



HOST STATE LOAN-TO-DEPOSIT RATIOS

FIL-56-2001
June 28, 2001

TO: CHIEF EXECUTIVE OFFICER AND COMPLIANCE OFFICER

SUBJECT: *Banking Agencies Issue Host State Loan-to-Deposit Ratios*

The Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board and the Office of the Comptroller of the Currency have issued the 2001 host state loan-to-deposit ratios the agencies will use to determine compliance with Section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

Section 109 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 of 1999 amended Section 109 to include any branch of a bank controlled by an out-of-state bank holding company. One test of compliance with the law involves a comparison of the bank's statewide loan-to-deposit ratio to the host state's loan-to-deposit ratio.

Attached is the press release issued jointly by the three agencies on June 28, 2001, along with the host state loan-to-deposit ratios. The agencies committed to making public any change in the way the ratios are calculated. Accordingly, the agencies have decided to exclude special purpose banks, including bankers' banks, from the host state loan-to-deposit calculation because these banks - like limited purpose, wholesale and credit card banks — do not engage in traditional deposit taking or lending. Inclusion of these banks could distort the ratios. This Financial Institution Letter (FIL) supercedes [FIL-21-2000](#), dated March 24, 2000.

For more information, please contact Louise Kramer, Review Examiner in the FDIC's Division of Compliance and Consumer Affairs, on (202) 942-3599.

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Director

Attachment: [PR-47-2001](#)

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