

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SENATE BILL 393

By: Newberry

AS INTRODUCED

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

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

SECTION 1. AMENDATORY 6 O.S. 2011, 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. Regulate its own procedures and practice, except as may be hereafter provided by law;

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

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

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

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

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

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

21           5.   Issue cease and desist orders after having determined from  
22   competent and substantial evidence that a credit union is engaged or  
23   has engaged, or when the Board has reasonable cause to believe the  
24   credit union is about to engage, in an unsafe or unsound practice,

1 or is violating or has violated or the Board has reasonable cause to  
2 believe is about to violate, a material provision of any law, rule,  
3 regulation or any condition imposed in writing by the Board or any  
4 written agreement made with the Board;

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

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

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

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

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

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

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

1 for the State Banking Department pursuant to the provisions of  
2 Section 211.1 of this title. Effective January 1, 2007, and each  
3 year thereafter, ten percent (10%) of all assessments collected  
4 pursuant to this paragraph shall be deposited to the General Revenue  
5 Fund of the State Treasury. The State Credit Union Board may charge  
6 and collect assessments on an annual basis and may, in addition to  
7 any annual assessment, charge and collect a special assessment from  
8 each credit union, at rates established by the Board; and

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

13 B. The Commissioner may appoint an Administrator who, in  
14 addition to such duties and authority as are conferred by Section  
15 2001 et seq. of this title, shall have such duties and authority as  
16 the Commissioner may assign the Administrator. The bond of the  
17 Administrator shall be the same as that set for the State Deputy  
18 Banking Commissioner. In addition to other powers conferred by  
19 Section 2001 et seq. of this title, the Commissioner shall have the  
20 power to:

21 1. Delegate the duties of the Office of the State Banking  
22 Commissioner under Section 2001 et seq. of this title to the  
23 Administrator;  
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1           2. Exercise general supervision of credit unions organized  
2 under the laws of this state;

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

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

16           ~~4.~~ 5. Suspend any officer, director or employee or committee  
17 member who is found, after hearing, to be dishonest, reckless, unfit  
18 to participate in the conduct of the affairs of the credit union, or  
19 to have engaged or participated in any unsafe or unsound practice in  
20 connection with the credit union, or to be practicing a continuing  
21 disregard or violation of laws, rules, regulations or orders which  
22 are likely to cause substantial loss to the credit union or likely  
23 to seriously weaken the condition of the credit union. However, any  
24 individual so suspended may within ten (10) days file a notice of

1 protest for the suspension with the Administrator and as soon as  
2 possible thereafter, but in no event more than thirty (30) days, the  
3 Board will review the order of the Commissioner and make such  
4 findings as it deems proper, and pending that, the officer,  
5 employee, director or committee member shall not perform any of the  
6 duties of such office; and

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

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

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

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

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