

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass the A-Engrossed Measure
<b>Vote:</b>	5 - 0 - 1
<b>Yeas:</b>	Edwards, Girod, Starr, Thomsen, Beyer
<b>Nays:</b>	0
<b>Exc.:</b>	Monroe
<b>Prepared By:</b>	Patrick Brennan, Administrator
<b>Meeting Dates:</b>	4/22

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**WHAT THE MEASURE DOES:** Permits Director of Department of Consumer and Business Services to specify, by rule, minimum frequency for meetings of boards of directors of banking institutions. Allows banking institutions to give Director uncertified copies of audit committee reports. Allows banking institutions to invest assets in membership interests of limited liability companies in specified circumstances. Permits exception to prohibition against Oregon commercial banks knowingly allowing incidental depositor overdraft of deposit account.

**ISSUES DISCUSSED:**

- More comprehensive review of Bank Act planned to prepare for 2015 Legislative Session
- Statutory requirement vs. requirement in administrative rule

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Oregon's Bank Act is codified in ORS chapters 706 to 716. Under current law, the boards of directors of banking institutions are required to hold regular monthly meetings, unless the Director of the Department of Consumer and Business Services (DCBS) approves otherwise. House Bill 2070-A allows the Director to designate by rule the required frequency for bank board meetings.

Under current law, a bank's audit committee is tasked with examining and studying the report that the bank's supervising authority makes and reporting to the board of directors within 60 days concerning the criticisms and suggestions contained within the report. A certified copy of the audit committee report must then be transmitted to the DCBS within five days. House Bill 2070-A provides that the transmitted report may be an uncertified copy, and that the report need only be provided at the request of the Department.

House Bill 2070-A also allows the investment of bank assets into membership interests of limited liability companies, provided that such investments are made under the same circumstances as stock investments are made. Finally, the measure adds inadvertent overdrafts to the list of circumstances under which a banking institution may knowingly allow a depositor to overdraw a savings account.