

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

SENATE BILL 1341

By: Monson

AS INTRODUCED

An Act relating to financial institutions; amending 6 O.S. 1991, Sections 2001.2, as last amended by Section 2, Chapter 151, O.S.L. 1995 and 2007 (6 O.S. Supp. 1999, Section 2001.2), which relate to credit unions; modifying authority of State Credit Union Board; modifying requirements for and limitations upon credit union membership; and declaring an emergency.

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

SECTION 1. AMENDATORY 6 O.S. 1991, Section 2001.2, as last amended by Section 2, Chapter 151, O.S.L. 1995 (6 O.S. Supp. 1999, Section 2001.2), is amended to read as follows:

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

1. Adopt and promulgate reasonable and uniform rules ~~and regulations~~ to:

- a. govern the conduct, operation and management of credit unions; ~~and to,~~
- b. govern the examination, evaluation of assets and the statements and reports of credit unions, and the form on which credit unions shall report their assets, liabilities and reserves, charge off their bad debts and otherwise keep their records and accounts; ~~and~~
- c. govern the administration of the laws of this state relating to credit unions.

Such ~~regulations~~ rules shall serve to foster and maintain an effective level of credit union services and the security of member accounts. The provisions of the Administrative Procedures Act of

this state, as now or hereafter amended, are hereby expressly adopted and incorporated herein as though a part of this provision, and shall apply to all ~~regulations~~ rules, procedures and orders of the ~~State Credit Union~~ Board. Final orders of the ~~State Credit Union~~ Board may be appealed to the Supreme Court of Oklahoma by any party directly affected and showing aggrievement by the order;

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

3. Issue cease and desist orders after having determined from competent and substantial evidence that a credit union is engaged or has engaged, or when the ~~State Credit Union~~ Board has reasonable cause to believe the credit union is about to engage, in an unsafe or unsound practice, or is violating or has violated or the ~~State Credit Union~~ Board has reasonable cause to believe is about to violate, a material provision of any law, ~~regulation~~ rule or any condition imposed in writing by the ~~State Credit Union~~ Board or any written agreement made with the ~~State Credit Union~~ Board;

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

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

6. Subpoena witnesses, compel their attendance, require the production of evidence, administer oaths, and examine any person under oath in connection with any subject relating to a duty imposed upon or a power vested in the State Credit Union Board; and

7. Charge application fees for processing submissions by a credit union to the Board. The Board may charge a fee for the items enumerated herein; provided, the Board's fee schedule shall not be limited solely to the following submissions:

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

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

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

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

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

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

4. Suspend any officer, director or employee or committee member who is found, after hearing, to be dishonest, reckless, unfit to participate in the conduct of the affairs of the credit union, or to have engaged or participated in any unsafe or unsound practice in connection with the credit union, or to be practicing a continuing disregard or violation of laws, rules, regulations or orders which are likely to cause substantial loss to the credit union or likely to seriously weaken the condition of the credit union. However, any individual so suspended may within ten (10) days file a notice of protest for the suspension with the Administrator and as soon as possible thereafter, but in no event more than thirty (30) days, the ~~State Credit Union~~ Board will review the order of the Commissioner and make such findings as it deems proper, and pending that, ~~pending said time~~, the officer, employee, director or committee member shall not perform any of the duties of such office;

5. Assess credit unions on their assets in an amount set by rule of the Commissioner. The fee and assessment shall be paid in January of each year. All assessments shall be deposited in the General Revenue Fund of this state and all fees shall be deposited in the revolving fund for the State Banking Department ~~Revolving~~

~~Fund~~ pursuant to the provisions of Section ~~222~~ 211.1 of this title;
and

6. Charge a fee of Fifty Dollars (\$50.00) per hour and actual expenses for each examiner for actual time consumed by the State Banking Department in making special examinations of a credit union. Payments received pursuant to this paragraph shall be deposited in the revolving fund for the State Banking Department ~~revolving fund~~ pursuant to Section ~~222~~ 211.1 of this title.

C. Upon failure of a credit union to comply with the Commissioner's order or requirements, the Commissioner shall report such failure to the ~~State Credit Union~~ Board for action with respect to suspension of such credit union's certificate of authority to transact business.

SECTION 2. AMENDATORY 6 O.S. 1991, Section 2007, is amended to read as follows:

Section 2007. A. Credit union membership shall consist of the incorporators, and such other persons and incorporated and unincorporated organizations and their employees, as may be elected to membership ~~and, as such,~~. Each member shall ~~each~~ subscribe to at least one share of ~~its~~ the credit union's stock and pay the entrance fee; ~~except that credit.~~ Credit union membership shall be limited to groups having a common bond of occupation or association, which shall be limited to one or more of the following categories:

1. A group that has a common bond of occupation or association;
2. Persons or organizations within a well-defined community, neighborhood or rural district; or
3. More than one group, each of which has within the group, a common bond of occupation or association.

B. A central credit union may be organized to which members of existing credit unions operating in accordance with the law of the State of Oklahoma, or of the United States, may belong, and to which

credit unions organized and operating under the State of Oklahoma or of the United States may also belong.

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

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