§7.2018 Lost stock certificates.

If a national bank does not provide for replacing lost, stolen, or destroyed stock certificates in its articles of association or bylaws, the bank may adopt procedures that meet the requirements of the law of the state in which the bank is located.

§7.2019 Loan secured by own shares.

- (a) Permitted agreements, relating to bank shares. A national bank may require a borrower holding shares of the bank to execute agreements:
- (1) Not to pledge, give away, transfer, or otherwise assign such shares;
- (2) To pledge such shares at the request of the bank when necessary to prevent loss; and
- (3) To leave such shares in the bank's custody.
- (b) *Use of capital notes and debentures.* A national bank may not make loans secured by a pledge of the bank's own capital notes and debentures. Such notes and debentures must be subordinated to the claims of depositors and other creditors of the issuing bank, and are, therefore, capital instruments within the purview of 12 U.S.C. 83.

§ 7.2020 Acquisition and holding of shares as treasury stock.

Pursuant to the authority and procedures of 12 U.S.C. 59, a national bank may acquire its outstanding shares and hold them for a reasonable period as treasury stock, provided that the acquisition and retention of the shares is for a legitimate corporate purpose.

§7.2021 Preemptive rights.

A national bank's articles of association must allow or disallow, by a vote of the holders of two-thirds of the bank's outstanding voting shares, preemptive rights in the bank's shareholders.

§7.2022 Voting trusts.

The shareholders of a national bank may establish a voting trust under the applicable law of a state selected by the participants and designated in the trust agreement, provided the implementation of the trust is consistent with safe and sound banking practices.

Subpart C—Bank Operations

§7.3000 Bank hours and closings.

- (a) Bank hours. A national bank's board of directors should review its banking hours, and, independently of any other bank, take appropriate action to establish a schedule of banking hours.
- (b) *Emergency closings*. Pursuant to 12 U.S.C. 95 (b) (1), the Comptroller of the Currency, a state, or a legally

authorized state official may declare a day a legal holiday if emergency conditions exist. That day is a legal holiday for national banks or their offices in the affected geographic area (i.e., throughout the country, in a state, or in a part of a state). Emergency conditions include natural disasters, civil and municipal emergencies (e.g., severe flooding, or a power emergency declared by a local power company or government requesting that businesses in the affected area close). The Comptroller issues a proclamation authorizing the emergency closing in accordance with 12 U.S.C. 95 at the time of the emergency condition, or soon thereafter. When the Comptroller, a state, or a legally authorized state official declares a day to be a legal holiday due to emergency conditions, a national bank may choose to remain open or to close any of its banking offices in the affected geographic area.

- (c) Ceremonial closings. A state or a legally authorized state official may declare a day a legal holiday for ceremonial reasons. When a state or a legally authorized state official declares a day to be a legal holiday for ceremonial reasons, a national bank may choose to remain open or to close.
- (d) *Liability*. A national bank should assure that all liabilities or other obligations under the applicable law due to the bank's closing are satisfied.

§7.3001 Sharing space and employees.

- (a) Sharing space. Subject to paragraphs (c) and (d) of this section, a national bank may:
- (1) Lease excess space in bank premises to one or more other businesses (including other banks and financial institutions);
- (2) Share space jointly held with one or more other businesses; or
- (3) Offer its services in space owned or leased by other businesses.
- (b) Sharing employees. Subject to paragraphs (c) and (d) of this section, when sharing space with other businesses as described in paragraph (a) of this section, a national bank may provide, under one or more written agreements among the bank, the other businesses, and their employees, that:
- (1) Bank employees may act as agents for the other businesses; or
- (2) Employees of the other businesses may act as agents for the bank.
- (c) Supervisory conditions. When a national bank engages in arrangements of the types listed in paragraphs (a) and (b) of this section, the bank must ensure that:
- (1) The other businesses are conspicuously, accurately, and separately identified;

- (2) Shared employees clearly and fully disclose the nature of their agency relationship to customers of the bank and of the other businesses so that customers will know the identity of the bank or business that is providing the product or service;
- (3) The arrangement does not constitute a joint venture or partnership with the other business under applicable state law;
- (4) All aspects of the relationship between the bank and the other businesses are conducted at arm's length, unless a special arrangement is warranted because the other business is a subsidiary of the bank;
- (5) Security issues arising from the activities of the other businesses on the premises are addressed;
- (6) The activities of the other businesses do not adversely affect the safety and soundness of the bank;
- (7) The activities of shared employees are consistent with applicable laws and regulations that pertain to agents or employees of such other businesses; and
- (8) The assets and records of the parties are segregated.
- (d) Other legal requirements. When entering into arrangements of the types described in paragraphs (a) and (b) of this section, and in conducting operations pursuant to those arrangements the bank must ensure that each arrangement complies with 12 U.S.C. 29 and 36, and with any other applicable laws and regulations. If the arrangement involves an affiliate or a shareholder, director, officer or employee of the bank:
- (1) The bank must ensure compliance with all applicable statutory and regulatory provisions governing bank transactions with these persons or entities; and
- (2) The parties must comply with all applicable fiduciary duties; and
- (3) The parties, if they are in competition with each other, must consider limitations, if any, imposed by applicable antitrust laws.

Subpart D—Preemption

§ 7.4000 Books and records of national banks.

(a) Inspection. The only provision of Federal banking law authorizing persons other than the Comptroller of the Currency or his authorized representatives to inspect books or records of a national bank is contained in 12 U.S.C. 62, relating to the right of shareholders, creditors, and certain tax officials to inspect the list of shareholders of a bank. Production of records may, however, be required under normal judicial procedures.