

Senate Bill No. 333

(By Senators Minard and Klempa)

[Introduced January 18, 2012; referred to the Committee on
Banking and Insurance.]

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10 A BILL to amend and reenact §31A-8C-2 of the Code of West Virginia,
11 1931, as amended, relating to the provision of financially
12 related services by banks and bank holding companies; and
13 providing that a West Virginia state-chartered banking
14 institution may engage in a financially related activity
15 directly if a federal or state thrift, federal credit union or
16 state bank chartered in another state may engage in that
17 financially related activity.

18 *Be it enacted by the Legislature of West Virginia:*

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

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

23 **§31A-8C-2. Banks and bank holding companies permitted to offer**

1 **financially related services.**

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

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

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

23 (2) The authority of national or state banks, federal or state
24 thrifts, federal credit unions and other financial service

1 providers operating pursuant to federal law or regulation ~~and~~ or
2 the laws of other states to provide the financially related
3 service; and

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

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

12 (d) The commissioner shall include a list of every financially
13 related activity authorized pursuant to this section during the
14 previous twelve months in his or her annual report to the
15 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.