

1  
2 An act relating to financial institutions;  
3 amending s. 655.0385, F.S.; revising the time  
4 period within which state financial  
5 institutions must notify the department  
6 concerning the appointment or employment of  
7 certain individuals; authorizing the Department  
8 of Banking and Finance to exempt certain  
9 financial institutions from reporting  
10 requirements relating to directors and  
11 executive officers; providing for the adoption  
12 of rules; amending s. 655.948, F.S.; revising  
13 notice and disclosure requirements; exempting  
14 certain financial institutions from reporting  
15 requirements; amending s. 658.26, F.S.;

16 providing for certain financial institutions to  
17 establish branches by filing a written notice;  
18 providing an effective date.

19

20 Be It Enacted by the Legislature of the State of Florida:

21

22 Section 1. Section 655.0385, Florida Statutes, is  
23 amended to read:

24 655.0385 Disapproval of directors and executive  
25 officers.--

26 (1) Each state financial institution shall notify the  
27 department of the proposed appointment of any individual to  
28 the board of directors or the employment of any individual as  
29 an executive officer or equivalent position at least 60 ~~30~~  
30 days before such appointment or employment becomes effective,  
31 if the state financial institution:

- 1           (a) Has been chartered for less than 2 years;
- 2           (b) Has undergone a change in control or conversion  
3 within the preceding 2 years. The department may exempt a  
4 financial institution from this paragraph if it operates in a  
5 safe and sound manner;
- 6           (c) Is not in compliance with the minimum capital  
7 requirements applicable to such financial institution; or
- 8           (d) Is otherwise operating in an unsafe and unsound  
9 condition, as determined by the department, on the basis of  
10 such financial institution's most recent report of condition  
11 or report of examination.
- 12           (2) A state financial institution may not appoint any  
13 individual to the board of directors, or employ any individual  
14 as an executive officer or equivalent position, if the  
15 department issues a notice of disapproval with respect to that  
16 person.
- 17           (3) The department shall issue a notice of disapproval  
18 if the competence, experience, character, or integrity of the  
19 individual to be appointed or employed indicates that it is  
20 not in the best interests of the depositors, the members, or  
21 the public to permit the individual to be employed by or  
22 associated with the state financial institution.
- 23           (4) The department may adopt rules to implement this  
24 section.
- 25           Section 2. Section 655.948, Florida Statutes, is  
26 amended to read:
- 27           655.948 Significant events; notice required.--
- 28           (1) Unless exempted by the department pursuant to  
29 subsection (4), every financial institution shall notify the  
30 department of the occurrence of any of the events listed in  
31 subsection (2) by filing with the department a disclosure in a

1 form to be specified by the department. The form shall  
2 include the number and caption of all applicable events, along  
3 with a summary of each. Completed forms shall be certified  
4 for authenticity and accuracy by the chief executive officer  
5 of the financial institution.

6 (2) Events for which disclosure forms must be filed  
7 and the filing schedule for each are as follows:

8 (a) To be disclosed within 30 days of the occurrence  
9 of the event:

10 1. The addition, resignation, or termination of a  
11 director, executive officer, independent internal auditor, or  
12 independent credit review officer;

13 2. The acquisition or divestiture of an asset or  
14 assets the value of which exceeds 20 percent of capital as of  
15 the date of the most recent call report. Any assets listed in  
16 s. 657.042(1) or s. 658.67(1) are excluded from such  
17 disclosure requirements;

18 3. Any change in general counsel or outside auditors  
19 who are used to certify financial statements;

20 4. Any interruption of fidelity insurance coverage;

21 5. Any credit extension to an executive officer and  
22 his or her related interests that, when aggregated with the  
23 amount of all other extensions of credit to that executive  
24 officer and his or her related interests, exceeds 15 percent  
25 of the capital accounts of the financial institution;

26 6. The failure to meet the minimum daily liquidity  
27 required of s. 658.68;

28 7. Any suspected criminal act perpetrated against a  
29 financial institution, subsidiary, or service corporation.  
30 However, no liability shall be incurred by any financial  
31 institution, subsidiary, service corporation, or financial

1 institution-affiliated party as a result of making a good  
2 faith effort to fulfill this disclosure requirement; or  
3 8. The acquisition or divestiture of a wholly owned or  
4 majority owned subsidiary or service corporation.

5 (b) Every financial institution shall notify the  
6 department within 30 days of the existence of any asset which  
7 is defined as a nonaccrual asset and which is in excess of 15  
8 percent of total assets.

9 (3) A financial institution which fails to file a  
10 disclosure form within 30 days after the occurrence shall be  
11 subject to the fines provided in s. 655.041.

12 (4)(a) The department must ~~will~~ exempt a financial  
13 institution from any of the provisions of this section if the  
14 department determines that such financial institution is  
15 operating in a safe and sound manner pursuant to departmental  
16 rules relating to safe and sound operations. The department,  
17 prior to granting any such exemption, shall adopt rules  
18 defining the term "safe and sound" and explicitly stating the  
19 criteria which shall constitute operating in a safe and sound  
20 manner.

21 (b) Notwithstanding paragraph(a)~~this section~~, all  
22 newly chartered financial institutions ~~and financial~~  
23 ~~institutions which have undergone a change in ownership which~~  
24 ~~is not the result of a merger, consolidation or acquisition by~~  
25 ~~a financial institution exempted in paragraph (a)~~, shall be  
26 subject to the requirements of subsections (1) and (2)~~these~~  
27 ~~provisions~~ for 3 years.

28 Section 3. Paragraph (c) of subsection (2) of section  
29 658.26, Florida Statutes, is amended to read:

30 658.26 Places of transacting business; branches;  
31 facilities.--

1 (2)

2 (c) As provided by departmental rule, a financial  
3 institution operating in a safe and sound manner may establish  
4 a branch by filing a written notice with the department at  
5 least 30 days before opening that branch. In such case, the  
6 financial institution need not file a branch application or  
7 pay a branch application fee.~~A branch application, filed by a~~  
8 ~~strong, well-managed state bank or trust company, which is not~~  
9 ~~denied within 10 working days after receipt of the application~~  
10 ~~shall be deemed approved unless the department notifies the~~  
11 ~~financial institution in writing that the application was not~~  
12 ~~complete.~~

13 Section 4. This act shall take effect July 1, 1999.

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31