

**SENATE BILL REPORT**

**SB 5737**

**AS OF FEBRUARY 25, 1991**

**Brief Description:** Creating a division of financial institutions in the department of general services.

**SPONSORS:** Senators von Reichbauer, Owen, Rasmussen, Johnson, Moore, McCaslin, Sellar and West.

**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**Staff:** Benson Porter (786-7470)

**Hearing Dates:** February 26, 1991

**BACKGROUND:**

State-chartered financial institutions are regulated by two separate divisions within the Department of General Administration. The Division of Banking charters, examines, and regulates various state-chartered institutions including commercial banks, savings banks, alien institutions, industrial loan companies, and consumer finance companies. The Division of Savings and Loan charters, examines, and regulates state-chartered savings and loan associations and credit unions. Both divisions maintain their own administrative and examination staff.

Some support has been expressed in the economic and structural benefits that may be achieved by consolidating these divisions.

**SUMMARY:**

The functions and powers of the Division of Banking and the Division of Savings and Loan are consolidated. The resulting entity is the Division of Financial Institutions which is within the Department of General Administration.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested