



State of New Jersey
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STEVEN M. GOLDMAN
Commissioner

BULLETIN NO. 08-01

TO: ALL NEW JERSEY-CHARTERED BANKS, SAVINGS BANKS & STATE ASSOCIATIONS

FROM: STEVEN M. GOLDMAN, COMMISSIONER

RE: APPLICATION OF PARITY AS TO ENGAGING IN THE ACTIVITY OF SERVING AS THE TRUSTEE OR CUSTODIAN OF IRAs

The purpose of this Bulletin is to advise New Jersey-chartered banks, savings banks and savings and loan associations of the Department's response to the issue referenced above.

The Department recently received an inquiry on whether New Jersey's parity law would permit a New Jersey-chartered bank to exercise limited fiduciary authority to be named as the trustee or custodian of IRAs that are invested in assets other than deposit accounts of the bank.

New Jersey law permits the use of parity to enable New Jersey-chartered banks, savings banks and savings and loan associations to exercise those powers, rights, benefits or privileges authorized for Federal institutions to the same extent and subject to the same limitations as prescribed by the federal law applicable to such institutions. The Department has determined that these New Jersey institutions can, based upon the state parity statute, engage in limited fiduciary activities subject to Office of Thrift Supervision (OTS) regulations at 12 C.F.R. §550, subpart e, §550.580-620. Such limited fiduciary activities would be subject to the same limitations and requirements as are set forth in the OTS regulations referenced above governing such activities.

The Department is available to discuss parity issues with any of its chartered institutions, including the issues presented in this Bulletin. The direct contact at the Department is Chief Examiner Michael Sheridan at 609-984-3602, ext. 50067.

1/16/08
Date

/s/ Steven M. Goldman
Steven M. Goldman
Commissioner

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