

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

HOUSE BILL HB2009

By: Phillips

AS INTRODUCED

An Act relating to banks and mortgages; amending 6 O.S. 2001, Section 416, which relates to bank service corporations; clarifying language; amending 46 O.S. 2001, Section 15, which relates to mortgages; clarifying language; and providing an effective date.

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

SECTION 1. AMENDATORY 6 O.S. 2001, Section 416, is amended to read as follows:

Section 416. A. Definitions.

1. The term "bank services" means those services authorized under subsections C and D of this section;

2. The term "bank service corporation" means a corporation or limited liability company organized to perform services, all of the capital stock of which is owned by one or more depository institutions, and at least one of which is subject to examination by the Commissioner;

3. The term "depository institution" means a bank or another financial institution subject to examination by the Federal Home Loan Bank Board or the National Credit Union Administration Board; and

4. The term "invest" includes any advance of funds to a bank service corporation, whether by the purchase of stock, the making of a loan, or otherwise, except a payment for rent earned, goods sold and delivered, or services rendered prior to the making of such payment.

B. Amount of bank investment in service corporations.

1. No limitation or prohibition otherwise imposed by any provision of ~~this Code~~ the Banking Code exclusively relating to banks shall prevent any bank from investing not more than ten percent (10%) of its capital in a bank service corporation; and

2. If stock in a bank service corporation has been held by two or more banks, or institutions, and one of such banks, or institutions, ceases to utilize the services of the corporation and ceases to hold stock in it, and leaves the other as the sole stockholding bank, or institution, the corporation may nevertheless continue to function as such and the other bank or institution may continue to hold stock in it.

C. Services to depository institutions. A bank service corporation may perform the following services for depository institutions and for such other persons as the Board shall permit by regulation: Check and deposit sorting and posting, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices and similar items or any other clerical, computer, information systems, electronic communications, bookkeeping, accounting, statistical or similar functions performed for a depository institution.

D. Services to other persons. A bank service corporation may provide to any person any of the following services and any other services as the Banking Board shall permit:

1. Any service which a bank shareholder is authorized to perform; and

2. Any services which the Federal Reserve Board has determined by regulation to be permissible for a bank holding company under Section 4(c)(8) of the Bank Holding Company Act.

E. Regulation and examination of services - Banks and trust companies. No bank or trust company subject to examination by the State Banking Commissioner may cause to be performed, by contract or otherwise, any bank or trust company services for itself, whether on

or off its premises, unless assurances satisfactory to the Commissioner are furnished to the Commissioner by both the bank or trust company and the party performing such services that the performance thereof will be subject to regulation and examination by the Commissioner to the same extent as if such services were being performed by the bank or trust company itself on its own premises.

SECTION 2. AMENDATORY 46 O.S. 2001, Section 15, is amended to read as follows:

Section 15. A. Any mortgage on real estate shall be released by the holder of any such mortgage within fifty (50) days of the payment of the debt secured by the mortgage and the holder of the mortgage shall file the release of the mortgage with the county clerk where the mortgage is recorded. If, at the end of the fifty-day period, the holder has failed to release the mortgage, the mortgagor may at any time request in writing the holder of the mortgage to release the mortgage and the holder of the mortgage shall have ten (10) days from the date of the request to release such mortgage. If the holder of the mortgage fails to release the mortgage by the end of such ten-day period, ~~he~~ the holder of the mortgage shall then forfeit and pay to the mortgagor a penalty of one percent (1%) of the principal debt not to exceed One Hundred Dollars (\$100.00) per day each day the release is not recorded after the ten-day period has expired and the penalty shall be recovered in a civil action in any court having jurisdiction thereof, but the request for the release shall be in writing and describe the mortgage and premises with reasonable certainty. Provided that, the total penalty shall not exceed one hundred percent (100%) of the total principal debt.

B. For purposes of this section, "mortgagor" shall include any subsequent purchaser of the mortgaged real estate.

SECTION 3. This act shall become effective November 1, 2002.

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