

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL 393

By: Newberry of the Senate

and

6 Cox of the House

7
8
9 COMMITTEE SUBSTITUTE

10 An Act relating to banking; amending 6 O.S. 2011,
11 Section 2001.2, which relates to powers of the State
12 Credit Union Board; authorizing low income
13 designation; providing an effective date; and
14 declaring an emergency.

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

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

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

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

22 2. Define any term not defined in Oklahoma Laws relating to
23 credit unions;

1 3. Adopt and promulgate reasonable and uniform rules and
2 regulations to:

- 3 a. govern the conduct, operation and management of credit
4 unions,
- 5 b. govern the examination, evaluation of assets and the
6 statements and reports of credit unions, and the form
7 on which credit unions shall report their assets,
8 liabilities and reserves, charge off their bad debts
9 and otherwise keep their records and accounts, and
- 10 c. govern the administration of the laws of this state
11 relating to credit unions.

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

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

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

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

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

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

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

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

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

23 10. Charge and collect assessments from each credit union under
24 its supervision on each One Thousand Dollars (\$1,000.00) of assets,

1 or major fraction thereof, at rates established by the Board. The
2 assessments shall be paid annually to the State Banking Department
3 no later than the fifth day of February in each year. All
4 assessments and all fees shall be deposited in the revolving fund
5 for the State Banking Department pursuant to the provisions of
6 Section 211.1 of this title. Effective January 1, 2007, and each
7 year thereafter, ten percent (10%) of all assessments collected
8 pursuant to this paragraph shall be deposited to the General Revenue
9 Fund of the State Treasury. The State Credit Union Board may charge
10 and collect assessments on an annual basis and may, in addition to
11 any annual assessment, charge and collect a special assessment from
12 each credit union, at rates established by the Board; ~~and~~

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

17 12. Designate a federally insured, state-chartered credit union
18 as a low-income credit union. After the National Credit Union
19 Administrator confirms the designation, subject to the guidelines
20 established in 12 C.F.R. 701.34, such credit union may engage in any
21 activity in which it could engage, exercise any power it could
22 exercise, or make any loan or investment it could make, if it were
23 operating as a federal credit union with a low-income designation.
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1 B. The Commissioner may appoint an Administrator who, in
2 addition to such duties and authority as are conferred by Section
3 2001 et seq. of this title, shall have such duties and authority as
4 the Commissioner may assign the Administrator. The bond of the
5 Administrator shall be the same as that set for the State Deputy
6 Banking Commissioner. In addition to other powers conferred by
7 Section 2001 et seq. of this title, the Commissioner shall have the
8 power to:

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

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

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

21 4. Require credit unions to cease and desist from engaging in
22 any act or transaction, or doing any act in furtherance thereof,
23 which would constitute a violation of the provisions of Section 2001
24 et seq. of this title, or a lawful regulation issued thereunder, or

1 to cease and desist in engaging in any unsafe or unsound credit
2 union practice;

3 ~~4.~~ 5. Suspend any officer, director or employee or committee
4 member who is found, after hearing, to be dishonest, reckless, unfit
5 to participate in the conduct of the affairs of the credit union, or
6 to have engaged or participated in any unsafe or unsound practice in
7 connection with the credit union, or to be practicing a continuing
8 disregard or violation of laws, rules, regulations or orders which
9 are likely to cause substantial loss to the credit union or likely
10 to seriously weaken the condition of the credit union. However, any
11 individual so suspended may within ten (10) days file a notice of
12 protest for the suspension with the Administrator and as soon as
13 possible thereafter, but in no event more than thirty (30) days, the
14 Board will review the order of the Commissioner and make such
15 findings as it deems proper, and pending that, the officer,
16 employee, director or committee member shall not perform any of the
17 duties of such office; and

18 ~~5.~~ 6. Charge a fee not to exceed Fifty Dollars (\$50.00) per
19 hour and actual expenses for each examiner for actual time consumed
20 by the State Banking Department in making special examinations of a
21 credit union. A "special examination" shall be any examination
22 conducted in connection with a charter conversion, or a limited
23 scope examination conducted at a frequency more often than once each
24 eighteen (18) months, when deemed necessary by the Administrator and

1 the Commissioner. Payments received pursuant to this paragraph
2 shall be deposited in the revolving fund for the State Banking
3 Department pursuant to Section 211.1 of this title.

4 C. Upon failure of a credit union to comply with the
5 Commissioner's order or requirements, the Commissioner shall report
6 such failure to the Board for action with respect to suspension of
7 such credit union's certificate of authority to transact business.

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

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

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