

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2147

By: Piatt

AS INTRODUCED

An Act relating to banks and banking; authorizing certain additional powers to state-chartered banks; imposing limitations on powers; requiring State Banking Board to adopt regulations; specifying permissible content of regulations; providing for petition process for grant of additional powers; prescribing procedures; providing for appeals; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 402.2 of Title 6, unless there is created a duplication in numbering, reads as follows:

A. Additional Powers. Notwithstanding any other provision of law to the contrary and subject to the provisions of this section, any bank now or hereafter holding a charter issued under the laws of this state (an "Oklahoma-chartered bank"), shall have authority to conduct any activity or to provide any product or service that is authorized or permitted for any bank or savings association organized by the United States or under the laws of another state and insured by the Federal Deposit Insurance Corporation (an "insured bank"); provided, that any such activity, product or service ("additional powers") that are authorized only by this subsection:

1. Shall be subject to the same types of limitations and restrictions applicable to an insured bank or savings association under the federal laws or law of the state that authorizes such activity, product or service;

2. Shall be subject to conditions and limitations imposed by the Board or the Commissioner from time to time;

3. Shall be subject to applicable Oklahoma licensing and registration law for the particular activity, product or service, if any;

4. Shall not be construed to authorize the establishment or maintenance of a branch, or to limit the establishment or maintenance of a branch, on any basis other than as provided in Articles IV and V of the Oklahoma Banking Code;

5. Shall not be conducted or provided in contravention of otherwise applicable Oklahoma laws with respect to:

- a. permissible interest rates, finance charges, and loan fees chargeable by a bank in this state,
- b. consumer protection laws applicable to transactions by a bank in this state, or
- c. fiduciary duties owed to a client or customer by a bank acting as fiduciary in this state;

6. Shall be consistent with banking safety and soundness generally; and

7. Shall be consistent with an Oklahoma-chartered bank's own safety and soundness, its managerial resources, and its financial and regulatory condition.

B. The Board shall adopt regulations to prohibit or to implement the additional powers authorized only by subsection A of this section. Such regulations may include, but are not limited to:

1. Regulations that prohibit specified additional powers from being granted to any Oklahoma-chartered bank;

2. Regulations that limit the scope and application of specified additional powers that may be granted to Oklahoma-chartered banks;

3. Regulations that permit specified additional powers to be implemented by any Oklahoma-chartered bank without further authorization; and

4. Regulations that require prior approval by the Board or the Commissioner before specified additional powers may be implemented by an Oklahoma-chartered bank.

C. Should the Board fail to adopt regulations either to prohibit or to implement specific additional powers within a reasonable period of time, any Oklahoma-chartered bank or banks may file a petition with the Commissioner requesting that those specific additional powers be granted. The Commissioner may specify the form of the petition. Within sixty (60) days of receipt of the petition, the Commissioner shall recommend that the Board either grant or deny the request. The Commissioner shall have the authority to order that specific additional powers be granted immediately, pending action by the Board. The Commissioner's recommendation shall be provided to the bank or banks filing the petition at least fifteen (15) days prior to consideration of the recommendation by the Board. The Board shall consider and act upon the recommendation within thirty (30) days of receipt of the recommendation by the bank or banks filing the petition. Before acting upon the recommendation, the Board shall provide reasonable opportunity for both the Commissioner and the bank or banks filing the petition to be heard. An appeal of the Board's decision may be made under the Administrative Procedures Act.

SECTION 2. This act shall become effective November 1, 2006.

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