

1 ENGROSSED SENATE
2 BILL NO. 393

By: Newberry of the Senate

and

Cox of the House

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6 [banking - powers of the State Credit Union Board -
7 low income designation - ~~effective date~~ -

emergency]

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10 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

11 SECTION 1. AMENDATORY 6 O.S. 2011, Section 2001.2, is
12 amended to read as follows:

13 Section 2001.2. A. In addition to any other powers conferred
14 by law, the State Credit Union Board shall have the power to:

15 1. Regulate its own procedures and practice, except as may be
16 hereafter provided by law;

17 2. Define any term not defined in Oklahoma Laws relating to
18 credit unions;

19 3. Adopt and promulgate reasonable and uniform rules and
20 regulations to:

21 a. govern the conduct, operation, and management of
22 credit unions,

23 b. govern the examination, evaluation of assets, and the
24 statements and reports of credit unions, and the form

1 on which credit unions shall report their assets,
2 liabilities, and reserves, charge off their bad debts
3 and otherwise keep their records and accounts, and
4 c. govern the administration of the laws of this state
5 relating to credit unions.

6 Such rules or regulations shall serve to foster and maintain an
7 effective level of credit union services and the security of member
8 accounts. The provisions of the Administrative Procedures Act of
9 this state, as now or hereafter amended, are hereby expressly
10 adopted and incorporated herein as though a part of this provision,
11 and shall apply to all rules or regulations, procedures, and orders
12 of the Board. Final orders of the Board may be appealed to the
13 Supreme Court of Oklahoma by any party directly affected and showing
14 aggrievement by the order;

15 4. Restrict the withdrawal of share or deposit accounts or both
16 from any credit union after having determined that circumstances
17 make such restriction necessary for the proper protection of
18 shareholders or depositors;

19 5. Issue cease and desist orders after having determined from
20 competent and substantial evidence that a credit union is engaged or
21 has engaged, or when the Board has reasonable cause to believe the
22 credit union is about to engage, in an unsafe or unsound practice,
23 or is violating or has violated or the Board has reasonable cause to
24 believe is about to violate, a material provision of any law, rule,

1 regulation or any condition imposed in writing by the Board or any
2 written agreement made with the Board;

3 6. Suspend from office and prohibit from further participation
4 in any manner in the conduct of the affairs of a credit union any
5 director, officer or committee member who has committed any
6 violation of a law, rule or regulation or of a cease and desist
7 order or who has engaged or participated in any unsafe or unsound
8 practice in connection with the credit union or who has committed or
9 engaged in any act, omission or practice which constitutes a breach
10 of that person's fiduciary duty as such director, officer or
11 committee member, when the Board has determined that such action or
12 actions have resulted or will result in substantial financial loss
13 or other damage that seriously prejudices the interests of the
14 members;

15 7. Affirm, modify, reverse, and stay the enforcement of any
16 order or ruling of the State Banking Commissioner or Administrator
17 appointed pursuant to the provisions of subsection B of this section
18 relating to credit unions, their directors, officers, committee
19 members or employees;

20 8. Subpoena witnesses, compel their attendance, require the
21 production of evidence, administer oaths and examine any person
22 under oath in connection with any subject relating to a duty imposed
23 upon or a power vested in the Board;

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1 9. Charge application fees for processing submissions by a
2 credit union to the Board, Commissioner or Administrator. The Board
3 may charge a fee for the items enumerated herein; provided, the
4 Board's fee schedule shall not be limited solely to the following
5 submissions:

- 6 a. an application for a merger or acquisition,
- 7 b. an application to amend a credit union's bylaws,
- 8 c. an application to be heard by the Board to add a
9 special employee group, or
- 10 d. an application to add a special employee group by
11 using any simplified expansion process.

12 The Board may adopt and promulgate, from time to time, a fee
13 schedule for the processing of submissions by credit unions. Any
14 payments received pursuant to the provisions of this paragraph shall
15 be deposited to the revolving fund for the State Banking Department
16 created in Section 211.1 of this title;

17 10. Charge and collect assessments from each credit union under
18 its supervision on each One Thousand Dollars (\$1,000.00) of assets,
19 or major fraction thereof, at rates established by the Board. The
20 assessments shall be paid annually to the State Banking Department
21 no later than the fifth day of February in each year. All
22 assessments and all fees shall be deposited in the revolving fund
23 for the State Banking Department pursuant to the provisions of
24 Section 211.1 of this title. Effective January 1, 2007, and each

1 year thereafter, ten percent (10%) of all assessments collected
2 pursuant to this paragraph shall be deposited to the General Revenue
3 Fund of the State Treasury. The State Credit Union Board may charge
4 and collect assessments on an annual basis and may, in addition to
5 any annual assessment, charge and collect a special assessment from
6 each credit union, at rates established by the Board; ~~and~~

7 11. Charge and collect from each credit union under its
8 supervision an annual fee of One Thousand Dollars (\$1,000.00) which
9 shall be deposited in the Oklahoma State Banking Department
10 revolving fund created pursuant to Section 211.1 of this title; and

11 12. Designate a federally insured, state-chartered credit union
12 as a low-income credit union. After the National Credit Union
13 Administrator confirms the designation, subject to the guidelines
14 established in 12 C.F.R. 701.34, such credit union may engage in any
15 activity in which it could engage, exercise any power it could
16 exercise, or make any loan or investment it could make, if it were
17 operating as a federal credit union with a low-income designation.

18 B. The Commissioner may appoint an Administrator who, in
19 addition to such duties and authority as are conferred by Section
20 2001 et seq. of this title, shall have such duties and authority as
21 the Commissioner may assign the Administrator. The bond of the
22 Administrator shall be the same as that set for the State Deputy
23 Banking Commissioner. In addition to other powers conferred by
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1 Section 2001 et seq. of this title, the Commissioner shall have the
2 power to:

3 1. Delegate the duties of the Office of the State Banking
4 Commissioner under Section 2001 et seq. of this title to the
5 Administrator;

6 2. Exercise general supervision of credit unions organized
7 under the laws of this state;

8 3. Require credit unions to cease and desist from engaging in
9 any act or transaction, or doing any act in furtherance thereof,
10 which would constitute a violation of the provisions of Section 2001
11 et seq. of this title, or a lawful regulation issued thereunder, or
12 to cease and desist in engaging in any unsafe or unsound credit
13 union practice;

14 4. Suspend any officer, director or employee or committee
15 member who is found, after hearing, to be dishonest, reckless, unfit
16 to participate in the conduct of the affairs of the credit union, or
17 to have engaged or participated in any unsafe or unsound practice in
18 connection with the credit union, or to be practicing a continuing
19 disregard or violation of laws, rules, regulations or orders which
20 are likely to cause substantial loss to the credit union or likely
21 to seriously weaken the condition of the credit union. However, any
22 individual so suspended may within ten (10) days file a notice of
23 protest for the suspension with the Administrator and as soon as
24 possible thereafter, but in no event more than thirty (30) days, the

1 Board will review the order of the Commissioner and make such
2 findings as it deems proper, and pending that, the officer,
3 employee, director or committee member shall not perform any of the
4 duties of such office; and

5 5. Charge a fee not to exceed Fifty Dollars (\$50.00) per hour
6 and actual expenses for each examiner for actual time consumed by
7 the State Banking Department in making special examinations of a
8 credit union. A "special examination" shall be any examination
9 conducted in connection with a charter conversion, or a limited
10 scope examination conducted at a frequency more often than once each
11 eighteen (18) months, when deemed necessary by the Administrator and
12 the Commissioner. Payments received pursuant to this paragraph
13 shall be deposited in the revolving fund for the State Banking
14 Department pursuant to Section 211.1 of this title.

15 C. Upon failure of a credit union to comply with the
16 Commissioner's order or requirements, the Commissioner shall report
17 such failure to the Board for action with respect to suspension of
18 such credit union's certificate of authority to transact business.

19 ~~SECTION 2. This act shall become effective July 1, 2015.~~

20 ~~SECTION 3. It being immediately necessary for the preservation~~
21 ~~of the public peace, health and safety, an emergency is hereby~~
22 ~~declared to exist, by reason whereof this act shall take effect and~~
23 ~~be in full force from and after its passage and approval.~~

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1 Passed the Senate the 3rd day of March, 2015.

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4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2015.

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9 Presiding Officer of the House
10 of Representatives