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**Joint Release**

**Board of Governors of the Federal Reserve System  
Federal Deposit Insurance Corporation  
Office of the Comptroller of the Currency**

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For immediate release

June 5, 2002

**Agencies Amend Rule On Prohibition Against Using Interstate Branches  
Primarily for Deposit Production**

The Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency today issued final regulations amending their rules that currently prohibit interstate branches from being used primarily for deposit production.

The Riegle-Neal Interstate Banking and Branching Efficiency Act prohibits any bank from establishing or acquiring a branch outside of its home state primarily for the purpose of deposit production. Section 106 of the Gramm-Leach-Bliley Act expands this prohibition to include any branch of a bank controlled by an out-of-state bank holding company. To conform their regulations to this statutory change, the agencies have amended their rules so that the prohibition against deposit production offices also applies to any bank or branch of a bank controlled by an out-of-state bank holding company.

The regulations, which will be published in tomorrow's Federal Register, are effective October 1, 2002.

Attachment: The final rule can be found in the June 6, 2002, Federal Register, pages 38844-38849 HTML PDF (55.7 KB File - PDF Help or Hard Copy)

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