

# RESCINDED



Comptroller of the Currency  
Administrator of National Banks  
US Department of the Treasury

Outdated: Any attachments to this document are rescinded only as they relate to national banks and federal savings associations.

OCC 2011-31

**Subject: Prohibition Against Interstate Deposit Production**  
**Date: July 8, 2011**

**To: Chief Executive Officers and Compliance Officers of All National Banks, Department and Division Heads, and All Examining Personnel**

## Description: Annual Loan-to-Deposit Ratios

The Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation recently issued updated host state loan-to-deposit ratios that the banking agencies will use to determine compliance with section 109 of the Riegle–Neal Interstate Banking and Branching Efficiency Act of 1994 (Interstate Act). These ratios, which update data released in June 2010, are attached.

In general, section 109 prohibits any bank from establishing or acquiring a branch or branches outside of its home state primarily for the purpose of deposit production. Section 106 of the Gramm–Leach–Bliley Act of 1999 amended coverage of section 109 of the Interstate Act to include any branch of a bank controlled by an out-of-state bank holding company.

Section 109 provides a process to test compliance with the statutory requirements. The process compares a bank's estimated statewide loan-to-deposit ratio to the estimated host state loan-to-deposit ratio for banks in a particular state. If a bank's estimated statewide loan-to-deposit ratio in a state is less than one-half of the published host state loan-to-deposit ratio for that state, or if data are not available at the bank to calculate the ratio, the appropriate banking agency must determine whether the bank is reasonably helping to meet the credit needs of the communities served by the bank's interstate branches.

The estimated host state loan-to-deposit ratios and any changes in the way the ratios are calculated will be publicized annually.

Please direct questions regarding this bulletin to your supervisory office or to Brian Borkowicz, National Bank Examiner, Compliance Policy Department, at (202) 874–4428.

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Deputy Comptroller for Compliance Policy

### Related Link

- [Section 109 Host State Loan-to-Deposit Ratios](#)