

H. B. 2158

(BY DELEGATE(S) MOORE, REYNOLDS AND AZINGER)

[Introduced February 13, 2013; 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
3 or any bank holding company headquartered in this state may,
4 either through equity investment in other entities or through a
5 wholly owned subsidiary or subsidiaries, or by contract or
6 agreement with others to provide such products or services,
7 engage in any activity, exercise any power or offer any product
8 or service that is financially related. A state-chartered banking
9 institution may engage in a financially related activity directly
10 and not through an operating subsidiary, financial subsidiary or
11 affiliate if it is permissible for a national or state bank, federal or
12 state thrift, federal credit union, or other financial service
13 provider operating pursuant to federal law or regulation or the
14 laws of other states to engage in the financially related activity
15 directly. The commissioner shall grant or deny any request under
16 this section within sixty days of receipt unless additional
17 information is 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 providers
24 operating pursuant to federal law or regulation ~~and~~ or the laws
25 of other states to provide the financially related service; and

26 (3) Any specific limitations on financial institution opera-
27 tions or powers contained in this chapter.

28 (c) If a state-chartered banking institution or bank holding
29 company must make prior application to a federal bank regula-
30 tory agency for approval to engage in a financially related
31 activity, the banking institution or bank holding company shall
32 file with the commissioner a copy of the application submitted
33 to the federal agency.

34 (d) The commissioner shall include a list of every financially
35 related activity authorized pursuant to this section during the
36 previous twelve months in his or her annual report to the
37 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.