

SB 182 5
S 181 815

FILED

2007 MAR 27 AM 10:46

OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE
SEVENTY-EIGHTH LEGISLATURE
REGULAR SESSION, 2007

ENROLLED
Committee Substitute for
Senate Bill No. 182

(SENATORS MINARD, YODER, BARNES AND
KESSLER, *original sponsors*)

[Passed March 5, 2007; in effect from passage.]

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COMMITTEE SUBSTITUTE

FOR

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[Passed March 5, 2007; in effect from passage.]

AN ACT to amend and reenact §31A-2-6 of the Code of West Virginia, 1931, as amended, relating to providing that the Division of Banking shall employ the same frequency of examination schedules of depository financial institutions as the primary federal regulators of those institutions.

Be it enacted by the Legislature of West Virginia:

Enr. Com. Sub. for S. B. No. 182] 2

That §31A-2-6 of the Code of West Virginia, 1931, 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 (a) The commissioner shall make a thorough
2 examination of all the books, accounts, records and
3 papers of every depository financial institution using
4 the same frequency of examination schedule as the
5 financial institution's primary federal regulator. He or
6 she shall carefully examine all of the assets of each
7 institution, including its notes, drafts, checks,
8 mortgages, securities deposited to assure the payment of
9 debts unto it and all papers, documents and records
10 showing, or in any manner relating to, its business
11 affairs and shall ascertain the full amount and the
12 nature in detail of all of its assets and liabilities. The
13 commissioner may also, at his or her discretion, make or
14 cause to be made an annual or periodic examination of
15 the books, accounts, records and papers of other
16 financial institutions under his or her supervision for
17 the purposes of determining compliance with applicable
18 consumer and credit lending laws and verifying
19 information provided in any license application or
20 annual report submitted to the commissioner. The
21 commissioner may also make an examination of any
22 subsidiaries or affiliates of a financial institution as he
23 or she may consider necessary to ascertain the financial
24 condition of the financial institution, the relations

25 between the financial institution and its subsidiaries
26 and affiliates and the effect of the relations upon the
27 affairs of the financial institution. A full report of every
28 examination shall be made and filed and preserved in
29 the office of the commissioner and a copy of it
30 immediately mailed to the institution examined. Every
31 institution shall retain all of its records of final entry for
32 the period of time as required in section thirty-five,
33 article four of this chapter for banking institutions.
34 Unless otherwise covered by assessments or a specific
35 provision of this code, the cost of examinations made
36 pursuant to this section shall be borne by the financial
37 institution at a rate of fifty dollars per each examiner
38 hour expended.

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

51 (c) The Commissioner of Banking, in his or her
52 discretion, may: (i) Accept a copy of a reasonably
53 current examination of any banking institution made by
54 the Federal Deposit Insurance Corporation or the
55 Federal Reserve System in lieu of an examination of the
56 banking institution required or authorized to be made
57 by the laws of this state and the commissioner may

58 furnish to the Federal Deposit Insurance Corporation or
59 the Federal Reserve System or to any official or
60 examiner thereof any copy or copies of the
61 commissioner's examinations of and reports on the
62 banking institutions; (ii) accept a copy of a reasonably
63 current examination of any out-of-state bank or any
64 West Virginia state bank's out-of-state activities made
65 by another state's banking regulatory authority in lieu
66 of an examination of the banking institution required or
67 authorized to be made by the laws of this state and the
68 commissioner may furnish to the other state's banking
69 regulatory authority or to any official or examiner
70 thereof any copy or copies of the commissioner's
71 examinations of and reports on the banking institutions;
72 but nothing in this subsection shall be construed to limit
73 the duty and responsibility of banking institutions to
74 comply with all provisions of law relating to
75 examinations and reports, nor to limit the powers and
76 authority of the commissioner of banking with reference
77 to examinations and reports under existing laws. The
78 provision or exchange of examination reports and other
79 records of financial condition and individuals pursuant
80 to cooperative, coordinating or information-sharing
81 agreements with other bank supervisory agencies and
82 persons as permitted by this chapter under an
83 agreement of confidentiality shall not constitute a
84 violation of section four of this article.

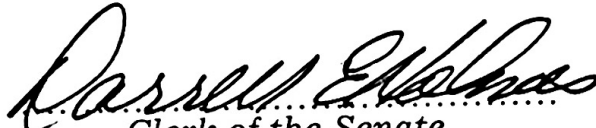
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.


.....
Chairman Senate Committee


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Chairman House Committee

Originated in the Senate.

In effect from passage.


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Clerk of the Senate


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Clerk of the House of Delegates


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President of the Senate


.....
Speaker House of Delegates

The within *is approved* this
the *26th* Day of *March* 2007.


.....
Governor

PRESENTED TO THE
GOVERNOR

MAR 20 2007

Time 3:30