

APPROVED AND SIGNED BY THE GOVERNOR

Date 3-17-80

Time 3:10 p.m.

WEST VIRGINIA LEGISLATURE  
REGULAR SESSION, 1980



**ENROLLED**

SENATE BILL NO. 242

(By Mr. Rogers)



PASSED March 8, 1980

In Effect from Passage



No. 242

# ENROLLED

## Senate Bill No. 242

(By MR. ROGERS)

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[Passed March 8, 1980; in effect from passage.]

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AN ACT to amend and reenact section six, article two, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to requiring the commissioner of banking to make an examination of every financial institution at least once every eighteen months.

*Be it enacted by the Legislature of West Virginia:*

That section six, article two, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

### **ARTICLE 2. DEPARTMENT OF BANKING.**

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

1 The commissioner of banking shall make, at least once  
2 every eighteen months, a thorough examination of all  
3 the books, accounts, records and papers of every financial  
4 institution. He shall carefully examine all of the assets  
5 of each such institution, including its notes, drafts,  
6 checks, mortgages, securities deposited to assure the pay-  
7 ment of debts unto it, and all papers, documents and  
8 records showing, or in any manner relating to, its busi-  
9 ness affairs, and shall ascertain the full amount and  
10 the nature in detail of all of its assets and liabilities.  
11 The commissioner may also make such examination of  
12 any subsidiaries or affiliates of a financial institution as

13 he may deem necessary to ascertain the financial condi-  
14 tion of such financial institution, the relations between  
15 such financial institution and its subsidiaries and affil-  
16 iates and the effect of such relations upon the affairs  
17 of such financial institution. A full report of every such  
18 examination shall be made and filed and preserved in  
19 the office of the commissioner and a copy thereof forth-  
20 with mailed to the institution examined. Every such  
21 institution shall retain all of its records of final entry  
22 for such period of time as required in section thirty-  
23 five, article four of this chapter for banking institutions.

24 Every official communication from the commissioner  
25 to any such institution, or to any officer thereof, relating  
26 to an examination or an investigation of the affairs of  
27 such institution conducted by the commissioner or con-  
28 taining suggestions or recommendations as to the man-  
29 ner of conducting the business of the institution, shall  
30 be read to the board of directors at the next meeting  
31 after the receipt thereof, and the president, or other  
32 executive officer, of the institution shall forthwith notify  
33 the commissioner in writing of the presentation and  
34 reading of such communication and of any action taken  
35 thereon by the institution.

36 The commissioner of banking, in his discretion, may  
37 (a) accept a copy of a reasonably current examination  
38 of any banking institution made by the federal deposit  
39 insurance corporation or the federal reserve system in  
40 lieu of an examination of such banking institution re-  
41 quired or authorized to be made by the laws of this  
42 state, and the commissioner may furnish to the federal  
43 deposit insurance corporation or the federal reserve  
44 system or to any official or examiner thereof, any copy  
45 or copies of the commissioner's examinations of and  
46 reports on such banking institutions, (b) accept a copy  
47 of a reasonably current examination of any building  
48 and loan association made by the federal home loan  
49 bank board, a federal home loan bank or the federal  
50 savings and loan insurance corporation, in lieu of an  
51 examination of such building and loan association re-  
52 quired or authorized to be made by the laws of this  
53 state, and the commissioner may furnish to the federal

54 home loan bank or any of its member banks or to the  
55 federal savings and loan insurance corporation or any  
56 official or examiner thereof, any copy or copies of the  
57 commissioner's examination and reports on such build-  
58 ing and loan associations; but nothing herein shall be  
59 construed to limit the duty and responsibility of banking  
60 institutions or building and loan associations to comply  
61 with all provisions of law relating to examinations and  
62 reports, nor to limit the powers and authority of the  
63 commissioner of banking with reference to examina-  
64 tions and reports under existing laws.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*James L. Davis*  
Chairman Senate Committee

*Clarence C. Chastain Jr*  
Chairman House Committee

Originated in the Senate.

To take effect from passage.

*Isid C. Miller*  
Clerk of the Senate

*Cl Blenkinship*  
Clerk of the House of Delegates

*H. T. Bolheiser*  
President of the Senate

*Clyde M. See, Jr*  
Speaker House of Delegates

The within *is approved* this the *17*  
day of *March*, 1980.

*John R. Riffe*  
Governor





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SECY. OF STATE

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