

SENATE BILL REPORT

SB 5931

As Passed Senate, March 9, 1995

Title: An act relating to state-chartered financial institutions parity with federally chartered financial institutions.

Brief Description: Providing parity among financial institutions.

Sponsors: Senators Prentice and Hale.

Brief History:

Committee Activity: Financial Institutions & Housing: 2/23/95, 2/24/95, 2/28/95 [DP]. Passed Senate, 3/9/95, 47-0.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Roach, Sellar, Smith and Sutherland.

Staff: Erika Lim (786-7488)

Background: All financial institutions must be chartered by either the state or the federal government. State-chartered and federally-chartered institutions are subject to different regulations.

Summary of Bill: When adopting rules governing the lending limits of state-chartered financial institutions, the Director of the Office of Financial Institutions is guided by rules governing lending limits of federally-chartered financial institutions.

The requirement that banks and trust companies publish call reports in newspapers is repealed. However, the director must provide a copy of a call report, free of charge, to anyone who requests one.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will allow state-chartered financial institutions to compete with federally-chartered financial institutions by making state regulations comparable to federal regulations.

Testimony Against: None.

Testified: John Bley, DFI (pro); Meara Nisbet, WA Bankers' Assn. (pro).

House Amendment(s): State-chartered banks are authorized to conduct the same activities that national banks were authorized to conduct before August 31, 1994.

Any activities authorized by national banks after August 31, 1994 may be conducted by state-chartered banks only with the director's approval and only after the director has made affirmative findings that the activities would: (1) serve the convenience and advantage of depositors, borrowers, or the public; and (2) maintain fair competition and parity between state-chartered and national banks.