

H. B. 4275

(By Delegates Moore, Reynolds and Azinger)
[Introduced January 24, 2012; referred to the
Committee on Banking and Insurance then the Judiciary.]

A BILL to amend and reenact §31A-8C-2 of the Code of West Virginia, 1931, as amended, relating to the provision of financially-related services by banks and bank holding companies, providing that a West Virginia state-chartered banking institution may engage in a financially related activity directly if a federal or state thrift, federal credit union, or state bank chartered in another state may engage in that financially related activity.

Be it enacted by the Legislature of West Virginia:

That §31A-8C-2 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 8C. PROVISION OF FINANCIALLY-RELATED SERVICES BY BANKS AND BANK HOLDING COMPANIES.

§31A-8C-2. Banks and bank holding companies permitted to offer financially related services.

1 (a) Subject to the prior approval of the Commissioner of
2 Banking, any West Virginia state-chartered banking institution or
3 any bank holding company headquartered in this state may, either
4 through equity investment in other entities or through a wholly
5 owned subsidiary or subsidiaries, or by contract or agreement with
6 others to provide such products or services, engage in any
7 activity, exercise any power or offer any product or service that
8 is financially related. A state-chartered banking institution may
9 engage in a financially related activity directly and not through
10 an operating subsidiary, financial subsidiary or affiliate if it is
11 permissible for a national or state bank, federal or state thrift,
12 federal credit union, or other financial service provider operating
13 pursuant to federal law or regulation or the laws of other states
14 to engage in the financially related activity directly. The
15 commissioner shall grant or deny any request under this section
16 within sixty days of receipt unless additional information is
17 required.

18 (b) In determining whether an activity is financially related,
19 the commissioner shall consider:

20 (1) The ability of financial institutions to exercise any
21 additional powers in a safe and sound manner;

22 (2) The authority of national or state banks, federal or state
23 thrifts, federal credit unions and other financial service
24 providers operating pursuant to federal law or regulation ~~and~~ or

1 the laws of other states to provide the financially related
2 service; and

3 (3) Any specific limitations on financial institution
4 operations or powers contained in this chapter.

5 (c) If a state-chartered banking institution or bank holding
6 company must make prior application to a federal bank regulatory
7 agency for approval to engage in a financially related activity,
8 the banking institution or bank holding company shall file with the
9 commissioner a copy of the application submitted to the federal
10 agency.

11 (d) The commissioner shall include a list of every financially
12 related activity authorized pursuant to this section during the
13 previous twelve months in his or her annual report to the
14 Legislature.

NOTE: The purpose of this bill is to clarify that the parity authority for West Virginia state-chartered banks to provide financially-related services extends to the authority also available to federal and state thrifts, federal credit unions and out of state state-chartered banks.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.