

One Hundred Sixth Legislature - Second Session - 2020

Introducer's Statement of Intent

LB909

Chairperson: Senator Matt Williams

Committee: Banking, Commerce and Insurance

Date of Hearing: January 21, 2020

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

LB 909 is a bill introduced at the request of the Nebraska Department of Banking and Finance (“Department”) to update laws under the jurisdiction of the Department.

LB 909 provides 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, savings and loans, and credit unions, with their respective federal counterparts. Due to state constitutional restrictions, these statutes are amended annually. (§8-1,140; §8-355; §21-17,115) (Sections 8, 10, and 17 of the bill).

LB 909 would amend the following laws to update cross-referenced federal statutes and regulations to refer to those statutes and regulations as they existed on January 1, 2020:

- §§8-135, 8-143.01, 8-157.01, and 8-183.04 of the Nebraska Banking Act (Sections 2, 4, 5, and 7 of the bill);
- §8-318 of the savings and loan statutes (Section 9 of the bill);
- §§ 8-1101, 8-1101.01, 8-1103, and 8-1111 of the Securities Act of Nebraska (Sections 11, 12, 13, and 14 of the bill);
- §§8-1704 and 8-1707 of the Nebraska Commodity Code (Sections 15 and 16 of the bill);
- §59-1722 of the Seller-Assisted Marketing Plan Act (Section 22 of the bill);
- §§69-2103, 69-2104, and 69-2112 of the Consumer Rental Purchase Agreement Act (Sections 24, 25, and 26 of the bill); and
- Uniform Commercial Code §4A-108 (Section 27 of the bill).

LB 909 proposes these additional revisions to the Nebraska Banking Act:

- Amend § 8-103 to authorize certain employees of the Department not involved in financial institution supervision to borrow from Nebraska state-chartered depository financial institutions (Section 1 of the bill);
- Amend §8-141 to update the definition of “unimpaired capital and surplus” to comport with a revised federal rule implementing the Community Bank Leverage Ratio framework pertaining to bank capital and to provide a reference date to the federal rule governing bank reports of condition (Section 3 of the bill);
- Amend §8-167 to remove obsolete language related to the publication of bank reports of condition (Section 6 of the bill).
- Repeal §8-167.01 because the federal regulation on which the statute is based has been repealed due to obsolescence (Section 29 of the bill).

LB 909 would update §§45-191.02 and 45-191.09 of the Loan Broker Act to provide that filing fees collected under the Act will be placed in the Securities Act Cash Fund rather than the Financial Institutions Assessment Cash Fund to reflect the division of the Department administering these laws, and to correct language relating to the disposition of fines to the State Treasurer (Sections 18 and 19 of the bill).

LB 909 would update §§45-1017 and 45-1033 of the Installment Loan Act to provide that examinations of licensees may be conducted as often as the Department Director deems necessary and to correct language relating to the disposition of fines to the State Treasurer (Sections 20 and 21 of the bill).

LB 909 would revise §§59-1722 and 59-1725.01 of the Seller-Assisted Marketing Plan Act to update references to federal laws and regulatory guidelines dealing with franchises and to correct language relating to the disposition of fines to the State Treasurer (Sections 22 and 23 of the bill).

The bill would provide for an emergency clause.

Principal Introducer: _____

Senator Matt Williams