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**DATE:** June 15, 2012

**TO:** All House Members

**FROM:** Representative Dan Truitt

**RE:** Proposed Legislation- Department of Banking Code Update

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As you know, the Department of Banking Code is the statute giving the Department its authority. In recent years, numerous changes at the federal level require updates to our state law.

In the near future, I will be introducing legislation to provide for greater public disclosure and enforcement by the Department of Banking. The bill will clarify that the Department has the examination authority over bank subsidiaries.

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

The department will determine if such actions will affect the safety and soundness the financial institutions, or their subsidiaries; interfere with the regulation of such entities by the department or federal regulatory agencies; the department shall have sole and exclusive jurisdiction to initiate or participate in administrative proceedings, or to request that the Attorney General initiate or participate in 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 bill will amend the Department of Banking Code of 1933.

A copy of the legislation is attached.

Please call Amy (260-6164) or e-mail her at [aresetar@pahousegop.com](mailto:aresetar@pahousegop.com) to cosponsor.

Thank you.