



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2369

PRINTERS NO. 3774

PRIME SPONSOR:

Truitt

COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$0

SUMMARY: House Bill 2369, Printer's Number 3774, amends the Department of Banking Code of 1933 further providing for general scope of supervision and exercise of discretion; for assessment of expenses of department on institutions; for disclosure of information forbidden; for penalty and exceptions; for examination of corporation or persons affiliated with institutions; and providing for implementation of the Consumer Financial Protection Act of 2010.

ANALYSIS: This legislation amends the Department of Banking Code providing for greater public disclosure and enforcement by the Department of Banking and clarifies that the department has examination authority over bank subsidiaries.

The bill implements the Federal Consumer Financial Protection Act of 2010. The Department shall 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 .

The Department will determine if such actions will affect the safety and soundness of the financial institutions or its subsidiaries, or interfere with the regulation of such entities. The Department shall have sole and exclusive jurisdiction to initiate or participate or request the Attorney General to initiate or participate in administrative proceedings or judicial proceedings to enforce such laws or to determine that such proceedings are not in the public interest. Nothing in this bill shall limit or restrict the power of the Attorney General or law enforcement agencies of municipalities to commence criminal proceedings.

The Department will have the authority to assess civil penalties for violations of any law, regulation, order or condition imposed. The Department may suspend any officer, employee, director or trustee of an institution, if it determines significant financial harm may or has happened to the institution, its shareholders or depositors.

The act shall take effect in 60 days.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: June 27, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.