WEST VIRGINIA CODE: §31A-2-6

§31A-2-6. Commissioner's examinations of financial institution; reports; records; communications from commissioner to institution; examination by federal or out-of-state agency in lieu of commissioner's examination.

(a) The commissioner shall make a thorough examination of all the books, accounts, records and papers of every depository financial institution using the same frequency of examination schedule as the financial institution's primary federal regulator. He or she shall carefully examine all of the assets of each institution, including its notes, drafts, checks, mortgages, securities deposited to assure the payment of debts unto it and all papers, documents and records showing, or in any manner relating to, its business affairs and shall ascertain the full amount and the nature in detail of all of its assets and liabilities. The commissioner may also, at his or her discretion, make or cause to be made an annual or periodic examination of the books, accounts, records and papers of other financial institutions under his or her supervision for the purposes of determining compliance with applicable consumer and credit lending laws and verifying information provided in any license application or annual report submitted to the commissioner. The commissioner may also make an examination of any subsidiaries or affiliates of a financial institution as he or she may consider necessary to ascertain the financial condition of the financial institution, the relations between the financial institution and its subsidiaries and affiliates and the effect of the relations upon the affairs of the financial institution. A full report of every examination shall be made and filed and preserved in the office of the commissioner and a copy of it immediately mailed to the institution examined. Every institution shall retain all of its records of final entry for the period of time as required in section thirty-five, article four of this chapter for banking institutions. Unless otherwise covered by assessments or a specific provision of this code, the cost of examinations made pursuant to this section shall be borne by the financial institution at a rate of $50 per each examiner hour expended.

(b) Every official communication from the commissioner to any institution, or to any officer thereof, relating to an examination or an investigation of the affairs of the institution conducted by the commissioner or containing suggestions or recommendations as to the manner of conducting the business of the institution, shall be read by the board of directors at the next meeting after its receipt and the president, or other executive officer, of the institution shall immediately notify the commissioner in writing of the presentation and reading of the communication and of any action taken on it by the institution.

(c) The Commissioner of Banking, in his or her discretion, may: (i) Accept a copy of a reasonably current examination of any banking institution made by the Federal Deposit Insurance Corporation or the Federal Reserve System in lieu of an examination of the banking institution required or authorized to be made by the laws of this state and the commissioner may furnish to the Federal Deposit Insurance Corporation or the Federal Reserve System or to any official or examiner thereof any copy or copies of the

WV Legislature

commissioner's examinations of and reports on the banking institutions; (ii) accept a copy of a reasonably current examination of any out-of-state bank or any West Virginia state bank's out-of-state activities made by another state's banking regulatory authority in lieu of an examination of the banking institution required or authorized to be made by the laws of this state and the commissioner may furnish to the other state's banking regulatory authority or to any official or examiner thereof any copy or copies of the commissioner's examinations of and reports on the banking institutions; but nothing in this subsection shall be construed to limit the duty and responsibility of banking institutions to comply with all provisions of law relating to examinations and reports, nor to limit the powers and authority of the commissioner of banking with reference to examinations and reports under existing laws. The provision or exchange of examination reports and other records of financial condition and individuals pursuant to cooperative, coordinating or information-sharing agreements with other bank supervisory agencies and persons as permitted by this chapter under an agreement of confidentiality shall not constitute a violation of section four of this article.

WV Legislature