

2660.0020 DEFINITIONS.

Subpart 1. **Scope.** As used in parts 2660.0010 to 2660.0110, the following terms have the meanings given them.

Subp. 2. **Acquiree.** "Acquiree" means the Minnesota savings and loan holding company, savings association, savings bank, or branch office being acquired by the applicant.

Subp. 3. **Acquisition.** "Acquisition" means obtaining ownership by one association, either directly or indirectly, of one or more branch offices of another association. Acquisition shall include obtaining ownership of all offices of another association through a merger, consolidation, purchase, or assumption of some or all of the assets and liabilities.

Subp. 4. **Affiliate.** "Affiliate" means a person who directly or indirectly has beneficial ownership of ten percent or more of any class of voting securities.

Subp. 5. **Alternate energy loans and alternate conservation loans.** "Alternate energy loans" and "alternate conservation loans" means all loans for any purpose under Minnesota Statutes, section 116M.03, subdivision 26.

Subp. 6. **Applicant.** "Applicant" means a savings association or a savings and loan holding company that has filed an application to directly or indirectly acquire a Minnesota savings association or branch office under the Minnesota Reciprocal Interstate Banking Act.

Subp. 7. **Association.** "Association" means a mutual or capital stock savings association, a savings association, or a savings bank organized under Minnesota Statutes, chapter 50 or 51A, or a similar statute of a reciprocating state.

Subp. 8. **Control.** "Control," with respect to a savings and loan holding company, association, or savings bank to be organized under Minnesota Statutes, chapter 50 or 51A, and parts 2660.0010 to 2660.0110 has the following meaning:

- A. the ownership, directly or indirectly, or acting through one or more other persons, control of or the power to vote 25 percent or more of any class of voting securities;
- B. control in any manner over the election of a majority of the directors; or
- C. the power to exercise, directly or indirectly, a controlling influence over management and policies.

Subp. 9. **Commissioner.** "Commissioner" means the commissioner of the Department of Commerce.

Subp. 10. **Community.** "Community" means the area the savings association has designated for purposes of compliance with the Community Reinvestment Act of 1977, United States Code, title 12, sections 2901 to 2905, as being the area that it serves.

Subp. 11. **Community development corporation.** "Community development corporation" is as defined in Minnesota Statutes, section 116M.04.

Subp. 12. **Developmental loans.** "Developmental loans" includes the following categories:

- A. low and moderate income housing;
- B. operating loans for family farmers;
- C. loans made in distressed areas;
- D. minority- and woman-owned businesses;
- E. alternative energy and energy conservation practices;
- F. community development corporations;
- G. Indian reservations and student education loans; and
- H. any other specifically defined class of people, businesses, or projects that meet the standards under Minnesota Statutes, section 645.445, for socially or economically disadvantaged persons, projects, or businesses.

Subp. 13. **Developmental investments.** "Developmental investments" includes investments for the following purposes:

- A. low and moderate income housing;
- B. operating loans for family farmers;
- C. loans made in distressed areas;
- D. minority- and woman-owned businesses;
- E. alternative energy and energy conservation practices;
- F. community development corporations;
- G. Indian reservations and student education loans; and
- H. other specifically defined class of people, businesses, or projects that meet the standards under Minnesota Statutes, section 645.445, for socially or economically disadvantaged persons, projects, or businesses.

Subp. 14. **Distressed area.** "Distressed area" is defined to include any area designated as a distressed area under Code of Federal Regulations, title 24, section 570.452, by the United States Department of Housing and Urban Development.

Subp. 15. **Equity capital.** "Equity capital" means the sum of common stock, preferred stock, surplus, and undivided profits.

Subp. 16. **Family farmers.** "Family farmers" means family farms and family farm corporations as defined in Minnesota Statutes, section 500.24.

Subp. 17. **Investments.** "Investments" means funds or capital extended, contributed, or otherwise invested, but not loaned.

Subp. 18. **Low and moderate income housing.** "Low and moderate income housing" means housing as defined by any of the following:

- A. regulations adopted by the Farmers' Home Administration; and
- B. section 8 of the United States Housing Act of 1937, and the regulations adopted under the act.

Subp. 19. **Minnesota association.** "Minnesota association" means a savings association or a savings bank:

- A. organized under Minnesota law; or
- B. whose organizational certificate identifies an address in this state as the principal place of conducting its business.

Subp. 20. **Minnesota loan.** "Minnesota loan" means loans made to Minnesota residents to be used in Minnesota or loans where the association has been advised by the borrower that the loan proceeds will be used in Minnesota.

Subp. 21. **Minnesota residents.** "Minnesota residents" are:

- A. individuals located within a Minnesota zip code;
- B. private profit or nonprofit corporations, or their subsidiaries or divisions, located and doing business within Minnesota;
- C. profit or nonprofit partnerships, trusts, or any form of other business enterprise located and doing business within Minnesota; and
- D. any municipality, agency, or other public authority established and operating under the laws of Minnesota.

Subp. 22. **Minority-owned business and woman-owned business.** "Minority-owned business" and "woman-owned business" means any socially or economically disadvantaged person under Minnesota Statutes, section 645.445. A minority-owned business or woman-owned business must have at least 50 percent of the ownership interest controlled by that disadvantaged class of persons.

Subp. 23. **Net new funds.** "Net new funds" means a net increase in lending, investment, and credit involvement brought to Minnesota on behalf of the acquiree as described in the application filed with the commissioner.

Subp. 24. **Reciprocating state.** "Reciprocating state" is (1) a state that authorizes the establishment of branch offices in that state by a Minnesota association, and the acquisition of savings associations and savings banks located in that state by a savings and loan holding company with its headquarters in this state, under conditions no more restrictive than those imposed by the laws of Minnesota as determined by the commissioner of commerce; and (2) comprised of the states provided for in Minnesota Statutes, section 48.92, subdivision 7.

Subp. 25. **Relevant market area.** "Relevant market area" includes the standards established by the Federal Reserve Board for evaluation of concentration of financial institution deposits.

Subp. 26. **Savings and loan holding company.** "Savings and loan holding company" means any person, corporation, partnership, trust, joint stock company, association, or other legal entity that owns, holds, or in any manner controls, directly or indirectly, the stock in an association.

Statutory Authority: *MS s 45.023; 51A.58*

History: *14 SR 2893; L 1995 c 202 art 1 s 25*

Published Electronically: *September 14, 2007*