



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

2019-2020 General Assembly

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<b>Committee:</b>		<b>Date:</b>	December 17, 2019
<b>Introduced by:</b>		<b>Prepared by:</b>	Amy Darden Staff Attorney
<b>Analysis of:</b>	S.L. 2019-173		

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**OVERVIEW:** *S.L. 2019-173 does the following:*

- *Eliminates the requirement for savings banks and savings and loan associations to publish abstracts of statements of financial condition.*
- *Allows commercial banks, savings and loan associations, and savings banks to offer savings promotion raffles.*
- *Replaces a Public Member on the Banking Commission with a member licensed under Fair Enforcement Mortgage Licensing Act (SAFE Act).*

*Except as otherwise provided, this act became effective July 26, 2019.*

## **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. This act removes this requirement.

### **Part II:**

Credit unions can 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.

The act allows commercial banks, savings and loan associations, and savings banks to also participate in savings promotion raffles. It also makes a corresponding change in the criminal statutes to reflect the change.

This part of the act became effective December 1, 2019.

### **Part III:**

Currently, the Banking Commission has 15 members as follows:

- The State Treasurer
- 2 practical bankers appointed by the General Assembly

Karen Cochrane-Brown  
Director



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- 12 appointed by the Governor
  - 3 practical bankers<sup>1</sup>
  - 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 five years preceding, an employee of a North Carolina financial institution.

This act changes one of the eight public members on the Commission to a person 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. This section becomes effective March 31, 2021. The Governor must make an appointment as required by this section to replace one of the current public members whose term expires on that day.

**EFFECTIVE DATE:** Except as otherwise provided, this act became effective July 26, 2019.

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<sup>1</sup> 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)