

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 HOUSE BILL 4049

By: May

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5
6 AS INTRODUCED

7 An Act relating to banks and trust companies;
8 amending 6 O.S. 2021, Section 2001.2, which relates
9 to the powers of the State Credit Union Board;
10 providing the State Credit Union Board with the power
11 to designate an Oklahoma state-chartered credit union
12 as a low-income credit union; amending 6 O.S. 2021,
13 Section 2023, which relates to the exercising powers
14 of a state-charted credit union; providing state-
15 chartered credit unions the option to request a low-
16 income designation; and providing an effective date.

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

18 SECTION 1. AMENDATORY 6 O.S. 2021, Section 2001.2, is
19 amended to read as follows:

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

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

24 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,
- 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 rules or regulations 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 rules or regulations, procedures and orders of the Board. Final orders of the Board may be appealed to the Supreme Court of Oklahoma by any party directly affected and showing aggrievement by the order;

4. 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;

5. Issue cease and desist orders after having determined from competent and substantial evidence that a credit union is engaged or

1 has engaged, or when the Board has reasonable cause to believe the
2 credit union is about to engage, in an unsafe or unsound practice,
3 or is violating or has violated or the Board has reasonable cause to
4 believe is about to violate, a material provision of any law, rule,
5 regulation or any condition imposed in writing by the Board or any
6 written agreement made with the Board;

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

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

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

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

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

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

21 10. Charge and collect assessments from each credit union under
22 its supervision on each One Thousand Dollars (\$1,000.00) of assets,
23 or major fraction thereof, at rates established by the Board. The
24 assessments shall be paid annually to the State Banking Department
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1 no later than the fifth day of February in each year. All
2 assessments and all fees shall be deposited in the revolving fund
3 for the State Banking Department pursuant to the provisions of
4 Section 211.1 of this title. Effective January 1, 2007, and each
5 year thereafter, ten percent (10%) of all assessments collected
6 pursuant to this paragraph shall be deposited to the General Revenue
7 Fund of the State Treasury. The State Credit Union Board may charge
8 and collect assessments on an annual basis and may, in addition to
9 any annual assessment, charge and collect a special assessment from
10 each credit union, at rates established by the Board; ~~and~~

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

15 12. Designate a federally insured, Oklahoma state-chartered
16 credit union as a low-income credit union.

17 B. The Commissioner may appoint an Administrator who, in
18 addition to such duties and authority as are conferred by Section
19 2001 et seq. of this title, shall have such duties and authority as
20 the Commissioner may assign the Administrator. The bond of the
21 Administrator shall be the same as that set for the State Deputy
22 Banking Commissioner. In addition to other powers conferred by
23 Section 2001 et seq. of this title, the Commissioner shall have the
24 power to:
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1 1. Delegate the duties of the Office of the State Banking
2 Commissioner under Section 2001 et seq. of this title to the
3 Administrator;

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

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

12 4. Suspend any officer, director or employee or committee
13 member who is found, after hearing, to be dishonest, reckless, unfit
14 to participate in the conduct of the affairs of the credit union, or
15 to have engaged or participated in any unsafe or unsound practice in
16 connection with the credit union, or to be practicing a continuing
17 disregard or violation of laws, rules, regulations or orders which
18 are likely to cause substantial loss to the credit union or likely
19 to seriously weaken the condition of the credit union. However, any
20 individual so suspended may within ten (10) days file a notice of
21 protest for the suspension with the Administrator and as soon as
22 possible thereafter, but in no event more than thirty (30) days, the
23 Board will review the order of the Commissioner and make such
24 findings as it deems proper, and pending that, the officer,

1 employee, director or committee member shall not perform any of the
2 duties of such office; and

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

13 C. Upon failure of a credit union to comply with the
14 Commissioner's order or requirements, the Commissioner shall report
15 such failure to the Board for action with respect to suspension of
16 such credit union's certificate of authority to transact business.

17 SECTION 2. AMENDATORY 6 O.S. 2021, Section 2023, is
18 amended to read as follows:

19 Section 2023. A credit union chartered under the laws of the
20 State of Oklahoma, the member accounts of which are insured under
21 Title II of the Federal Credit Union Act, may exercise any of the
22 powers of a federally chartered credit union doing business in this
23 state, until otherwise provided by the Legislature; and provided
24 that the State Credit Union Board may by rule prohibit the exercise
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1 of any such power if the Board finds that the exercise thereof will
2 not serve the public convenience and advantage and will not equalize
3 and maintain the quality of competition between state and federal
4 credit unions. A credit union may request a low-income designation
5 determination from the Oklahoma State Credit Union Board, and after
6 the National Credit Union Administration confirms the designation,
7 subject to the guidelines in 12 C.F.R., Section 701.34, such credit
8 union may engage in any activity in which it could engage, exercise
9 any power it could exercise, or make any loan or investment it could
10 make, if it were operating as a federal credit union with a low-
11 income designation.

12 SECTION 3. This act shall become effective November 1, 2024.

14 59-2-9364 AO 01/02/24