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# STATE OF NEW HAMPSHIRE BANKING DEPARTMENT

In the Matter of FDIC-Insured State-Chartered Nondepository Trust Companies,  
Whose Articles of Agreement Prohibit the Acceptance of Deposits from the General  
Public, Holding Directors' Meetings at Least on a Quarterly Basis if such Trust  
Companies Meet the Requirements Within RSA 384:7 "Meetings; Records"

## DECLARATORY RULING

August 6, 2008

WHEREAS the New Hampshire Banking Department, pursuant to Title XXXV, regulates and has authority over state-chartered nondepository trust companies.

WHEREAS the Bank Commissioner, pursuant to RSA 383:9 (entitled "Duties"), shall have general supervision of all trust companies chartered in New Hampshire.

WHEREAS pursuant to RSA 541-A:1 and RSA 541-A:16, a person may request a declaratory ruling from the New Hampshire Banking Department on matters within its jurisdiction.

WHEREAS the Bank Commissioner of the New Hampshire Banking Department has general supervision of state-chartered nondepository trust companies pursuant to Administrative Rule BAN 102.02 (b)(2).

WHEREAS RSA 392:1-a, IV defines a nondepository trust company as a "trust company organized under [ ] [RSA Chapter 392] but is prohibited by its charter from accepting deposits".

WHEREAS RSA 392:1-a, II defines a depository trust company as a "trust company organized under [ ] [RSA Chapter 392] and is not prohibited by its charter from accepting deposits".

WHEREAS nondepository trust companies may sometimes accept deposits from solely from their affiliates and/or parent holding companies (and not the general public) in order to obtain coverage from the Federal Deposit Insurance Corporation ("FDIC").

WHEREAS RSA 384:7 allows a nondepository trust company to meet on a regular basis as often as necessary but not less than four times per year if such trust company meets certain examination criteria.

WHEREAS Gallagher, Callahan & Gartrell, P.C. ("Gallagher Firm"), as legal counsel to a particular nondepository trust company, seeks a declaratory ruling pursuant to Administrative Rule Ban 206.01.

WHEREAS upon considering the above-referenced statutes and rules, the Bank Commissioner hereby deems it appropriate in the public interest and for the protection of consumers, I **HEREBY FIND**:

That under limited circumstances, as stated in the Gallagher Firm May 16, 2008 request, hereby incorporated by reference, state-chartered nondepository trust companies may be FDIC-insured without becoming depository trust companies under Paragraph II of RSA 392:1-a; and

That the acceptance of deposits solely from affiliates and/or parent holding companies does not convert an otherwise nondepository trust company into a depository institution;

That such an FDIC-insured state-chartered nondepository trust company, whose Articles of Agreement prohibit acceptance of general public deposits may meet on a regular basis as often as necessary but not less than four times per year if such trust company meets certain examination criteria;

That since this is a declaratory ruling, pursuant to New Hampshire Administrative Rule Ban 206.02 "Action on Petition" and RSA 541-A:16, II(b) "Rules; Filing Required", a copy shall be filed with the Director of Legislative Services; and

That since this is a declaratory ruling placed, a copy shall be placed on the Banking Department's website ([www.nh.gov/banking](http://www.nh.gov/banking)).

**SO ORDERED.**

/s/

Peter C. Hildreth  
Commissioner  
State of New Hampshire Banking Department

8/6/08  
Date