

# Bill Summary

**COMMITTEE:** Banking and Insurance

**DATE:** 7/19/12

**PRIME SPONSOR:** Truitt

**BILL NO:** HB2369

**PREPARED BY:** Allison Dutrey

**PRINTER'S NO:** 3774

## **A. Synopsis:**

HB2369 upgrades and modernizes the Department of Banking Code of 1933. This is part of the Banking Law Modernization Package.

## **A. Summary:**

HB2369 provides for greater public disclosure and enforcement by the Department of Banking, and clarifies the Department has examination authority over bank subsidiaries.

The bill implements the Federal Consumer Financial Protection Act of 2010. The Department will be given notice prior to an agency or political subdivision of the Commonwealth engaging in a civil investigation, administrative enforcement action, examination or any other administrative proceeding to enforce Federal law or regulation or a statute, regulation, order, ordinance or resolution of an agency or a political subdivision of the Commonwealth .

It would also allow the Department to assess civil money penalties against such individuals and their institutions for conduct that causes the institution to suffer substantial financial loss, is willful, flagrant or evidences bad faith, involves an insider who benefits in a substantial way, or does not comply with previous supervisory actions involving violations.

Under the bill, the Department may publicly disclose enforcement actions against depository institutions and their employees, and it would allow the Department to remove unscrupulous individuals from bank management and boards.

HB2369 requires any state agency (including the Attorney General) or local government agency that proposes civil enforcement of a law or ordinance against a bank to consult with and receive approval from the Department prior to enforcement.