



HOUSE BILL 628: 2019 Banking & Mortgage Corrections & Changes.

2019-2020 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 16, 2019
Introduced by:	Reps. Grange, Hardister, Conrad, Hunter	Prepared by:	Amy Darden
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: *House Bill 628 would do the following:*

- *Eliminate the requirement for savings banks and savings and loan associations to publish abstracts of statements of financial condition.*
- *Allow commercial banks, savings and loan associations, and savings banks to offer savings promotion raffles.*
- *Expand the Banking Commission by adding a new member licensed under Fair Enforcement Mortgage Licensing Act (SAFE Act).*

CURRENT LAW and Bill ANALYSIS:

Part I:

Currently, savings banks and savings and loan associations are required to publish an abstract of the annual statement in a newspaper.

The bill would remove this requirement.

Part II:

Credit unions may have savings promotion raffles under G.S. 54-109.64. A savings promotion raffle is a raffle in which sole consideration required for a chance of winning designated prizes is the deposit of a minimum specified amount of money in a savings account or other savings program offered by the institution.

H628 would allow commercial banks, savings and loan associations, and savings banks to also participate in savings promotion raffles. It would also make a corresponding change in the criminal statutes to reflect the change.

This part would become effective December 1, 2019.

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Part III:

Currently, the Banking Commission has 15 members as follows:

- The State Treasurer
- 2 practical bankers appointed by the General Assembly
- 12 appointed by the Governor
 - 3 practical bankers¹
 - 1 consumer finance licensee
 - 8 public members

A public member is currently defined as a member of the Commission who is not a practical banker, who is not a consumer finance licensee, and who is not, at the time of the appointment to the Commission, nor within the last 5 years preceding, an employee of a North Carolina financial institution.

H628 would change from 15 to 16 the total membership of the Banking Commission. It would add 1 additional member, who is licensed under or employed by a person licensed under Article 19B of Chapter 53, the Secure and Fair Enforcement Mortgage Licensing Act (SAFE Act), who would be appointed by the Governor. The new member's initial term would begin October 1, 2019.

EFFECTIVE DATE: Except as otherwise provided, this bill would become effective when it becomes law.

¹ A practical banker is defined as an individual who at the time of appointment to the Commission is, or has been during the five years preceding the appointment, a president, chief executive officer, director, or holder of 5% or more of any class of voting securities of a North Carolina financial institution. §53C-1-4(56)