Stat. 1542; Pub. L. 97–457, §32(b)(2), Jan. 12, 1983, 96 Stat. 2511; Pub. L. 104–208, div. A, title II, §2613(e), Sept. 30, 1996, 110 Stat. 3009–477; Pub. L. 106–102, title I, §102(b)(2), Nov. 12, 1999, 113 Stat. 1342.)

AMENDMENTS

1999—Subsec. (f). Pub. L. 106–102 inserted before period at end "as of the day before November 12, 1999".

1996—Pub. L. 104–208, §2613(e)(5), substituted "company" for "corporation" in section catchline.

Subsec. (a). Pub. L. 104–208, §2613(e)(1), substituted "company" for "corporation" in two places.

Subsec. (b). Pub. L. 104–208, §2613(e)(1), (2), inserted "or members" after "shareholders" wherever appearing in heading and text and substituted "company" for "corporation" in two places.

Subsecs. (c), (d). Pub. L. 104–208, §2613(e)(1), (3), inserted "or member" after "shareholder" wherever appearing in heading and text and substituted "company" for "corporation".

Subsec. (e). Pub. L. 104–208, §2613(e)(1), (4), substituted "company" for "corporation", "any shareholder or member of the company which is a national bank" for "its national bank shareholder or shareholders", "any shareholder or member of the company which is a State bank" for "its State bank shareholder or shareholders", and "any such State bank" for "such State bank or banks", and inserted "or members" after "national bank and State bank shareholders" and after "State bank and national bank shareholders".

Subsec. (f). Pub. L. 104–208, §2613(e)(1), substituted "company" for "corporation".

1983—Subsecs. (d), (e). Pub. L. 97–457 substituted "under the law of the United States" for "under this chapter".

1982—Pub. L. 97–320 substituted provisions relating to bank service corporation activities for other persons for provisions which read: "No bank service corporation may engage in any activity other than the performance of bank services for banks."

EFFECTIVE DATE OF 1999 AMENDMENT

Amendment by Pub. L. 106–102 effective 120 days after Nov. 12, 1999, see section 161 of Pub. L. 106–102, set out as a note under section 24 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1863, 1865 of this title.

§ 1865. Prior approval for investments in bank service companies

(a) Approval of Federal banking agency

No insured bank shall invest in the capital stock of a bank service company that performs any service under authority of subsection (c), (d), or (e) of section 1864 of this title without prior notice, as determined by the bank's appropriate Federal banking agency.

(b) Approval of Board

No insured bank shall invest in the capital stock of a bank service company that performs any service under authority of section 1864(f) of this title and no bank service company shall perform any activity under section 1864(f) of this title without the prior approval of the Board.

(c) Considerations in determining approval

In determining whether to approve or deny any application for prior approval or whether to approve or disapprove any notice under this section, the Board or the appropriate Federal banking agency, as the case may be, is authorized to consider the financial and managerial resources and future prospects of the bank or banks and bank service company involved, including the financial capability of the bank to make a proposed investment under this chapter, and possible adverse effects such as undue concentration of resources, unfair or decreased competition, conflicts of interest, or unsafe or unsound banking practices.

(d) Failure to act on application for approval

In the event the Board or the appropriate Federal banking agency, as the case may be, fails to act on any application under this section within ninety days of the submission of a complete application to the agency, the application shall be deemed approved.

(Pub. L. 87–856, §5, Oct. 23, 1962, 76 Stat. 1133; Pub. L. 95–630, title III, §308, Nov. 10, 1978, 92 Stat. 3677; Pub. L. 97–320, title VII, §709, Oct. 15, 1982, 96 Stat. 1542; Pub. L. 103–325, title III, §323, Sept. 23, 1994, 108 Stat. 2227; Pub. L. 104–208, div. A, title II, §2613(f), Sept. 30, 1996, 110 Stat. 3009–478.)

AMENDMENTS

1996—Pub. L. 104–208 substituted "companies" for "corporations" in section catchline and "company" for "corporation" wherever appearing in text.

1994—Subsec. (a). Pub. L. 103–325, §323(1), substituted "prior notice, as determined by" for "the prior approval of".

Subsec. (c). Pub. L. 103–325, §323(2), inserted "or whether to approve or disapprove any notice" after "approval".

1982—Pub. L. 97–320 substituted provisions relating to prior approval for investments in bank service corporations for provisions relating to regulation and examination of bank services for a regularly examined bank or its subsidiary or affiliate whether performed on or off its premises. See section 1867(c) of this title.

1978—Pub. L. 95–630 among other changes, substituted provisions requiring banks regularly examined by a Federal supervisory agency, which cause to be performed, by contract or otherwise, any bank service for itself, to notify such supervisory agency of the existence of a service relationship within 30 days after making such service contract or performance of service, whichever occurs first for provisions requiring that no bank subject to examination by a Federal supervisory agency may cause to be performed, by contract or otherwise, any bank service for itself unless satisfactory assurances are furnished to such supervisory agency by both the bank and the party performing such services that the performances thereof will be subject to regulation and examination by such agency to the same extent as if such services were being performed by the bank itself.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95–630 effective on expiration of 120 days after Nov. 10, 1978, see section 2101 of Pub. L. 95–630, set out as an Effective Date note under section 375b of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1863, 1864 of this title.

§ 1866. Services to nonstockholders or nonmembers

No bank service company shall unreasonably discriminate in the provision of any services authorized under this chapter to any depository institution that does not own stock in or is not a