One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB74

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: January 24, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB74 is a bill introduced at the request of the Nebraska Department of Banking and Finance (department). Its primary purpose is to update laws relating to financial institutions by providing for the annual renewal of the three depository financial institution wildcard statutes; revising the notice procedure for cross-reference relating to credit card bank applications; and repealing an outdated statute relating to loan loss amortization.

Sections 1, 2, and 5 would respectively re-enact the wildcard statutes for banks, savings and loan associations, and credit unions. Sections 8-1,140, 8-355, and 21-17,115 would provide parity between state-chartered depository financial institutions and their federal counterparts, as of January 1, 2011. The laws must be re-enacted on an annual basis due to the Nebraska Constitution.

Section 3 would add a cross-reference to Section 8-602(8) to clarify that credit card bank applicants are responsible for examination, investigation, and hearing costs which may be incurred by the department in connection with an application.

Section 4 would revise Section 8-1510(3), which requires the department, upon receipt of applications for cross-industry mergers, to send notice of the filing to all other financial institutions located in the county where the charter or branch office would be located. The amendment would allow financial institutions which have more than one office in the county or a main office in another county to designate one office where the notices are to be sent, which will make the process for these applications uniform with the process adopted in 2010 for other applications made to the department.

Sections 6 to 8 are the enactment date and amendatory repeal provisions for the bill.

Section 9 would outright repeal Section 8-132.01 which allows certain banks to develop a plan to amortize certain losses over severn years, because such authority no longer comports with accounting standards or federal reporting requirements.

Seciton 10 would provide the emergency clause for Sections 1, 2, 4, and 5, which are the wildcard re-enactments and the cross-industry merger notice provisions.

Principal Introducer: ______________________________

Senator Rich Pahls