

# **One Hundred Third Legislature - First Session - 2013**

## **Introducer's Statement of Intent**

### **LB213**

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**Chairperson: Senator Mike Gloor**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: January 28, 2013**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB213 is a bill introduced at the request of the Nebraska Department of Banking and Finance (department) relating to financial institutions. The bill would do the following:

#### **WILD CARD UPDATES**

The bill would provide for the annual re-enactment of the depository financial institutions wild card statutes to provide equal rights, powers, privileges, benefits, and immunities for state-chartered banks, credit unions, and savings and loans with their respective federal counterparts. Due to state constitutional restrictions, the statutes are amended annually. (§8-1,140; §8-355; and §21-17,115); (Sections 7, 10, 15).

#### **INFORMATION SHARING WITH THE CONSUMER FINANCIAL PROTECTION BUREAU**

The bill would update the laws which provide authority to, or reference the authority of, the Department of Banking and Finance to share examination reports and other confidential information with federal and other state financial institution regulators, by including the Consumer Financial Protection Bureau as an additional authorized regulator. (§8-103(2), §8-108, §8-705, §8-706, and §8-915); (Sections 2, 3, 12, 13, and 14 of the bill).

#### **BANK INVESTMENTS**

The bill would authorize a bank to invest in limited liability companies (LLCs), which would be subject to examination by the department. The activities of the LLC would be limited to the business of banking or incidental to banking. Other parameters of an LLC investment would be set by rule or order of the department. (New statute); (Section 4 of the bill).

TRUST COMPANY DIRECTORS

The bill would update the prerequisites for membership on the board of directors of a trust company by removing the requirement that a member own one share of stock of the trust company, and by removing the requirement that members of the board of directors are to be selected from the shareholders of the trust company. (§8-204); (Section 8 of the bill).

DEPARTMENT EMPLOYEE BORROWING

The bill would provide that Department employees, who are not permitted to borrow from state-chartered financial institutions except for the Nebraska State Employees Credit Union (NSECUCU), would be able to continue borrowing at a successor institution if NSECUCU merged with another state-chartered credit union. (§8-103(3)); (Section 2 of the bill).

UPDATE REFERENCES TO FEDERAL LAWS

The bill would update references to federal laws which relate to electronic funds transfers, financial reports, and certain bankruptcy notices. (§8-135(2), §8-167.01, §8-213); (Sections 5, 6, and 9 of the bill).

REPEAL OBSOLETE REFERENCE

The bill would repeal an obsolete reference to the start date for registration of financial institution mortgage loan originators. (§8-702); (Section 11 of the bill).

**Principal Introducer:** \_\_\_\_\_

**Senator Mike Gloor**