisfaction:

(1) That conditions in the Commonwealth and on the island in which the bank would transact business afford reasonable promise of successful operation;

(2) That the bank is being formed for no other purpose than the legitimate objects contemplated by this division;

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(3) That the proposed capital is not less than the minimum required under this division;

(4) That those proposed as officers and directors have sufficient experience, ability and standing to afford reasonable promise of successful operation;

(5) That the name of the proposed bank does not resemble so closely as to be likely to cause confusion the name of any other bank transacting business in the Commonwealth or which previously had transacted business in the Commonwealth during the last 20 years; and

(6) That the applicants have complied with all applicable provisions of this division including making a showing to allow the director to find a need for an additional bank as set forth in subsections (a)(4) and (a)(5) of this section.

(d) If the director approves the application, the director shall grant a charter by indorsing the approval on all copies, retaining one copy in the department's files and returning one copy to the incorporators within 20 days of the director's action approving the application.

(e) If the director disapproves the application, the director shall make public the disapproval and mail notice of the disapproval to the incorporators within 20 days after the action disapproving the application.

Source: PL 3-104, § 210; amended by PL 8-3, § 2, modified.

Commission Comment: PL 8-3, § 2(c) contained a typographical error (a direction to repeal "1 CMC § 6201(a)(6)"); the Commission rectified the error by deleting former subsection (a)(6) of this section and renumbering a remaining subsection.

With respect to the references to the "director" of the Department of Commerce and Labor, see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names and official titles, and effecting other changes, set forth in the Commission comment to 1 CMC § 2001.