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Am. Sub. H. B. No. 510

**Representatives Evans, Householder, Verich, Schuler, Salerno, Barnes,
Myers, Carey, Tiberi, Buchy, Jolivette, Hartnett, Stevens, Flannery, Olman,
Hollister, Austria, Peterson, Redfern**

A B I L L

To amend sections 1155.13, 1163.16, 1181.16, and 1
1733.32, to enact new sections 1733.329 and 2
1733.3210 and section 1181.17, and to repeal 3
sections 1733.329 and 1733.3210 of the Revised 4
Code to revise the qualifications and duties of 5
members of the Savings and Loan Associations and 6
Savings Banks Board and the Credit Union Council. 7

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

Section 1. That sections 1155.13, 1163.16, 1181.16, and 8
1733.32 be amended and new sections 1733.329 and 1733.3210 and 9
section 1181.17 of the Revised Code be enacted to read as follows: 10

Sec. 1155.13. (A)(1) Each savings and loan association 11
subject to inspection and examination by the superintendent of 12
financial institutions and transacting business in this state as 13
of the thirty-first day of December of the prior fiscal year, or 14
the savings and loan association's successor in interest, shall 15
pay annual assessments to the superintendent as provided in this 16
section. 17

(2) After determining the budget of the division of financial 18

institutions for examination and regulation of savings and loan
associations, but prior to establishing the annual assessment
amount necessary to fund that budget, the superintendent shall
include any amounts collected but not yet expended or encumbered
by the superintendent in the previous fiscal year's budget and
remaining in the savings institutions fund from the amount to be
assessed. Based upon the resulting budget amount and upon
confirmation of the schedule of assessments by the savings and
loan associations and savings banks board, the superintendent
shall make an assessment upon each savings and loan association
based on the total assets as shown on the books of the savings and
loan association as of the thirty-first day of December of the
previous fiscal year. The assessments shall be collected on an
annual or periodic basis within the fiscal year, as determined by
the superintendent.

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(3) Annually and prior to making any assessment pursuant to
division (A)(2) of this section, the superintendent shall present
to the savings and loan associations and savings banks board for
confirmation a schedule of the assessments to be billed savings
and loan associations pursuant to division (A)(2) of this section.

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(4) A savings and loan association authorized by the
superintendent to commence business in the period between
assessments shall pay the actual reasonable costs of the
division's examinations and visitations.

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(B) Assessments and fees charged pursuant to this section
shall be paid within fourteen days after receiving an invoice for
payment of the assessment or fee.

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Any assessment or fee collected is not refundable.

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(C) The superintendent shall pay all assessments and fees
charged pursuant to this section and all forfeitures required to
be paid to the superintendent into the state treasury to the

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credit of the savings institutions fund established under section 50
1181.18 of the Revised Code. 51

(D) Any money deposited into the state treasury to the credit 52
of the savings institutions fund, but not expended or encumbered 53
by the superintendent to defray the costs of administering 54
Chapters 1151. to 1157. of the Revised Code, shall remain in the 55
savings institutions fund for expenditures by the superintendent 56
in subsequent years in the administration of Chapters 1151. to 57
1157. of the Revised Code. 58

Sec. 1163.16. (A)(1) Each savings bank subject to inspection 59
and examination by the superintendent of financial institutions 60
and transacting business in this state as of the thirty-first day 61
of December of the prior fiscal year, or the savings bank's 62
successor in interest, shall pay annual assessments to the 63
superintendent as provided in this section. 64

(2) After determining the budget of the division of financial 65
institutions for examination and regulation of savings banks, but 66
prior to establishing the annual assessment amount necessary to 67
fund that budget, the superintendent shall include any amounts 68
collected but not yet expended or encumbered by the superintendent 69
in the previous fiscal year's budget and remaining in the savings 70
institutions fund from the amount to be assessed. Based upon the 71
resulting budget amount and upon confirmation of the schedule of 72
assessments by the savings and loan associations and savings banks 73
board, the superintendent shall make an assessment upon each 74
savings bank based on the total assets as shown on the books of 75
the savings bank as of the thirty-first day of December of the 76
previous fiscal year. The assessments shall be collected on an 77
annual or periodic basis within the fiscal year, as determined by 78
the superintendent. 79

(3) Annually and prior to making any assessment pursuant to 80

division (A)(2) of this section, the superintendent shall present 81
to the savings and loan associations and savings banks board for 82
confirmation a schedule of the assessments to be billed savings 83
banks pursuant to division (A)(2) of this section. 84

(4) A savings bank authorized by the superintendent to 85
commence business in the period between assessments shall pay the 86
actual reasonable costs of the division's examinations and 87
visitations. 88

(B) Assessments and fees charged pursuant to this section 89
shall be paid within fourteen days after receiving an invoice for 90
payment of the assessment or fee. 91

Any assessment or fee collected is not refundable. 92

(C) The superintendent shall pay all assessments and fees 93
charged pursuant to this section and all forfeitures required to 94
be paid to the superintendent into the state treasury to the 95
credit of the savings institutions fund established under section 96
1181.18 of the Revised Code. 97

(D) Any money deposited into the state treasury to the credit 98
of the savings institutions fund, but not expended or encumbered 99
by the superintendent to defray the costs of administering 100
Chapters 1161. to 1165. of the Revised Code, shall remain in the 101
savings institutions fund for expenditures by the superintendent 102
in subsequent years in the administration of Chapters 1161. to 103
1165. of the Revised Code. 104

Sec. 1181.16. (A) There is hereby created a savings and loan 105
associations and savings banks board which shall consist of seven 106
members. The deputy superintendent for savings and loan 107
associations and savings banks shall be a member of the board and 108
its chairperson and executive head. The governor, with the advice 109
and consent of the senate, shall appoint the remaining six 110

members, and the governor may remove any of them whenever in the 111
governor's judgment the public interest requires removal. Upon 112
such removal the governor shall file with the superintendent of 113
financial institutions a statement of the cause thereof. 114

(B) After the second Monday in January of each year, the 115
governor shall appoint two members. Terms of office shall be for 116
three years commencing on the first day of February and ending on 117
the thirty-first day of January. Each member shall hold office 118
from the date of appointment until the end of the term for which 119
the member was appointed. In the case of a vacancy in the office 120
of any such member, the governor shall appoint a successor who 121
shall hold office for the remainder of the term for which the 122
successor's predecessor was appointed. Any member shall continue 123
in office subsequent to the expiration date of the member's term 124
until the member's successor takes office, or until a period of 125
sixty days has elapsed, whichever occurs first. 126

(C) No person appointed as a member of such board may serve 127
more than two full consecutive terms. However, a member may serve 128
two full consecutive terms following the remainder of a term for 129
which the member was appointed to fill a vacancy. 130

(D)(1) At least two of the six appointive members of the 131
savings and loan associations and savings banks board shall have 132
had savings and loan association experience in a savings and loan 133
association organized and transacting business under ~~the laws of~~ 134
~~this state~~ authority granted by the superintendent of financial 135
institutions. 136

~~(E)~~(2) At least two of the six appointive members of the 137
savings and loan associations and savings banks board shall have 138
had savings banks experience in a savings bank organized and 139
transacting business under ~~the laws of this state~~ authority 140
granted by the superintendent. 141

~~(F) Two appointed members of the savings and loan associations and savings banks board shall represent the public and shall not at the time of appointment or during the term of appointment be engaged in the management or direction of a financial institution or have a financial interest in a financial institution other than as a customer or member of the financial institution. For purposes of this division, "financial institution" includes a credit union, bank, savings and loan association, and savings bank.~~ 142-150

~~(G) A majority of the board shall constitute a quorum and action taken by a majority of those present at any meeting at which a quorum is present shall be the action of the board.~~ 151-153

~~No member shall participate in a proceeding before the board involving any savings and loan association or savings bank of which the member is or was at any time in the preceding twelve months a member of the board of directors, officer, employee, or stockholder. A member may disqualify himself or herself from participating in a proceeding for any other cause deemed by the member to be sufficient.~~ 154-160

(E) No person who has been convicted of, or pleaded guilty to, a felony involving dishonesty or breach of trust shall take or hold office as a member of the savings and loan associations and savings banks board. 161-164

(F) The members of the board shall receive no salary, but their expenses incurred in the performance of their duties shall be paid from funds appropriated for that purpose. 165-167

(G) The governor may remove any of the six members appointed to the board whenever in the governor's judgment the public interest requires removal. Upon removing a member of the board, the governor shall file with the superintendent a statement of the cause for removal. 168-172

(H)(1) The savings and loan associations and savings banks board shall hold regular meetings at such times and places as it fixes, but at least once every six months, and shall meet at any time on call of the deputy superintendent for savings and loan associations and savings banks upon two days' notice unless the board by resolution provides for a shorter notice. ~~The members of the board shall receive no salary, but their expenses incurred in the performance of their duties shall be paid from funds appropriated therefor.~~

(2) A majority of the full board constitutes a quorum and action taken by a majority of those present at any meeting at which a quorum is present shall be the action of the board.

(3) No member shall participate in a proceeding before the board involving any savings and loan association or savings bank of which the member is or was at any time in the preceding twelve months a member of the board of directors, officer, employee, or stockholder. A member may disqualify himself or herself from participating in a proceeding for any other cause deemed by the member to be sufficient.

(4) The board may, by a majority vote of those present at a meeting at which there is a quorum, adopt and amend such bylaws and rules as the board, in its judgment are, considers necessary and proper. It shall select one of its members as secretary, who shall keep a record of all its proceedings.

~~(I) The savings and loan associations and savings banks board may:~~

~~(a) Consider and make recommendations upon any matter addressed in Chapters 1151., 1153., 1155., 1157., 1161., 1163., and 1165., which the superintendent of financial institutions or deputy superintendent for savings and loan associations and savings banks submits to it for that purpose, and pass upon and~~

determine any matter which the superintendent or deputy	204
superintendent submits to it for determination; and	205
(b) Submit to the governor proposed amendments to the laws of	206
this state governing savings and loan associations and savings	207
banks.	208
(J) Neither the deputy superintendent for savings and loan	209
associations and savings banks, nor any other member of the	210
savings and loan associations and savings banks board, shall be	211
liable, in any civil or criminal action or proceeding, for any	212
mistake of judgment or discretion in any action taken, or in any	213
omission made, by the deputy superintendent or other member in	214
good faith.	215
<u>Sec. 1181.17. The savings and loan associations and savings</u>	216
<u>banks board shall do all of the following:</u>	217
<u>(A) Make recommendations to the superintendent of financial</u>	218
<u>institutions and the deputy superintendent for savings and loan</u>	219
<u>associations and savings banks on matters relating to the business</u>	220
<u>of savings and loan associations and savings banks;</u>	221
<u>(B) Consider and make recommendations upon any matter</u>	222
<u>addressed in Chapters 1151., 1153., 1155., 1157., 1161., 1163.,</u>	223
<u>and 1165. of the Revised Code that the superintendent or deputy</u>	224
<u>superintendent submits to the board for that purpose;</u>	225
<u>(C) Pass upon and determine any matter the superintendent or</u>	226
<u>deputy superintendent submits to the board for determination;</u>	227
<u>(D) Submit to the governor proposed amendments to the savings</u>	228
<u>and loan associations or savings banks laws of this state;</u>	229
<u>(E) Consider and determine whether to confirm the annual</u>	230
<u>schedule of assessments proposed by the superintendent of</u>	231
<u>financial institutions in accordance with division (A) of sections</u>	232
<u>1155.13 and 1163.16 of the Revised Code.</u>	233

Sec. 1733.32. (A)(1) The superintendent of financial 234
institutions shall see that the laws relating to credit unions are 235
executed and enforced. 236

(2) The deputy superintendent for credit unions shall be the 237
principal supervisor of credit unions. In that position the deputy 238
superintendent for credit unions shall, notwithstanding division 239
(A)(3) of this section, be responsible for conducting examinations 240
and preparing examination reports under that division. In 241
addition, the deputy superintendent for credit unions shall, 242
notwithstanding sections 1733.191, 1733.41, 1733.411, and 1733.412 243
of the Revised Code, have the authority to adopt rules in 244
accordance with those sections, and, notwithstanding section 245
1733.05 of the Revised Code, shall have the authority to approve 246
issues and matters pertaining to fields of membership. In 247
performing or exercising any of the examination, rule-making, or 248
other regulatory functions, powers, or duties vested by division 249
(A)(2) of this section in the deputy superintendent for credit 250
unions, the deputy superintendent for credit unions shall be 251
subject to the control of the superintendent of financial 252
institutions. 253

(3) The superintendent shall develop and implement a system 254
for evaluating the safety and soundness of credit unions and for 255
determining when examinations and supervisory actions are 256
necessary. Credit unions shall be subject to periodic 257
examinations, as specified in rules adopted by the superintendent, 258
and their books, records, and accounts shall be open to the 259
inspection of the superintendent at all times. For the purpose of 260
such examination or inspection, the superintendent may subpoena 261
witnesses, administer oaths, receive testimony, and order the 262
submission of documents. 263

(B) Every credit union shall prepare and submit, on forms 264

provided by the superintendent, a financial report to the 265
superintendent showing its assets and liabilities whenever 266
requested to do so by the superintendent. Every financial report 267
shall be verified by the oaths of the two principal officers in 268
charge of the affairs of the credit union at the time of such 269
verification and shall be submitted to the superintendent within 270
thirty days after the superintendent requests the financial 271
report. 272

(C) An annual financial report of the affairs and business of 273
the credit union, showing its condition as of the thirty-first day 274
of December unless otherwise authorized by the superintendent, 275
shall be filed with the superintendent not later than the date 276
authorized in the rules adopted by the superintendent. 277

(D) If a financial report or an annual financial report is 278
not filed with the superintendent in accordance with division (B) 279
or (C) of this section, the superintendent may do both of the 280
following: 281

(1) Assess a fine, determined by rule adopted by the 282
superintendent, for each day the report is in arrears; 283

(2) If the superintendent gives written notice to the 284
president of the credit union of the superintendent's intention to 285
do so, issue an order revoking the credit union's articles of 286
incorporation and appointing a liquidating agent to liquidate the 287
credit union in accordance with section 1733.37 of the Revised 288
Code. 289

(E)(1) Except as provided in division (E)(2) of this section, 290
each credit union doing business in this state shall remit, 291
semiannually and within fifteen days after billing, to the 292
treasurer of state, a supervisory fee in an amount determined by 293
the superintendent, and confirmed by the credit union council. The 294
supervisory fee described in division (E)(1) of this section shall 295

be based on a percentage of the gross assets of the credit union 296
as shown by its last annual financial report filed with the 297
superintendent in accordance with division (C) of this section. 298
The minimum supervisory fee shall be determined by the 299
superintendent and confirmed by the credit union council. 300

(2) Each corporate credit union doing business in this state 301
shall remit, semiannually and within fifteen days after billing, 302
to the treasurer of state, a supervisory fee determined by rule 303
adopted by the superintendent and confirmed by the credit union 304
council. The aggregate annual amount of the fee shall not exceed 305
the annual operating fee that the national credit union 306
administration charges a federally chartered credit union pursuant 307
to the "Federal Credit Union Act," 84 Stat. 994 (1970), 12 308
U.S.C.A. 1751. 309

(3) The superintendent annually shall present to the credit 310
union council for confirmation the supervisory fees to be billed 311
credit unions and corporate credit unions pursuant to division (E) 312
of this section. 313

(4) If any supervisory fee is not remitted in accordance with 314
division (E)(1) or (2) of this section, the superintendent may 315
assess a fine, determined by rule adopted by the superintendent, 316
for each day that each fee is in arrears. 317

~~(4)~~ The (5)(a) Subject to division (E)(5)(b) of this section, 318
the total amount of each semiannual billing to all credit unions 319
and corporate credit unions combined shall equal one-half of the 320
appropriation made by the main operating appropriation act, 321
including any modifications made by the controlling board, to the 322
division of financial institutions for the regulation of credit 323
unions for the fiscal year in which the billings occur, except 324
that the superintendent, in determining the supervisory fees, may 325
take into consideration any funds lapsed from the appropriation 326
made in the previous fiscal year. 327

(b) If during the period between the credit union council's 328
confirmation of supervisory fees and when supervisory fees 329
described in this section are collected, the credit union council 330
determines additional money is required to adequately fund the 331
operations of the division of financial institutions for that 332
fiscal year, the credit union council may, by the affirmative vote 333
of five of its members, increase the supervisory fees billed. The 334
superintendent promptly shall notify each credit union and 335
corporate credit union of the increased supervisory fees, and each 336
credit union or corporate credit union shall pay the increased 337
supervisory fees billed by the superintendent. 338

~~(5)~~(6) The fees or fines collected pursuant to this section 339
shall be credited to the credit unions fund created in section 340
1733.321 of the Revised Code. 341

(F) A report of such examination shall be forwarded to the 342
president of each credit union after the completion of the 343
examination. Such report may contain comments relative to the 344
management of the affairs of the credit union and also as to the 345
general condition of its assets. Within thirty days of the receipt 346
of such report, a meeting of the directors shall be called to 347
consider matters contained in the report, and the president shall 348
notify the superintendent of any action taken at such meeting. 349

(G)(1) The superintendent shall furnish reports of 351
examinations or other appropriate information to any organization 352
referred to in section 1733.041 of the Revised Code when requested 353
by such organization and authorized by the credit union. The 354
superintendent may charge a fee for such reports and other 355
information as may be established by rules adopted by the 356
superintendent. 357

(2) A report of examination furnished pursuant to division 358

(G)(1) of this section is the property of the division of credit unions and may be used by the examined credit union only in the conduct of its business. Under no circumstances may the credit union, its current or former directors, officers, employees, agents, shareholders, participants in the conduct of its affairs, or their agents disclose or make public, in any manner, a report of examination or its contents.

(H) Except as provided in this division, information obtained by the superintendent of credit unions and the superintendent's employees as a result of or arising out of the examination or independent audit of a credit union, from required reports, or because of their official position, shall be confidential. Such information may be disclosed only in connection with criminal proceedings or, subject to section 1733.327 of the Revised Code, when it is necessary for the superintendent to take official action pursuant to Chapter 1733. of the Revised Code and the rules adopted thereunder regarding the affairs of the credit union examined. This division does not prevent the superintendent from properly exchanging information relating to an examined credit union pursuant to division (F) or (G) of this section or with officials of properly authorized state or federal supervisory authorities or with any insurer recognized under section 1733.041 or any surety recognized under section 1733.23 of the Revised Code. This division also does not prevent the superintendent from disclosing information contained in the financial reports or annual financial reports described in division (B) or (C) of this section to recognized credit union trade associations.

Sec. 1733.329. (A) There is hereby created in the division of financial institutions the credit union council, which shall consist of seven members. The deputy superintendent for credit

unions shall be a member of the council and its chairperson. the 390
governor, with the advice and consent of the senate, shall appoint 391
the remaining six members. 392

(B)(1) At least five of the six members appointed to the 393
council shall have had credit union experience. 394

(2) At least four of the six members appointed to the council 395
shall be, at the time of appointment, individuals currently 396
engaged in the exercise of duties, responsibilities, rights, and 397
powers of a director or chief executive officer of a 398
state-chartered credit union having its principal office in this 399
state and doing business in this state pursuant to this chapter 400
under the authority of the superintendent of financial 401
institutions. 402

(3) At least one of the six members appointed to the council 403
shall be a director or chief executive officer of a 404
state-chartered, federally insured credit union. 405

(4) At least one of the six members appointed to the council 406
shall be a director or chief executive officer of a 407
state-chartered, privately insured credit union. 408

(5) At least one of the six members appointed to the council 409
shall be a director or chief executive officer of a 410
state-chartered credit union with five million dollars or less in 411
assets. 412

(6) At least one of the six members appointed to the council 413
shall be a director or chief executive officer of a 414
state-chartered credit union with more than five million dollars 415
in assets. 416

(C)(1) Initial appointments to the council shall be made 417
within sixty days after the effective date of this section. of the 418
initial appointments, two shall expire one year after the 419

effective date of this section, two shall expire two years after 420
the effective date of this section, and two shall expire three 421
years after the effective date of this section. Thereafter, terms 422
of office shall be for three years. 423

(2) Each member shall hold office from the date of 424
appointment until the end of the term for which the member was 425
appointed. In the case of a vacancy in the office of any member, 426
the governor shall appoint a successor, who shall hold office for 427
the remainder of the term for which the successor's predecessor 428
was appointed. Any member shall continue in office subsequent to 429
the expiration date of the member's term until the member's 430
successor takes office, or until sixty days has elapsed, whichever 431
occurs first. 432

(3) If during a member's term on the council, the member 433
ceases to be a director or chief executive officer of a credit 434
union as described in divisions (B)(2) to (6) of this section for 435
a period exceeding ninety days, the member shall be ineligible to 436
continue to serve as a member of the council, and the member's 437
position on the council shall be considered vacant. 438

(D) No person appointed as a member of the credit union 439
council may serve more than two consecutive full terms. However, a 440
member may serve two consecutive full terms following the 441
remainder of a term for which the member was appointed to fill a 442
vacancy or following any term for which the member was appointed 443
prior to the effective date of this section. 444

(E)(1) The council shall hold regular meetings at the time 445
and place it fixes, but at least once every six months, and shall 446
meet at any time on call of the deputy superintendent to conduct 447
its business and to decide by vote of the members the location of 448
future meetings. Each member shall be provided with written notice 449
of the time and location of each council meeting at least two days 450
prior to the scheduled date of the meeting, unless the council by 451

resolution provides for a shorter time. Four of the members of the 452
council constitute a quorum to transact and vote on all business 453
coming before the council. 454

(2) The council, by a majority vote of those present at a 455
meeting at which there is a quorum, may adopt and amend bylaws and 456
rules the council considers necessary and proper. The council 457
shall select one of its members as secretary, who shall keep a 458
record of all its proceedings. 459

(3) No member shall participate in a proceeding before the 460
council involving any credit union of which the member is or was 461
at any time in the preceding twelve months a member of the board 462
of directors, an officer, an employee, or a shareholder. A member 463
may refrain from participating in the proceedings of the council 464
for any other cause the member considers sufficient. 465

(F) The members of the council shall receive no salary, but 466
their expenses incurred in performance of their duties shall be 467
paid from funds appropriated for that purpose. 468

(G) The governor may remove any of the six members appointed 469
to the council whenever in the governor's judgment the public 470
interest requires removal. Upon removing a member of the council, 471
the governor shall file with the superintendent of financial 472
institutions a statement of the cause for the removal. 473

Sec. 1733.3210. (A) The credit union council shall do all of 474
the following: 475

(1) Consult with, advise, and make recommendations to the 476
superintendent of financial institutions and the deputy 477
superintendent for credit unions on matters relating to the 478
business for credit unions, including field of membership, 479
regulation, examination, safety and soundness, and applications of 480
credit unions under this chapter; 481

(2) Consider and make recommendations upon any matter 482
addressed in Chapters 1733. and 1761. of the Revised Code that the 483
superintendent or deputy superintendent submits to the council for 484
that purpose; 485

(3) Pass upon and determine any matter the superintendent or 486
deputy Superintendent submits to the council for determination; 487

(4) Submit to the governor recommendations concerning 488
amendments to the credit union laws of this state or rules adopted 489
pursuant to those laws that the council considers appropriate; 490

(5) Consider and determine whether to confirm the supervisory 491
fees proposed by the Superintendent of financial institutions in 492
accordance with division (E) of section 1733.32 of the Revised 493
Code. 494

(6) With respect to the adoption, amendment, or rescission of 495
rules adopted pursuant to this chapter, be present at the public 496
hearing required by section 119.03 of the Revised Code and provide 497
recommendations, advice, or assistance at the public hearing. 498

(B) Neither the deputy superintendent, nor any other member 499
of the council, shall be liable, in any civil or criminal action 500
or proceeding, for any mistake of judgment or discretion in any 501
action taken, or in any omission made, in good faith by the deputy 502
superintendent or other member. 503

Section 2. That existing sections 1155.13, 1163.16, 1181.16, 504
and 1733.32 and sections 1733.329 and 1733.3210 of the Revised 505
Code are hereby repealed. 506

Section 3. The Savings and Loan Associations and Savings 507
Banks Board as it existed prior to the effective date of this act 508
shall be reorganized in accordance with this act within sixty days 509
after the effective date of this act. 510

Section 4. The Credit Union Council as it existed prior to 511
the effective date of this act, within sixty days after the 512
effective date of this act, shall conclude any pending matters for 513
which the council was responsible under law prior to the effective 514
date of this act and for which the council is not responsible 515
under this act. 516