WEST VIRGINIA LEGISLATURE
Regular Session 2003

ENROLLED

SENATE BILL NO. 190

(By Senator Minard, et al.)

PASSED March 7, 2003

In Effect ninety days from Passage
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 the bank examination schedule for certain banking institutions.

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. DIVISION OF BANKING.

§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.

1 The commissioner shall make, at least once every twelve months, a thorough examination of all the books, accounts,
records and papers of every depository financial institu-
tion with: (1) Assets of more than two hundred fifty
million dollars; or (2) banks with a composite rating of
three, four or five under the federal uniform financial
institution rating system. For all other depository finan-
cial institutions the commissioner of banking shall make,
at least once every eighteen months, a thorough examina-
tion of all the books, accounts, records and papers. He or
she shall carefully examine all of the assets of each such
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 informa-
tion provided in any license application or annual report
submitted to the commissioner. The commissioner may
also make such examination of any subsidiaries or affili-
ates of a financial institution as he or she may deem
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 such financial institu-
tion. A full report of every examination shall be made and
filed and preserved in the office of the commissioner and
a copy thereof forthwith mailed to the institution exam-
ined. 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 institu-
tions. 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 fifty dollars per each
examiner hour expended.
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 the receipt thereof and the president, or other executive officer, of the institution shall forthwith notify the commissioner in writing of the presentation and reading of the communication and of any action taken thereon by the institution.

The commissioner of banking, in his or her discretion, may: (a) 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 commissioner's examinations of and reports on the banking institutions; (b) 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 such 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 such banking institutions; but nothing herein 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 coopera-
tive, 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.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within ............... this the ....... Day of .................., 2003.

Governor
PRESENTED TO THE GOVERNOR

Date 3.19.03
Time 4:30pm BW