



DEPARTMENT OF FINANCIAL INSTITUTIONS  
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EDWARD B. HATCHETT, JR.  
COMMISSIONER

## MEMORANDUM

**TO:** All Kentucky Banks

**FROM:** Edward B. Hatchett, Jr. *E B Hatchett Jr.*  
Commissioner

**DATE:** November 12, 1993

**RE:** Finding of Permissible Activities, Services, or Products  
Parity Letter 93-1  
Bank Holidays

**Summary:** The referenced Finding was proposed and public comment was solicited. The comment period has expired. This Finding will permit state-chartered banks to exercise the same discretion regarding holiday closings as national banks pursuant to 12 USC Section 95(b)(1).

**Comments Received:** A total of fourteen (14) comments were received, including one (1) from the Kentucky Bankers Association. Of the total number of comments received, all supported the proposed Finding.

Generally, those who support the Finding stated that in order to properly serve the banking public, state-chartered banks should have the same discretion as national banks in closing in observance of holidays.

One (1) comment requested clarification of the effect of the Finding on the other provisions of KRS 287.193, specifically KRS 287.193(2), 287.193(3), 287.193(4), and 287.199. The Finding has been revised to provide this clarification.

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Memorandum to State Banks

Re: Parity letter 92-3

Main Office Relocation

November 12, 1993

**Conclusion:** It is the position of the Department that state-chartered banks suffer a competitive disadvantage with national banks in the area of holiday closings. Therefore, the attached revised Finding of Permissible Activities, Services, or Products is issued.

**Attachments:** Finding of Permissible Activities, Services or Products  
KRS 287.193  
12 USC Section 95(b)(1)

EBHJr:brw

FINDING OF PERMISSIBLE ACTIVITIES, SERVICES, OR PRODUCTS

93-1

BANK HOLIDAYS

The Commissioner of Financial Institutions issues this Finding of Permissible Activities, Services, or Products pursuant to KRS 287.020(3). Competitive inequality exists between state banks and national banks as a result of the difference in statutes governing closings in observance of holidays. KRS 287.193(1) requires state banks to close on certain state-designated holidays. 12 USC Section 95(b)(1) allows national banks to remain open or close at their discretion on a state-designated holiday unless the Comptroller of the Currency by written order directs otherwise.

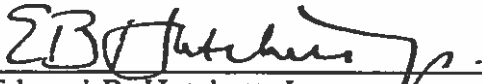
Therefore, a state bank may, at its discretion, choose to adopt the provisions of 12 USC Section 95(b)(1). Any state bank making such a choice shall:

- (1) Pass a formal resolution by its board of directors adopting the holiday provision set forth in 12 USC Section 95 (b)(1);
- (2) If necessary, amend the bank's policies to conform to these new provisions;
- (3) Secure and maintain updated copies of national bank rules and regulations relating to holidays; and
- (4) Notify the Department and the FDIC that the bank has made such a choice.

This finding applies only to KRS 287.193(1). The provisions of KRS 287.193(2), (3), and (4) and KRS 287.199 remain fully applicable to banks that choose to adopt the provisions of 12 USC Section 95(b)(1).

November 12, 1993

Date

  
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Edward B. Hatchett, Jr.  
Commissioner of Financial Institutions