§ 240. Restrictions as to place of business; branch offices. 1. A savings bank shall not be located in the same room with or in a room connecting with any bank, trust company or national bank, unless it be a savings bank lawfully so located when this act takes effect. The prohibitions of this subdivision shall not apply to automated teller machines, point-of-sale terminals and similar facilities established pursuant to section one hundred five-a, two hundred forty-a or three hundred ninety-six-a of this chapter or pursuant to any federal law authorizing a national bank to operate a similar facility.

2. No savings bank, or trustee, officer, agent or employee thereof, shall transact any part of its usual business of banking at any place other than its principal office except as follows:

(a) A savings bank may open and occupy one or more branch offices at any location in the state. In addition, a savings bank may open and occupy a branch office or branch offices in one or more places located without the state of New York.

(b) An office of an affiliated bank at which the customers of a savings bank may make deposits, renew time deposits, make withdrawals, close loans, service loans, and receive payments on loans and other obligations shall not be deemed a branch office of such savings bank. For the purposes of this section, the term "affiliated bank" means any bank, as such term is defined in section 3(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)(1)), that is a subsidiary of the same bank holding company, as that term is defined in section 2 of the Bank Holding Company Act (12 U.S.C. 1841).

(c) Except for the city or village in which its principal office is located, no branch office may be opened and occupied pursuant to paragraph (a) of this subdivision in any city or village with a population of fifty thousand or less and in which is already located the principal office of a bank, trust company or national banking association, other than a bank holding company, if such bank holding company is a banking institution, or a banking subsidiary of a bank holding company, as such terms "bank holding company", "banking institution" and "banking subsidiary" are defined in section one hundred forty-one of this chapter except that the definition of "bank holding company" is modified to change the phrase "a banking institution"

wherever it appears therein to "two or more banking institutions" and the definition of "banking institution" is modified to add a national banking association, the principal office of which institution is located in this state.

(d) (1) If so provided in the merger or asset acquisition plan submitted to the superintendent pursuant to section six hundred one or six hundred one-a of this chapter, and if such merger or asset acquisition is permitted by law, a savings bank may, in addition to the authority granted under paragraph (a) of this subdivision, and without limitation by any of the provisions of paragraph (c) of this subdivision, maintain as a branch office, or branch offices, the place or places of business of any savings bank or savings and loan association, federal savings bank, federal savings and loan association, bank, trust company, national bank, or out-of-state state bank (as such term is defined in section two hundred twenty-two of this chapter) which it has received into itself by merger or asset acquisition pursuant to this chapter which were in existence at the time the merger or asset acquisition becomes effective, including any branch office of the savings bank, savings and loan association, or bank or trust company with which it has merged or from which it has acquired assets which has been approved pursuant to subdivision three of this section or paragraph (c) of subdivision two of section three hundred ninety-six, or subdivision two of section one hundred five of this chapter even if such branch office is not in operation at the time said merger or asset acquisition becomes effective and may maintain, as its principal office rather than as a branch office, the principal office of such institution with which it has merged or from which it has acquired assets (so long as the principal office is located in this state), in which event the former principal office of the receiving savings bank may be maintained as a branch office.

(2) Notwithstanding anything to the contrary in subparagraph one of this paragraph, any public accommodation office of a savings bank, savings and loan association, or bank or trust company which has been merged or had assets acquired in an asset acquisition transaction, including any such office which has been approved pursuant to section one hundred ninety-one of this chapter but which is not in operation at the time said merger or asset acquisition becomes effective, may be

maintained by the receiving savings bank as a public accommodation office only.

(e) If so provided in an agreement submitted to the superintendent pursuant to section six hundred one-c of this chapter, a savings bank may, in addition to the authority granted under paragraph (a) of this subdivision, and without limitation by any of the provisions of paragraph (a) or (c) of this subdivision, maintain as a branch office or offices the place or places of business of any savings bank or savings and loan association which it has acquired pursuant to such agreement as authorized by section six hundred one-c of this chapter.

3. Before any branch office shall be opened and occupied pursuant to paragraph (a) of subdivision two of this section, the superintendent shall have given his written approval.

4. The term "village" as used in this section shall mean either an incorporated or an unincorporated village.