

As Introduced

**123rd General Assembly
Regular Session
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H. B. No. 510

Representatives Evans, Householder

A B I L L

To amend section 1733.32, to enact new sections 1
1733.329 and 1733.3210, and to repeal sections 2
1733.329 and 1733.3210 of the Revised Code to 3
revise the qualifications and duties of members of 4
the Credit Union Council. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 1733.32 be amended and new sections 6
1733.329 and 1733.3210 of the Revised Code be enacted to read as 7
follows: 8

Sec. 1733.32. (A)(1) The superintendent of financial 9
institutions shall see that the laws relating to credit unions are 10
executed and enforced. 11

(2) The deputy superintendent for credit unions shall be the 12
principal supervisor of credit unions. In that position the deputy 13
superintendent for credit unions shall, notwithstanding division 14
(A)(3) of this section, be responsible for conducting examinations 15
and preparing examination reports under that division. In 16
addition, the deputy superintendent for credit unions shall, 17
notwithstanding sections 1733.191, 1733.41, 1733.411, and 1733.412 18
of the Revised Code, have the authority to adopt rules in 19
accordance with those sections, and, notwithstanding section 20

1733.05 of the Revised Code, shall have the authority to approve
issues and matters pertaining to fields of membership. In
performing or exercising any of the examination, rule-making, or
other regulatory functions, powers, or duties vested by division
(A)(2) of this section in the deputy superintendent for credit
unions, the deputy superintendent for credit unions shall be
subject to the control of the superintendent of financial
institutions.

(3) The superintendent shall develop and implement a system
for evaluating the safety and soundness of credit unions and for
determining when examinations and supervisory actions are
necessary. Credit unions shall be subject to periodic
examinations, as specified in rules adopted by the superintendent,
and their books, records, and accounts shall be open to the
inspection of the superintendent at all times. For the purpose of
such examination or inspection, the superintendent may subpoena
witnesses, administer oaths, receive testimony, and order the
submission of documents.

(B) Every credit union shall prepare and submit, on forms
provided by the superintendent, a financial report to the
superintendent showing its assets and liabilities whenever
requested to do so by the superintendent. Every financial report
shall be verified by the oaths of the two principal officers in
charge of the affairs of the credit union at the time of such
verification and shall be submitted to the superintendent within
thirty days after the superintendent requests the financial
report.

(C) An annual financial report of the affairs and business of
the credit union, showing its condition as of the thirty-first day
of December unless otherwise authorized by the superintendent,
shall be filed with the superintendent not later than the date
authorized in the rules adopted by the superintendent.

(D) If a financial report or an annual financial report is 53
not filed with the superintendent in accordance with division (B) 54
or (C) of this section, the superintendent may do both of the 55
following: 56

(1) Assess a fine, determined by rule adopted by the 57
superintendent, for each day the report is in arrears; 58

(2) If the superintendent gives written notice to the 59
president of the credit union of the superintendent's intention to 60
do so, issue an order revoking the credit union's articles of 61
incorporation and appointing a liquidating agent to liquidate the 62
credit union in accordance with section 1733.37 of the Revised 63
Code. 64

(E)(1) Except as provided in division (E)(2) of this section, 65
each credit union doing business in this state shall remit, 66
semiannually and within fifteen days after billing, to the 67
treasurer of state, a supervisory fee in an amount determined by 68
the superintendent, and confirmed by the credit union council. The 69
supervisory fee described in division (E)(1) of this section shall 70
be based on a percentage of the gross assets of the credit union 71
as shown by its last annual financial report filed with the 72
superintendent in accordance with division (C) of this section. 73
The minimum supervisory fee shall be determined by the 74
superintendent and confirmed by the credit union council. 75

(2) Each corporate credit union doing business in this state 76
shall remit, semiannually and within fifteen days after billing, 77
to the treasurer of state, a supervisory fee determined by rule 78
adopted by the superintendent and confirmed by the credit union 79
council. The aggregate annual amount of the fee shall not exceed 80
the annual operating fee that the national credit union 81
administration charges a federally chartered credit union pursuant 82
to the "Federal Credit Union Act," 84 Stat. 994 (1970), 12 83

U.S.C.A. 1751. 84

(3) The superintendent annually shall present to the credit union council for confirmation the supervisory fees to be billed credit unions and corporate credit unions pursuant to division (E) of this section. 85
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(4) If any supervisory fee is not remitted in accordance with division (E)(1) or (2) of this section, the superintendent may assess a fine, determined by rule adopted by the superintendent, for each day that each fee is in arrears. 89
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~~(4) The (5)(a) Subject to division (E)(5)(b) of this section,~~ 93
the total amount of each semiannual billing to all credit unions and corporate credit unions combined shall equal one-half of the appropriation made by the main operating appropriation act, including any modifications made by the controlling board, to the division of financial institutions for the regulation of credit unions for the fiscal year in which the billings occur, except that the superintendent, in determining the supervisory fees, may take into consideration any funds lapsed from the appropriation made in the previous fiscal year. 94
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(b) If during the period between the credit union council's confirmation of supervisory fees and when supervisory fees described in this section are collected, the credit union council determines additional money is required to adequately fund the operations of the division of financial institutions for that fiscal year, the credit union council may, by the affirmative vote of five of its members, increase the supervisory fees billed. The superintendent promptly shall notify each credit union and corporate credit union of the increased supervisory fees, and each credit union or corporate credit union shall pay the increased supervisory fees billed by the superintendent. 103
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~~(5)(6)~~ The fees or fines collected pursuant to this section 114

shall be credited to the credit unions fund created in section 115
1733.321 of the Revised Code. 116

(F) A report of such examination shall be forwarded to the 117
president of each credit union after the completion of the 118
examination. Such report may contain comments relative to the 119
management of the affairs of the credit union and also as to the 120
general condition of its assets. Within thirty days of the receipt 121
of such report, a meeting of the directors shall be called to 122
consider matters contained in the report, and the president shall 123
notify the superintendent of any action taken at such meeting. 124

(G)(1) The superintendent shall furnish reports of 125
examinations or other appropriate information to any organization 126
referred to in section 1733.041 of the Revised Code when requested 127
by such organization and authorized by the credit union. The 128
superintendent may charge a fee for such reports and other 129
information as may be established by rules adopted by the 130
superintendent. 131
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(2) A report of examination furnished pursuant to division 133
(G)(1) of this section is the property of the division of credit 134
unions and may be used by the examined credit union only in the 135
conduct of its business. Under no circumstances may the credit 136
union, its current or former directors, officers, employees, 137
agents, shareholders, participants in the conduct of its affairs, 138
or their agents disclose or make public, in any manner, a report 139
of examination or its contents. 140

(H) Except as provided in this division, information obtained 141
by the superintendent of credit unions and the superintendent's 142
employees as a result of or arising out of the examination or 143
independent audit of a credit union, from required reports, or 144
because of their official position, shall be confidential. Such 145
information may be disclosed only in connection with criminal 146

proceedings or, subject to section 1733.327 of the Revised Code, 147
when it is necessary for the superintendent to take official 148
action pursuant to Chapter 1733. of the Revised Code and the rules 149
adopted thereunder regarding the affairs of the credit union 150
examined. This division does not prevent the superintendent from 151
properly exchanging information relating to an examined credit 152
union pursuant to division (F) or (G) of this section or with 153
officials of properly authorized state or federal supervisory 154
authorities or with any insurer recognized under section 1733.041 155
or any surety recognized under section 1733.23 of the Revised 156
Code. This division also does not prevent the superintendent from 157
disclosing information contained in the financial reports or 158
annual financial reports described in division (B) or (C) of this 159
section to recognized credit union trade associations. 160

Sec. 1733.329. (A) There is hereby created in the division of 162
financial institutions the credit union council, which shall 163
consist of seven members. The deputy superintendent for credit 164
unions shall be a member of the council and its chairperson. the 165
governor, with the advice and consent of the senate, shall appoint 166
the remaining six members. 167

(B)(1) At least five of the six members appointed to the 168
council shall have had credit union experience. 169

(2) At least four of the six members appointed to the council 170
shall be, at the time of appointment, individuals currently 171
engaged in the exercise of duties, responsibilities, rights, and 172
powers of a director or chief executive officer of a 173
state-chartered credit union having its principal office in this 174
state and doing business in this state pursuant to this chapter 175
under the authority of the superintendent of financial 176
institutions. 177

(3) At least one of the six members appointed to the council shall be a director or chief executive officer of a state-chartered, federally insured credit union. 178
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(4) At least one of the six members appointed to the council shall be a director or chief executive officer of a state-chartered, privately insured credit union. 181
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(5) At least one of the six members appointed to the council shall be a director or chief executive officer of a state-chartered credit union with five million dollars or less in assets. 184
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(6) At least one of the six members appointed to the council shall be a director or chief executive officer of a state-chartered credit union with more than five million dollars in assets. 188
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(C)(1) Initial appointments to the council shall be made within sixty days after the effective date of this section. of the initial appointments, two shall expire one year after the effective date of this section, two shall expire two years after the effective date of this section, and two shall expire three years after the effective date of this section. Thereafter, terms of office shall be for three years. 192
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(2) Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. In the case of a vacancy in the office of any member, the governor shall appoint a successor, who shall hold office for the remainder of the term for which the successor's predecessor was appointed. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until sixty days has elapsed, whichever occurs first. 199
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(3) If during a member's term on the council, the member 208

ceases to be a director or chief executive officer of a credit union as described in divisions (B)(2) to (6) of this section for a period exceeding ninety days, the member shall be ineligible to continue to serve as a member of the council, and the member's position on the council shall be considered vacant. 209
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(D) No person appointed as a member of the credit union council may serve more than two consecutive full terms. However, a member may serve two consecutive full terms following the remainder of a term for which the member was appointed to fill a vacancy or following any term for which the member was appointed prior to the effective date of this section. 214
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(E)(1) The council shall hold regular meetings at the time and place it fixes, but at least once every six months, and shall meet at any time on call of the deputy superintendent to conduct its business and to decide by vote of the members the location of future meetings. Each member shall be provided with written notice of the time and location of each council meeting at least two days prior to the scheduled date of the meeting, unless the council by resolution provides for a shorter time. Four of the members of the council constitute a quorum to transact and vote on all business coming before the council. 220
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(2) The council, by a majority vote of those present at a meeting at which there is a quorum, may adopt and amend bylaws and rules the council considers necessary and proper. The council shall select one of its members as secretary, who shall keep a record of all its proceedings. 230
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(3) No member shall participate in a proceeding before the council involving any credit union of which the member is or was at any time in the preceding twelve months a member of the board of directors, an officer, an employee, or a shareholder. A member may refrain from participating in the proceedings of the council for any other cause the member considers sufficient. 235
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(F) The members of the council shall receive no salary, but their expenses incurred in performance of their duties shall be paid from funds appropriated for that purpose. 241
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(G) The governor may remove any of the six members appointed to the council whenever in the governor's judgment the public interest requires removal. Upon removing a member of the council, the governor shall file with the superintendent of financial institutions a statement of the cause for the removal. 244
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Sec. 1733.3210. (A) The credit union council shall do all of the following: 249
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(1) Consult with, advise, and make recommendations to the superintendent of financial institutions and the deputy superintendent for credit unions on matters relating to the business for credit unions, including field of membership, regulation, examination, safety and soundness, and applications of credit unions under this chapter; 251
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(2) Consider and make recommendations upon any matter addressed in Chapters 1733. and 1761. of the Revised Code that the superintendent or deputy superintendent submits to the council for that purpose; 257
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(3) Pass upon and determine any matter the superintendent or deputy Superintendent submits to the council for determination; 261
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(4) Submit to the governor recommendations concerning amendments to the credit union laws of this state or rules adopted pursuant to those laws that the council considers appropriate; 263
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(5) Consider and determine whether to confirm the supervisory fees proposed by the Superintendent of financial institutions in accordance with division (E) of section 1733.32 of the Revised Code. 266
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(6) With respect to the adoption, amendment, or rescission of 270

rules adopted pursuant to this chapter, be present at the public 271
hearing required by section 119.03 of the Revised Code and provide 272
recommendations, advice, or assistance at the public hearing. 273

(B) Neither the deputy superintendent, nor any other member 274
of the council, shall be liable, in any civil or criminal action 275
or proceeding, for any mistake of judgment or discretion in any 276
action taken, or in any omission made, in good faith by the deputy 277
superintendent or other member. 278

Section 2. That existing section 1733.32 and sections 279
1733.329 and 1733.3210 of the Revised Code are hereby repealed. 280

Section 3. The Credit Union Council as it existed prior to 281
the effective date of this act, within sixty days after the 282
effective date of this act, shall conclude any pending matters for 283
which the council was responsible under law prior to the effective 284
date of this act and for which the council is not responsible 285
under this act. 286