

SENATE BILL REPORT

HB 1819

As Reported By Senate Committee On:
Financial Institutions, Insurance & Housing, March 27, 1997

Title: An act relating to the confidentiality of voluntary compliance efforts by financial institutions.

Brief Description: Establishing the confidentiality of voluntary compliance efforts by financial institutions.

Sponsors: Representatives Benson, Grant, L. Thomas and Zellinsky.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 3/27/97 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: Do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Hale, Heavey, Kline and Prentice.

Staff: Catherine Mele (786-7470)

Background: Under current state law, various examination reports and documents obtained by the Department of Financial Institutions are confidential and privileged information. Generally, in any civil action when such information is sought, the court may permit discovery of and introduction of only those documents which are relevant and otherwise unobtainable by the requesting party. This confidential status does not apply to internal reports or documentation created by a financial institution.

Summary of Bill: State and federally chartered financial institutions are given a compliance review privilege. Generally, this privilege applies to self-critical analysis of a financial institution that ascertains, monitors, or remedies violations of state and federal statutes or rules. Compliance review documents are not discoverable or admissible as evidence in any civil action. Financial institution personnel involved in a compliance review may not be required to testify at a deposition or trial. Financial institutions may waive the compliance review privilege in writing. If there is a question as to whether documents are covered by the privilege, the court may determine what documents are not subject to the privilege.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: None.

Testimony Against: None.

Testified: No one.