SLS 20RS-852

ORIGINAL

2020 Regular Session

SENATE BILL NO. 468

BY SENATOR MORRIS

FINANCIAL INSTITUTIONS. Provides relative to the regulation of financial institutions during a declared emergency. (gov sig)

1	AN ACT
2	To amend and reenact R.S. 6:121(A) and 121.6(A) and R.S. 51:710(A)(1), relative to the
3	office of financial institutions; and to provide for related matters.
4	Be it enacted by the Legislature of Louisiana:
5	Section 1. R.S. 6:121(A) and 121.6(A) are hereby amended and reenacted to read
6	as follows:
7	§121. Regulatory powers; promulgation of rules and regulations
8	A. The commissioner shall have, in addition to those powers specifically
9	enumerated in this Title, any power necessary and appropriate to perform his duties
10	under this Title as well as any power necessary and appropriate to prevent or
11	terminate any condition which he may reasonably deem to create an emergency
12	relative to a particular financial institution or financial institutions in general. Such
13	power may include, but shall not be limited to, the granting of temporary lending
14	authority to a financial institution, taking into account that institution's current net
15	operating income and whether it has such negative undivided profits that might
16	render the bank unable to make a loan as provided in R.S. 6:415(A)(1), (2), or (3) or
17	to make a purchase or sell as provided in R.S. 6:303(A) and (B). In granting such

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1	temporary lending authority, the amount of which shall be at the discretion of the
2	commissioner, the commissioner shall be guided by safety and soundness of the
3	financial institution.
4	* * *
5	§121.6. Authority of the commissioner; nondepository institutions; emergencies
6	A. In addition to any other powers specifically authorized, the commissioner
7	is authorized to may waive, suspend, or delay compliance with all or part of any
8	statute it is the duty of the commissioner to administer or enforce with respect to a
9	nondepository institution, if he reasonably deems compliance with such statute is
10	impossible or impractical as a result of conditions created during a declared state of
11	emergency or as a result of conditions the commissioner reasonably deems to create
12	an emergency.
13	* * *
14	Section 2. R.S. $51:710(A)(1)$ is hereby amended and reenacted to read as follows:
15	§710. Commissioner of securities; powers of commissioner and employees;
16	compensation and expenses; assistant commissioner
17	A.(1) The administration of the provisions of this Part shall be vested in the
18	commissioner of financial institutions, who is designated commissioner of securities.
19	Whenever the governor issues a declaration of emergency, the commissioner shall
20	have, in addition to those powers enumerated in this Part, any power necessary and
21	appropriate to perform his duties under this Part as well as the power necessary and
22	appropriate to prevent or terminate any condition which he may reasonably deem to
23	create an emergency relative to the registration of issuers, dealers, salesmen,
24	investment advisers, and securities, or any other matters regulated under this Part.
25	The commissioner, from time to time, may make, amend, and rescind rules, forms,
26	compliance agreements, and orders as are necessary to carry out the provisions of
27	this Part, where such action is consistent with the public interest and with the
28	purpose fairly intended by the policy and provisions of this Part.

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1 Section 3. This Act shall become effective upon signature by the governor or, if not 2 signed by the governor, upon expiration of the time for bills to become law without signature 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become 5 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Michelle Ridge.

DIGEST SB 468 Original 2020 Regular Session Morris

<u>Present law</u> provides for the regulatory authority of the commissioner of the office of financial institutions during a gubernatorially declared emergency.

Proposed law retains present law and makes technical changes.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 6:121(A) and 121.6(A) and R.S. 51:710(A)(1))