

By Senator Richter

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1 A bill to be entitled
2 An act relating to financial institutions; amending s.
3 655.005, F.S.; revising definitions relating to the
4 financial institutions codes; amending s. 655.013,
5 F.S.; updating a reference; creating s. 655.03855,
6 F.S.; authorizing the office to appoint provisional
7 directors or executive officers; specifying the
8 rights, qualifications, and reporting requirements of
9 such directors and officers; clarifying the liability
10 of such directors and officers and of the office;
11 amending s. 655.044, F.S.; specifying which accounting
12 practice must be followed by financial institutions;
13 amending s. 655.045, F.S.; authorizing the office to
14 conduct additional examinations of financial
15 institutions if warranted; providing for the use of
16 certain examination methods; authorizing the office to
17 enter into agreements with other regulatory agencies
18 relating to examinations; amending s. 655.41, F.S.;
19 revising definitions to conform provisions to changes
20 made by the act; amending s. 655.411, F.S.; revising
21 the criteria for approval of a financial entity's plan
22 of conversion; amending s. 655.414, F.S.; providing
23 for the transfer of assets from a federally chartered
24 or out-of-state chartered institution; amending ss.
25 655.416, 655.417, and 655.418, F.S.; conforming
26 provisions to changes made by the act; amending s.
27 655.4185, F.S.; revising provisions relating to
28 emergency actions that may be taken for a failing
29 financial institution; authorizing the office to

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30 provide prior approval for the chartering of an entity
31 acquiring control of a failing institution; amending
32 s. 655.419, F.S.; deleting a provision relating to
33 actions conducted outside this state; amending s.
34 655.947, F.S.; conforming a cross-reference; amending
35 s. 657.038, F.S.; specifying the loan factors that
36 must be considered when computing a person's total
37 obligations for purposes of extending credit; amending
38 s. 657.042, F.S.; revising criteria that limit a
39 credit union's investment of funds; requiring a credit
40 union to establish policies and procedures for
41 evaluating risk; amending ss. 657.063 and 657.064,
42 F.S.; conforming cross-references; amending s. 658.12,
43 F.S.; conforming a cross-reference; deleting a
44 provision relating to the application of definitions
45 in the financial institutions codes; repealing s.
46 658.20(3), F.S., relating to applications for prior
47 approval of officers or directors; amending s. 658.28,
48 F.S.; providing additional limitations on acquiring or
49 controlling another bank; repealing s. 658.295, F.S.,
50 relating to the Florida Interstate Banking Act;
51 amending s. 658.2953, F.S.; revising and updating
52 provisions relating to Florida bank mergers with out-
53 of-state banks; deleting legislative intent; repealing
54 s. 658.296, F.S., relating to the control of deposit-
55 taking institutions; amending s. 658.36, F.S.;
56 authorizing the office to approve a special stock
57 offering plan under certain circumstances; amending s.
58 658.41, F.S.; clarifying that state laws do not

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59 restrict the right of a state bank or trust company to
 60 merge with an out-of-state bank; amending s. 658.48,
 61 F.S.; revising provisions relating to bank loans;
 62 specifying the process for computing the liabilities
 63 of a person seeking a loan; amending s. 658.53, F.S.;
 64 deleting a provision providing that unpaid proceeds of
 65 sales are used to evaluate the adequacy of a bank's
 66 capital; repealing ss. 658.65, 665.013(33), and
 67 667.003(35), F.S., relating to remote financial
 68 service units; amending s. 658.67, F.S.; updating
 69 provisions relating to the investment powers of a bank
 70 or trust company; requiring banks and trust companies
 71 to establish procedures for evaluating risk; amending
 72 ss. 288.772, 288.99, 440.12, 440.20, 445.051, 489.503,
 73 501.005, 501.165, 624.605, 626.321, 626.730, and
 74 626.9885, F.S.; conforming cross-references; providing
 75 an effective date.

76
 77 Be It Enacted by the Legislature of the State of Florida:

78
 79 Section 1. Section 655.005, Florida Statutes, is reordered
 80 and amended to read:

81 655.005 Definitions.—

82 (1) As used in the financial institutions codes, unless the
 83 context otherwise requires, the term:

84 (a) "Affiliate" means a holding company of a ~~any~~ financial
 85 institution established ~~holding company~~ pursuant to state or
 86 federal law, a ~~or any~~ subsidiary or service corporation of such
 87 a holding company, or a subsidiary or service corporation of a

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88 financial institution.

89 (b) "Appropriate federal regulatory agency" means the
90 federal ~~financial institution~~ regulatory agency that has granted
91 ~~federal~~ statutory authority over a financial institution.

92 (c) "Bank holding company" means a business organization
93 that is a bank holding company under the Bank Holding Company
94 Act of 1956, as amended, 12 U.S.C. ss. 1841 et seq., or is
95 otherwise determined or authorized by the office to be a holding
96 company of a financial institution pursuant to ss. 658.27-
97 658.29.

98 (d) ~~(e)~~ "Capital accounts" means the aggregate value of
99 unimpaired capital stock based on the par value of the shares,
100 plus any unimpaired surplus, and undivided profits or retained
101 earnings of a financial institution. For the purposes of
102 determining insolvency or imminent insolvency, the term does not
103 include allowances for loan or lease loss reserves, intangible
104 assets, subordinated debt, deferred tax assets, or similar
105 assets.

106 (e) ~~(d)~~ "Capital stock" means the ~~aggregate of~~ shares of
107 stock issued to create nonwithdrawable capital ~~issued.~~

108 (f) ~~(e)~~ "Commission" means the Financial Services
109 Commission.

110 (h) ~~(f)~~ "Executive officer" means an individual, whether or
111 not the individual has an official title or receives a salary or
112 other compensation, who participates or has authority to
113 participate, other than in the capacity of a director, in the
114 major policymaking functions of a ~~the~~ financial institution. ~~†~~
115 The term does not include an individual who may have an official
116 title and may exercise discretion in the performance of duties

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117 and functions, including discretion in the making of loans, but
118 who does not participate in the determination of major policies
119 of the financial institution and whose decisions are limited by
120 policy standards established by other officers ~~other than such~~
121 ~~individual~~, whether or not the ~~such~~ policy standards have been
122 adopted by the board of directors. The chair of the board of of
123 directors, the president, the chief executive officer, the chief
124 financial officer, the senior loan officer, and every executive
125 vice president of a financial institution, and the senior trust
126 officer of a trust company, are presumed to be executive
127 officers unless ~~any~~ such officer is excluded, by resolution of
128 the board of directors or by the bylaws of the financial
129 institution, from participating, other than in the capacity of a
130 director, in major policymaking functions of the financial
131 institution and the individual holding such office so excluded
132 does not actually participate therein.

133 (i) ~~(g)~~ "Federal financial institution" means a federally or
134 nationally chartered or organized financial institution.

135 (j) ~~(h)~~ "Financial institution" means a state or federal
136 savings or thrift association, bank, savings bank, trust
137 company, international bank agency, international banking
138 corporation, international branch, international representative
139 office, international administrative office, international trust
140 company representative office, ~~or~~ credit union, or an agreement
141 corporation operating pursuant to s. 25 of the Federal Reserve
142 Act, 12 U.S.C. ss. 601 et seq. or Edge Act corporation organized
143 pursuant to s. 25(a) of the Federal Reserve Act, 12 U.S.C. ss.
144 611 et seq.

145 (k) ~~(i)~~ "Financial institution-affiliated party" means:

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146 1. A ~~Any~~ director, officer, employee, or controlling
 147 stockholder, ~~(other than a financial institution holding~~
 148 company, ~~)~~ of, or agent for, a financial institution, subsidiary,
 149 or service corporation;

150 2. Any other person who has filed or is required to file a
 151 change-of-control notice with the appropriate state or federal
 152 regulatory agency;

153 3. A ~~Any~~ stockholder, ~~(other than a financial institution~~
 154 holding company), a ~~any~~ joint venture partner, or any other
 155 person as determined by the office who participates in ~~the~~
 156 ~~conduct of~~ the affairs of a financial institution, subsidiary,
 157 or service corporation; or

158 4. An ~~Any~~ independent contractor, ~~(including an any~~
 159 attorney, appraiser, consultant, or accountant, ~~)~~ who knowingly
 160 or recklessly participates in:

161 a. A ~~Any~~ violation of any law or regulation;

162 b. A ~~Any~~ breach of fiduciary duty; or

163 c. An ~~Any~~ unsafe and unsound practice,

164
 165 which caused or is likely to cause more than a minimal financial
 166 loss to, or a significant adverse effect on, the financial
 167 institution, subsidiary, or service corporation.

168 (1) ~~(j)~~ "Financial institutions codes" means:

169 1. Chapter 655, relating to financial institutions
 170 generally;

171 2. Chapter 657, relating to credit unions;

172 3. Chapter 658, relating to banks and trust companies;

173 4. Chapter 660, relating to trust business;

174 5. Chapter 663, relating to international banking

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175 ~~corporations;~~

176 6. Chapter 665, relating to associations; and

177 7. Chapter 667, relating to savings banks.

178 (m) "Home state" means:

179 1. The state where a financial institution is chartered.

180 2. The state where the main office of a federal financial
181 institution is located.

182 3. The state determined to be the home state of an
183 international banking corporation pursuant to 12 U.S.C. s.
184 3103(c).

185 (n) "Home state regulator" means, with respect to an out-
186 of-state state financial institution, the financial institution
187 regulatory agency of the state in which the institution is
188 chartered.

189 (o) "Host state" means a state, other than the home state,
190 in which the financial institution seeks to establish or
191 maintains a branch or nonbranch office.

192 (p) ~~(k)~~ "Imminently insolvent" means a condition in which a
193 financial institution has total capital accounts, or equity in
194 the case of a credit union, of less than 2 percent of its total
195 assets, after adjustment for apparent losses.

196 (q) ~~(l)~~ "Insolvent" means a condition in which:

197 1. The capital accounts, or equity in the case of a credit
198 union, and all assets of a financial institution are
199 insufficient to meet liabilities;

200 2. The financial institution is unable to meet current
201 obligations as they mature, even though assets may exceed
202 liabilities; or

203 3. The capital accounts, ~~or equity in the case of a credit~~

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204 ~~union,~~ of a financial institution, or equity in the case of a
205 credit union, are exhausted by losses and no immediate prospect
206 of replacement exists.

207 (r)~~(m)~~ "Main office" or "principal office" of a financial
208 institution means the main business office designated ~~or~~
209 ~~provided for in its~~ the articles of incorporation or bylaws ~~of a~~
210 ~~financial institution at an such~~ identified location ~~as has been~~
211 ~~or is hereafter~~ approved by the office ~~of Financial Regulation,~~
212 in the case of a state financial institution, or by the
213 appropriate federal regulatory agency~~,~~ in the case of a federal
214 financial institution.~~, and,~~ With respect to the trust
215 department of a bank or association that has trust powers, the
216 ~~each of these terms mean~~ means the office or place of business
217 of the trust department at an such identified location, which
218 need not be the same location as the main office of the bank or
219 association ~~exclusive of the trust department, as has been or is~~
220 ~~hereafter~~ approved by the office ~~of Financial Regulation,~~ in the
221 case of a state bank or association ~~that has a trust department,~~
222 or by the appropriate federal regulatory agency~~,~~ in the case of
223 a national bank or federal association ~~that has a trust~~
224 ~~department.~~ The "main office" or "principal office" of a trust
225 company means the office designated or provided for ~~as such~~ in
226 its articles of incorporation, at an such identified location as
227 ~~has been or is hereafter~~ approved by the relevant chartering
228 authority.

229 (t)~~(n)~~ "Officer" of a financial institution means an any
230 individual ~~duly~~ elected or appointed to, or otherwise performing
231 the duties and functions appropriate to, any position or office
232 having the designation or title of chair of the board of

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233 directors, vice chair of the board of directors, chair of the
234 executive committee, president, vice president, assistant vice
235 president, cashier or assistant cashier, comptroller, assistant
236 comptroller, trust officer, assistant trust officer, secretary
237 or assistant secretary ~~(of a trust company)~~, or any other office
238 or officer designated in, or as provided by, the articles of
239 incorporation or bylaws, or as determined by the office.

240 (u) "Out-of-state financial institution" means a financial
241 institution whose home state is a state other than this state.

242 (v) "Related interest" means, with respect to any person,
243 the person's spouse, partner, sibling, parent, child, or other
244 individual residing in the same household as the person. With
245 respect to any person, the term means a company, partnership,
246 corporation, or other business organization controlled by the
247 person. A person has control if the person:

248 1. Owns, controls, or has the power to vote 25 percent or
249 more of any class of voting securities of the organization;

250 2. Controls in any manner the election of a majority of the
251 directors of the organization; or

252 3. Has the power to exercise a controlling influence over
253 the management or policies of the organization.

254 (w) ~~(o)~~ "Service corporation" means a corporation that is
255 organized to perform, for two or more financial institutions,
256 services related or incidental to the business of a financial
257 institution and that is wholly or partially owned or controlled
258 by one or more financial institutions.

259 (x) "State," when used in the context of a state other than
260 this state, means any other state of the United States, the
261 District of Columbia, and any territories of the United States.

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262 (y)~~(p)~~ "State financial institution" means a state-
263 chartered or state-organized financial institution association,
264 ~~bank, investment company, trust company, international bank~~
265 ~~agency, international branch, international representative~~
266 ~~office, international administrative office, international trust~~
267 ~~company representative office, or credit union.~~

268 (z)~~(q)~~ "Subsidiary" means an any organization that
269 ~~permitted by the office which~~ is controlled by a financial
270 institution or a holding company of a financial institution.

271 (aa)~~(r)~~ "Unsafe or unsound practice" means any practice or
272 conduct found by the office to be contrary to generally accepted
273 standards applicable to a the specific financial institution, or
274 a violation of any prior agreement in writing or order of a
275 state or federal regulatory agency, which practice, conduct, or
276 violation creates the likelihood of loss, insolvency, or
277 dissipation of assets or otherwise prejudices the interest of
278 the ~~specific~~ financial institution or its depositors or members.
279 In making this determination, the office must consider the size
280 and condition of the financial institution, the gravity of the
281 violation, and the prior conduct of the person or institution
282 involved.

283 (bb)~~(s)~~ "Office" means the Office of Financial Regulation.

284 (cc)~~(t)~~ "Debt cancellation products" means loan, lease, or
285 retail installment contract terms, or modifications or addenda
286 to such loan, lease, or retail installment contracts, under
287 which a creditor agrees to cancel or suspend all or part of a
288 customer's obligation to make payments upon the occurrence of
289 specified events and includes, but is not limited to, debt
290 cancellation contracts, debt suspension agreements, and

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291 guaranteed asset protection contracts offered by financial
292 institutions, insured depository institutions as defined in 12
293 U.S.C. s. 1813(c), and subsidiaries of such institutions.
294 ~~However,~~ The term "~~debt cancellation products~~" does not include
295 title insurance as defined in s. 624.608.

296 (2) Terms used but not defined in the financial
297 institutions codes, but which are defined in Title XXXIX,
298 entitled Commercial Relations, as enacted in chapters 668
299 through 680, have the meanings ascribed to them in Title XXXIX.

300 ~~(2) Terms which are defined in the financial institutions~~
301 ~~codes, unless the context otherwise requires, have the meanings~~
302 ~~ascribed to them therein.~~

303 Section 2. Section 655.013, Florida Statutes, is amended to
304 read:

305 655.013 Effect on existing financial institutions.—The
306 charters of state financial institutions existing on July 1,
307 1992, at the time of the adoption of this act shall continue in
308 full force and effect. However, after that date, all state
309 financial institutions and, to the extent applicable, all
310 financial institutions shall operate hereafter ~~be operated~~ in
311 accordance with ~~the provisions of~~ the financial institutions
312 codes.

313 Section 3. Section 655.03855, Florida Statutes, is created
314 to read:

315 655.03855 Provisional directors and executive officers.—

316 (1) If a state financial institution has an insufficient
317 number of directors to meet the minimum requirements of s.
318 657.021 or s. 658.33 for 30 days or longer, there are an
319 insufficient number of executive officers, or the qualifications

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320 of the executive officers are insufficient to operate the
321 financial institution in a safe and sound manner, the office may
322 appoint one or more provisional directors or executive officers
323 by order.

324 (2) A provisional director has all the rights and powers of
325 a duly elected director, including the right to notice of and to
326 vote at meetings of directors. A provisional executive officer
327 has all the rights and powers provided in the financial
328 institution's articles of incorporation or bylaws, or as
329 specified by the office in the appointment order. A provisional
330 director or executive officer must be an impartial person and
331 may not be a shareholder, member, or creditor of the financial
332 institution or its affiliate. Additional qualifications, if any,
333 may be determined by the office consistent with the financial
334 institutions codes. Provisional directors and executive officers
335 shall serve until the provisional director's or executive
336 officer's tenure is ended by order of the office.

337 (3) A provisional director or executive officer is not
338 liable for any action taken or decision made, except as provided
339 in the financial institutions codes and s. 607.0831. If directed
340 by the office, provisional directors and executive officers must
341 submit reports to the office as to the financial and operating
342 condition of the financial institution and recommendations as to
343 appropriate corrective actions to be taken by the institution.

344 (4) The office shall allow reasonable compensation, if
345 applicable, to a provisional director or executive officer
346 appointed under this section for services rendered, and
347 reimbursement or direct payment of all reasonable costs and
348 expenses, which shall be paid by the financial institution. The

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349 office is not liable for any appointment, action, or decision
350 made pursuant to this section.

351 Section 4. Subsection (1) of section 655.044, Florida
352 Statutes, is amended to read:

353 655.044 Accounting practices; bad debts ineligible to be
354 carried as assets.—

355 (1) Except as otherwise provided by law, a state financial
356 institution shall observe United States generally accepted
357 accounting principles and practices. The commission may
358 authorize ~~by rule~~ exceptions to such accounting practices by
359 rule as necessary.

360 Section 5. Subsections (1) and (4) of section 655.045,
361 Florida Statutes, are amended to read:

362 655.045 Examinations, reports, and internal audits;
363 penalty.—

364 (1)~~(a)~~ The office shall conduct an examination of the
365 condition of each state financial institution during each 18-
366 month period, ~~beginning July 1, 1981.~~ The office may conduct
367 more frequent examinations based upon the risk profile of the
368 financial institution, prior examination results, or significant
369 changes in the institution or its operations. The office may use
370 continuous, phase, or other flexible scheduling examinations
371 methods for very large or complex state financial institutions
372 and financial institutions owned or controlled by a multi-
373 financial institution holding company. The office shall consider
374 examination guidelines from federal regulatory agencies in order
375 to facilitate, coordinate, and standardize examination
376 processes. ~~The office may accept an examination made by the~~
377 ~~appropriate federal regulator, insuring or guaranteeing~~

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378 ~~corporation, or agency with respect to the condition of the~~
379 ~~state financial institution or may make a joint or concurrent~~
380 ~~examination with the appropriate federal regulator, insuring or~~
381 ~~guaranteeing corporation, or agency. However, at least once~~
382 ~~during each 36-month period beginning on July 3, 1992, the~~
383 ~~office shall conduct an examination of each state financial~~
384 ~~institution in such a manner as to allow the preparation of a~~
385 ~~complete examination report not subject to the right of any~~
386 ~~federal or other non-Florida entity to limit access to the~~
387 ~~information contained therein.~~

388 (a) With respect to, and examination of, the condition of a
389 state institution, the office may accept an examination made by
390 an appropriate federal regulatory agency, or may make a joint or
391 concurrent examination with the federal agency. The office may
392 furnish a copy of all examinations or reviews made of financial
393 institutions or their affiliates to the state or federal
394 agencies participating in the examination, investigation, or
395 review, or as otherwise authorized by s. 655.057. The office may
396 also enter into agreements with other appropriate state and
397 federal financial regulatory agencies to facilitate the
398 efficient utilization and coordination of resources in the
399 examinations.

400 (b) If, as a part of an examination or investigation of a
401 state financial institution, subsidiary, or service corporation,
402 the office has reason to believe that ~~an affiliate is engaged in~~
403 ~~an unsafe or unsound practice or that the~~ conduct or business
404 operations of an affiliate may have ~~has~~ a negative impact on the
405 state financial institution, subsidiary, or service corporation,
406 then the office may conduct such ~~review such books and records~~

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407 ~~as are reasonably related to the examination or investigation of~~
408 ~~the affiliate as the office deems necessary. The office may~~
409 ~~furnish a copy of all examinations or reviews made of such~~
410 ~~financial institutions or their affiliates to the state or~~
411 ~~federal financial institution regulators participating in the~~
412 ~~examination of a bank holding company; an association holding~~
413 ~~company; or any of their subsidiaries, service corporations, or~~
414 ~~affiliates; an insuring or guaranteeing corporation or agency or~~
415 ~~its representatives; or state financial institution regulators~~
416 ~~participating in the examination of a holding company or its~~
417 ~~subsidiaries.~~

418 (c) ~~(b)~~ The office may recover the costs of examination and
419 supervision of a state financial institution, subsidiary, or
420 service corporation that is determined by the office to be
421 engaged in an unsafe or unsound practice. The office may also
422 recover the costs of any review conducted pursuant to paragraph
423 (b) ~~(a)~~ of any affiliate of a state financial institution
424 determined by the office to have contributed to an unsafe or
425 unsound practice at a state financial institution, subsidiary,
426 or service corporation.

427 (d) ~~(e)~~ For the purposes of this section, the term "costs"
428 means the salary and travel expenses directly attributable to
429 the field staff examining the state financial institution,
430 subsidiary, or service corporation, and the travel expenses of
431 any supervisory staff required as a result of examination
432 findings. The mailing of any costs incurred under this
433 subsection must be postmarked within ~~not later than~~ 30 days
434 after the date of receipt of a notice stating that such costs
435 are due. The office may levy a late payment of up to \$100 per

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436 day or part thereof that a payment is overdue, unless ~~it is~~
437 excused for good cause. However, for intentional late payment of
438 costs, the office may levy an administrative fine of up to
439 \$1,000 per day for each day the payment is overdue.

440 (e) ~~(d)~~ The office may require an audit of a any state
441 financial institution, subsidiary, or service corporation by an
442 independent certified public accountant, or other person
443 approved by the office, if ~~whenever~~ the office, after conducting
444 an examination of the ~~such~~ state financial institution,
445 subsidiary, or service corporation, or after accepting an
446 examination of such state financial institution by an ~~the~~
447 appropriate state or federal regulatory agency, determines that
448 ~~such~~ an audit is necessary in order to ascertain the condition
449 of the financial institution, subsidiary, or service
450 corporation. The cost of such audit shall be paid by the state
451 financial institution, subsidiary, or state service corporation.

452 (4) A copy of the report of each examination must be
453 furnished to the entity ~~financial institution~~ examined. Such
454 report ~~of examination~~ shall be presented to the board of
455 directors at its next regular or special meeting.

456 Section 6. Section 655.41, Florida Statutes, is amended to
457 read:

458 655.41 ~~Cross-industry Conversions, mergers, consolidations,~~
459 ~~and acquisitions;~~ Definitions used in ss. 655.41-655.419.-As
460 used in ss. 655.41-655.419, the term:

461 (1) "Financial entity" means a financial institution whose
462 ~~an association, bank, credit union, savings bank, Edge Act or~~
463 ~~agreement corporation, or trust company organized under the laws~~
464 ~~of this state or organized under the laws of the United States~~

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465 and ~~having its principal office is place of business~~ in this
466 state.

467 (2) "Capital stock financial institution" means a financial
468 entity that ~~which~~ is authorized to issue capital stock.

469 (3) "Mutual financial institution" means a financial
470 institution that ~~entity which~~ is not authorized to issue stock
471 and the assets of which are owned by its members.

472 Section 7. Paragraphs (a) and (c) of subsection (1) of
473 section 655.411, Florida Statutes, are amended to read:

474 655.411 Conversion of charter.—

475 (1) A ~~Any~~ financial entity may apply to the office for
476 permission to convert its charter without changing its ~~a change~~
477 ~~of business form or convert its charter in order~~ to do business
478 as another type of financial entity in accordance with the
479 following procedures:

480 (a) The board of directors must approve a plan of
481 conversion by a majority ~~of a majority~~ of all the
482 directors. The plan must include a statement of:

483 1. The type of financial entity which would result if the
484 application were approved and the proposed name under which it
485 would do business.

486 2. The method and schedule for terminating any activities
487 and disposing of any assets or liabilities that ~~which~~ would not
488 conform to the requirements of ~~applicable to~~ the resulting
489 financial entity.

490 3. The ~~competitive~~ impact of such change on the financial
491 entity's business plan and operations, including any effect on
492 the availability of particular financial services in the market
493 area served by the financial entity.

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494 4. Such financial data as may be required to determine
495 compliance with the capital, reserve, and liquidity requirements
496 applicable to the resulting financial entity.

497 5. Such other information as the commission may by rule
498 require.

499 (c) The office shall approve the plan if it finds that:

500 1. The resulting financial entity would have an adequate
501 capital structure with regard to its activities and its deposit
502 liabilities.

503 2. The proposed conversion would not cause a substantially
504 adverse effect on the financial condition of the ~~any~~ financial
505 entity ~~already established in the primary service area~~.

506 3. The officers and directors have sufficient experience,
507 ability, and standing to indicate a reasonable promise for the
508 successful operation of the resulting financial entity.

509 4. The schedule for termination of any nonconforming
510 activities and disposition of any nonconforming assets and
511 liabilities is reasonably prompt, and the plan for such
512 termination and disposition does not include an ~~any~~ unsafe or
513 unsound practice.

514 5. ~~None of~~ The officers or directors have not ~~has~~ been
515 convicted of, or pled guilty or nolo contendere to, a violation
516 of s. 655.50, relating to ~~the Florida Control of money~~
517 laundering in financial institutions ~~Act~~; chapter 896, relating
518 to offenses related to financial transactions; or any similar
519 state or federal law.

520 6. The resulting financial entity is able to comply with
521 the applicable terms of any regulatory action in effect before
522 the date of the conversion.

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523 7. The current and resulting primary federal regulatory
524 agencies do not object to the proposed conversion.

525
526 If the office disapproves the plan, it shall state its
527 objections and give the financial entity an opportunity ~~to the~~
528 ~~parties~~ to amend the plan to overcome such objections. The
529 office may deny an application by an ~~any~~ financial entity that
530 ~~which~~ is subject to a cease and desist order or other
531 supervisory restriction or order imposed by a ~~any~~ state or
532 federal supervisory authority, insurer, or guarantor.

533 Section 8. Section 655.414, Florida Statutes, is amended to
534 read:

535 655.414 Acquisition of assets; assumption of liabilities.—
536 With prior approval of the office and upon such conditions as
537 the commission prescribes by rule, a ~~any~~ financial entity may
538 acquire all or substantially all of the assets of, or assume all
539 or any part of the liabilities of, any other financial
540 institution ~~entity~~ in accordance with the procedures and subject
541 to the following conditions and limitations:

542 (1) ADOPTION OF A PLAN.—The board of directors of the
543 acquiring or assuming financial entity and the board of
544 directors of the transferring financial institution ~~entity~~ must
545 adopt, by a majority vote, a plan for such acquisition,
546 assumption, or sale on ~~such~~ terms that ~~as~~ are mutually agreed
547 upon. The plan must include:

548 (a) The names and types of financial institutions ~~entities~~
549 involved.

550 (b) A statement setting forth the material terms of the
551 proposed acquisition, assumption, or sale, including the plan

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552 for disposition of all assets and liabilities not subject to the
553 plan.

554 (c) A provision for liquidation, if applicable, of the
555 transferring financial institution ~~entity~~ upon execution of the
556 plan, or a provision setting forth the business plan for the
557 continued operation of each financial institution after the
558 execution of the plan.

559 (d) A statement that the entire transaction is subject to
560 written approval of the office and approval of the members or
561 stockholders of the transferring financial institution ~~entity~~.

562 (e) If a stock financial institution is the transferring
563 financial institution ~~entity~~ and the proposed sale is not ~~to be~~
564 for cash, a clear and concise statement that dissenting
565 stockholders of the institution ~~such financial entity~~ are
566 entitled to the rights set forth in s. 658.44(4) and (5).

567 (f) The proposed effective date of the ~~such~~ acquisition,
568 assumption, or sale and such other information and provisions as
569 ~~may be~~ necessary to execute the transaction or as ~~may be~~
570 required by the office.

571 (2) APPROVAL OF OFFICE.—Following approval by the board of
572 directors of each participating financial institution ~~entity~~,
573 the plan, together with certified copies of the authorizing
574 resolutions adopted by the boards and a completed application
575 with a nonrefundable filing fee, must be forwarded to the office
576 for ~~its~~ approval or disapproval. The office shall approve the
577 plan of acquisition, assumption, or sale if it appears that:

578 (a) The resulting financial entity or entities would have
579 an adequate capital structure in relation to its activities and
580 its deposit liabilities;

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581 (b) The plan is fair to all parties; and

582 (c) The plan is not contrary to the public interest.

583

584 If the office disapproves the plan, it shall state its
585 objections and give the parties an opportunity ~~to the parties~~ to
586 amend the plan to overcome such objections.

587 (3) VOTE OF MEMBERS OR STOCKHOLDERS.—If the office approves
588 the plan, it may be submitted to the members or stockholders of
589 the transferring financial institution ~~entity~~ at an annual
590 meeting or at a any special meeting called to consider such
591 action. Upon a majority ~~favorable~~ vote of ~~51 percent or more~~ of
592 the total number of votes eligible to be cast or, in the case of
593 a credit union, a majority ~~vote~~ ~~51 percent or more~~ of the
594 members present at the meeting, the plan is adopted.

595 (4) ADOPTED PLAN; CERTIFICATE; ABANDONMENT.—

596 (a) If the plan is adopted by the members or stockholders
597 of the transferring financial institution ~~entity~~, the president
598 or vice president and the cashier, manager, or corporate
599 secretary of such institution ~~financial entity~~ shall submit the
600 adopted plan to the office, together with a certified copy of
601 the resolution of the members or stockholders approving it.

602 (b) Upon receipt of the certified copies and evidence that
603 the participating financial institutions ~~entities~~ have complied
604 with all applicable state and federal law and rules ~~regulations~~,
605 the office shall certify, in writing, to the participants that
606 the plan has been approved.

607 (c) Notwithstanding approval of the members or stockholders
608 or certification by the office, the board of directors of the
609 transferring financial institution ~~entity~~ may, ~~in its~~

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610 ~~discretion,~~ abandon such a transaction without further action or
 611 approval by the members or stockholders, subject to the rights
 612 of third parties under any contracts relating thereto.

613 (5) FEDERALLY CHARTERED OR OUT-OF-STATE INSTITUTION AS A
 614 PARTICIPANT.—If one of the participants in a transaction under
 615 this section is a federally chartered financial institution or
 616 an out-of-state financial institution ~~entity,~~ all participants
 617 must also comply with ~~such~~ requirements ~~as may be~~ imposed by
 618 federal and other state law for the ~~such an~~ acquisition,
 619 assumption, or sale and provide evidence of such compliance to
 620 the office as a condition precedent to the issuance of a
 621 certificate authorizing the transaction; however, if the
 622 purchasing or assuming financial institution ~~entity~~ is a federal
 623 or out-of-state state-chartered ~~federally chartered~~ financial
 624 institution and the transferring state financial entity will be
 625 liquidated, approval of the office is not required.

626 (6) STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.—A
 627 mutual financial institution may not sell all or substantially
 628 all of its assets to a stock financial institution ~~entity~~ until
 629 it has first converted into a capital stock financial
 630 institution in accordance with s. 665.033(1) and (2). For this
 631 purpose, references in s. 665.033(1) and (2) to associations ~~are~~
 632 ~~deemed to refer~~ also refer to credit unions; but, in the case of
 633 a credit union, the provision ~~therein~~ concerning proxy
 634 statements does not apply.

635 Section 9. Section 655.416, Florida Statutes, is amended to
 636 read:

637 655.416 Book value of assets.—Upon the effective date of a
 638 merger, consolidation, conversion, or acquisition pursuant to

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639 ss. 655.41-655.419, an asset may not be carried on the books of
640 the resulting financial entity at a valuation higher than that
641 at which it was carried on the books of a participating or
642 converting financial institution ~~entity~~ at the time of its last
643 examination by a state or federal examiner before such ~~the~~
644 effective date ~~of such merger, consolidation, conversion, or~~
645 ~~acquisition~~, without written approval from the office.

646 Section 10. Section 655.417, Florida Statutes, is amended
647 to read:

648 655.417 Effect of merger, consolidation, conversion, or
649 acquisition.—From and after the effective date of a merger,
650 consolidation, conversion, or acquisition, the resulting
651 financial entity or entities may conduct business in accordance
652 with the terms of the plan as approved, subject to the following
653 conditions and limitations; provided that:

654 (1) CONTINUING ENTITY.—Even though the charter of a
655 participating or converting financial institution may have
656 ~~entity~~ ~~has~~ been terminated, the resulting financial entity is
657 deemed to be a continuation of the participating or converting
658 financial institution ~~entity~~ such that all acquired property of
659 the participating or converting institution ~~financial entity~~,
660 including rights, titles, and interests in and to all property
661 of whatsoever kind, whether real, personal, or mixed, and things
662 in action, and all rights, privileges, interests, and assets of
663 any conceivable value or benefit which are then existing, or
664 pertaining to it, or which would inure to it, are immediately
665 vested in and continue to be the property of the resulting
666 financial entity, by act of law and without any conveyance or
667 transfer and without further act or deed. The resulting; and

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668 ~~such~~ financial entity has, holds, and enjoys the same in its own
669 right as fully and to the same extent as the same was possessed,
670 held, and enjoyed by the participating or converting financial
671 institution entity; and, at the time ~~of the taking effect of~~
672 such merger, consolidation, conversion, or acquisition takes
673 effect, the resulting financial entity has and succeeds to all
674 the rights, obligations, and relations of the participating or
675 converting institution financial ~~entity~~.

676 (2) EFFECT ON JUDICIAL PROCEEDINGS.—Any pending action or
677 other judicial proceeding to which the participating or
678 converting financial institution entity is a party is not abated
679 by reason of such merger, consolidation, conversion, or
680 acquisition but may be prosecuted to final judgment, order, or
681 decree ~~in the same manner~~ as if such action had not been taken. ~~†~~
682 and The resulting financial entity resulting from such merger,
683 ~~consolidation, conversion, or acquisition~~ may continue such
684 action in its new name, ~~†~~ and any judgment, order, or decree that
685 ~~may be rendered for or against it which~~ might have been rendered
686 for or against the participating or converting institution may
687 be rendered for or against the resulting financial entity
688 ~~previously involved in such judicial proceeding.~~

689 (3) CREDITORS' RIGHTS.—The resulting financial entity in a
690 merger, consolidation, conversion, or acquisition is liable for
691 all obligations of the participating or converting financial
692 institution entity which existed before ~~prior to~~ such action, ~~†~~
693 and the action taken does not prejudice the right of a creditor
694 of the participating or converting financial institution
695 ~~financial entity~~ to have his or her debts paid out of the assets
696 thereof, nor may such creditor be deprived of, or prejudiced in,

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697 any action against the officers, directors, members, or other
698 persons participating in the conduct of the affairs of a
699 participating or converting financial institution ~~entity~~ for any
700 neglect or misconduct.

701 (4) EXCEPTION.—In the case of an acquisition of assets or
702 assumption of liabilities pursuant to s. 655.414, ~~the provisions~~
703 ~~of~~ subsections (1), (2), and (3) apply only to the assets
704 acquired and the liabilities assumed by the resulting financial
705 entity if, provided sufficient assets to satisfy all liabilities
706 not assumed by the resulting financial entity are retained by
707 the transferring financial institution ~~entity~~.

708 Section 11. Section 655.418, Florida Statutes, is amended
709 to read:

710 655.418 Nonconforming activities; cessation.—If, as a
711 result of a merger, consolidation, conversion, or acquisition
712 ~~pursuant to ss. 655.41–655.419~~, the resulting financial entity
713 is to be of a different type or of a different character than
714 any one or all of the participating or converting financial
715 institutions ~~entities~~, such resulting financial entity is will
716 ~~be~~ subject to the following conditions and limitations:

717 (1) PLAN FOR TERMINATION.—The plan of merger,
718 consolidation, conversion, or acquisition must set forth the
719 method and schedule for terminating those activities that are
720 not permitted by the laws of this state for the resulting
721 financial entity but ~~that~~ were authorized for ~~any of~~ the
722 participating or converting financial institutions ~~entities~~.

723 (2) EFFECTIVE DATE.—The plan of merger, consolidation,
724 conversion, or acquisition must state that, from the effective
725 date of such action, the resulting financial entity will not

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726 engage in any nonconforming activities, except to the extent
727 necessary to fulfill obligations existing before ~~prior to~~ the
728 merger, consolidation, conversion, or acquisition, pursuant to
729 subsection (4).

730 (3) COMPLIANCE WITH LENDING AND INVESTMENT LIMITATIONS.—If,
731 as a result of such merger, consolidation, conversion, or
732 acquisition, the resulting financial entity will exceed any
733 lending, investment, or other limitations imposed by law, the
734 financial entity must ~~shall~~ conform to such limitations within
735 such period of time as is established by the office.

736 (4) DIVESTITURE.—The office may, as a condition to such
737 merger, consolidation, conversion, or acquisition, require a
738 nonconforming activity to be divested in accordance with such
739 additional requirements as it considers appropriate under the
740 circumstances.

741 Section 12. Section 655.4185, Florida Statutes, is amended
742 to read:

743 655.4185 Emergency action.—

744 (1) Notwithstanding any other provision of the financial
745 institutions codes or ~~of~~ chapter 120, if the office or the
746 appropriate federal regulatory agency, or the appropriate home
747 state regulatory agency for an out-of-state state financial
748 institution, finds that immediate action is necessary ~~in order~~
749 to prevent the probable failure of one or more financial
750 institutions, aid in the resolution of a receivership,
751 conservatorship, or liquidation of a financial institution, or
752 otherwise protect the depositors of a failing financial
753 institution, ~~which in this subsection may be referred to as a~~
754 ~~"failing financial entity,"~~ the office may, ~~with the concurrence~~

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755 ~~of the appropriate federal regulatory agency in the case of any~~
756 ~~financial institution the deposits of which are insured by the~~
757 ~~Federal Deposit Insurance Corporation or the National Credit~~
758 ~~Union Administration,~~ issue an emergency order authorizing:

759 (a) The merger of ~~any~~ such failing institution ~~financial~~
760 ~~entity~~ with an appropriate state financial institution ~~entity~~;

761 (b) An appropriate state financial institution ~~entity~~ to
762 acquire any of the assets or and assume any of the liabilities,
763 or any combination thereof, of the any such failing institution
764 ~~financial entity~~, including all rights, powers, and
765 responsibilities as fiduciary in an instance in which the
766 failing ~~financial~~ institution is actively engaged in the
767 exercise of trust powers;

768 (c) The conversion of a any such failing institution
769 ~~financial entity~~ into a state financial institution that is not
770 failing entity; or

771 (d) The chartering of a new state financial institution
772 ~~entity~~ to acquire any of the assets or and assume any of the
773 liabilities, or any combination thereof, of a any such failing
774 institution ~~financial entity~~ and to assume rights, powers, and
775 responsibilities as fiduciary in a case in which such failing
776 institution ~~financial entity~~ is engaged in the exercise of trust
777 powers; ~~or~~

778 (e) The direct or indirect acquisition of control of the
779 failing institution;

780 (f) The appointment of provisional directors, executive
781 officers, or other employees for the failing institution
782 pursuant to s. 655.03855; or

783 (g) Any other capital or liquidity restoration plan or

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784 action deemed prudent by the office.

785 (2) Any ~~such~~ finding by the office must be based upon
786 reports or other information furnished to it by the failing
787 financial institution, by a state or federal financial
788 institution examiner or regulatory entity, or upon other
789 evidence from which it is reasonable to conclude that the
790 failing ~~such financial~~ institution is insolvent, or is
791 threatened with imminent insolvency, or lacks a board of
792 directors or executive management that can operate the entity in
793 a safe and sound manner. The office may disallow intangible
794 assets, deferred tax assets, loan or lease loss reserves,
795 subordinated debt, and illegally obtained currency, monetary
796 instruments, funds, or other financial resources from the
797 capitalization requirements of the financial institutions codes.
798 The stockholders of a failing institution ~~bank, association, or~~
799 ~~trust company~~ that is acquired by another financial institution
800 ~~bank or trust company under this section~~ are entitled to the
801 same procedural rights and ~~to~~ compensation for the remaining
802 value of their shares as is provided for dissenters in s.
803 658.44, except that they may not have no right to vote against
804 the transaction. Any transaction authorized by this section may
805 be accomplished through the organization of a successor
806 financial institution.

807 (3) The office may provide prior approval of business
808 entities or individuals who, pursuant to this section, may
809 charter a new state financial institution or acquire control of,
810 purchase, merge with, or become directors and executive officers
811 of, a failing financial institution. The application for prior
812 approval must be in the form prescribed by the commission by

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813 rule and be accompanied by a nonrefundable filing fee of \$7,500.

814 Section 13. Section 655.419, Florida Statutes, is amended
815 to read:

816 655.419 Effect.—The provisions of ss. 655.41-655.419
817 relating to merger, consolidation, conversion, or acquisition of
818 assets of any financial institution ~~entity~~ are cumulative with
819 all other provisions of the financial institutions codes and do
820 not modify, limit, or repeal any ~~of such~~ other provisions except
821 as expressly provided in the codes or as stated in an emergency
822 order issued by the office pursuant to s. 655.4185 ~~stated~~
823 ~~herein. Additionally, the provisions of ss. 655.41-655.419 do~~
824 ~~not grant any authority, directly or indirectly, for any bank,~~
825 ~~association, trust company, association holding company, or bank~~
826 ~~holding company, the operations of which are principally~~
827 ~~conducted outside this state, to acquire, convert to, or merge~~
828 ~~or consolidate with any financial entity.~~

829 Section 14. Subsection (1) of section 655.947, Florida
830 Statutes, is amended to read:

831 655.947 Debt cancellation products.—

832 (1) Debt cancellation products may be offered, and a fee
833 may be charged, by financial institutions and subsidiaries of
834 financial institutions subject to ~~the provisions of~~ this section
835 and the rules and orders of the commission or office. As used in
836 this section, the term "financial institutions" includes those
837 defined in s. 655.005-~~(1)~~-(h), insured depository institutions as
838 defined in 12 U.S.C. s. 1813, and subsidiaries of such
839 institutions.

840 Section 15. Present subsections (8) through (16) of section
841 657.038, Florida Statutes, are redesignated as subsections (7)

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842 through (15), respectively, and subsections (6) and (7) of that
843 section are amended, to read:

844 657.038 Loan powers.—

845 ~~(6) As used in this section, the term "related interest"~~
846 ~~means a person's interest in a partnership as a general partner,~~
847 ~~and any limited partnership, corporation, or other business~~
848 ~~organization controlled by that person. A limited partnership,~~
849 ~~corporation, or other business organization is controlled by a~~
850 ~~person who:~~

851 ~~(a) Owns, controls, or has the power to vote 25 percent or~~
852 ~~more of any class of voting securities of any such business~~
853 ~~organization;~~

854 ~~(b) Controls in any manner the election of a majority of~~
855 ~~the directors of any such business organization; or~~

856 ~~(c) Has the power to exercise a controlling influence over~~
857 ~~the management or policies of such business organization.~~

858 (6) ~~(7)~~ In computing a person's the total obligations
859 outstanding liabilities of any person, all loans endorsed or
860 guaranteed as to repayment by that such person and ~~by~~ any
861 related interest of such person must be included. The credit
862 union must also include all of the person's potential
863 liabilities and obligations resulting from the person's
864 derivatives transactions, repurchase agreements, securities
865 lending and borrowing transactions, credit default swaps, and
866 similar contracts.

867 Section 16. Subsection (7) of section 657.042, Florida
868 Statutes, is amended to read:

869 657.042 Investment powers and limitations.—A credit union
870 may invest its funds subject to the following definitions,

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871 restrictions, and limitations:

872 (7) SPECIAL PROVISIONS.—

873 (a) A credit union may not invest its funds in ~~None of the~~
874 ~~bonds or other obligations described in this section shall be~~
875 ~~eligible for investment by credit unions in any amount unless~~
876 the bonds or other obligations are current as to all payments of
877 principal and interest ~~and unless rated in one of the four~~
878 ~~highest classifications, or, in the case of commercial paper,~~
879 ~~unless it is of prime quality and of the highest letter and~~
880 ~~numerical rating, as established by a nationally recognized~~
881 ~~investment rating service, or any comparable rating as~~
882 ~~determined by the office.~~

883 (b) A credit union shall establish written policies and
884 procedures for evaluating the systemic and specific risks and
885 benefits associated with investments authorized under this
886 section before making such investments and must conduct
887 appropriate risk management and monitoring for the duration of
888 the investment. An investment decision may not be based solely
889 on the rating of the bond or other obligation by an investment
890 rating service. The office may require a credit union to divest
891 itself of an investment that the office determines creates
892 excessive risk or the associated risk exceeds the ability of the
893 credit union to properly evaluate and manage.

894 (c) ~~(b)~~ With prior office approval ~~of the office~~, any
895 investment permitted in this section may also be made indirectly
896 by investment in a trust or mutual fund, the investments of
897 which are limited as set forth in this section. ~~, provided that~~
898 The credit union must maintain a current file on each investment
899 which contains sufficient information to determine whether the

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900 investment complies with the requirements of this section. If
901 the investment fails to comply ~~with the requirements of this~~
902 ~~section~~, the credit union must divest itself of its investment,
903 unless otherwise approved by the office.

904 Section 17. Subsection (5) of section 657.063, Florida
905 Statutes, is amended to read:

906 657.063 Involuntary liquidation.—

907 (5) When the liquidating agent of the credit union has been
908 appointed, the office may waive or deem inapplicable the fees
909 required by this chapter and the examination required by s.
910 655.045(1) ~~(a) if, provided~~ the liquidating agent submits
911 periodic reports to the office on the status of the liquidation.

912 Section 18. Subsection (8) of section 657.064, Florida
913 Statutes, is amended to read:

914 657.064 Voluntary liquidation.—A credit union may elect to
915 dissolve voluntarily and liquidate its affairs in the following
916 manner:

917 (8) When the liquidating agent of the credit union has been
918 appointed, the office may waive or hold inapplicable the fees
919 required by this chapter and the examination required by s.
920 655.045(1) ~~(a) if, provided~~ the liquidating agent submits
921 periodic reports to the office on the status of the liquidation.

922 Section 19. Subsections (4) and (25) of section 658.12,
923 Florida Statutes, are amended to read:

924 658.12 Definitions.—Subject to other definitions contained
925 in the financial institutions codes and unless the context
926 otherwise requires:

927 (4) "Branch" or "branch office" of a bank means any office
928 or place of business of a bank, other than its main office and

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929 the facilities and operations authorized by ss. 658.26(4),
 930 ~~658.65~~, and 660.33, at which deposits are received, checks are
 931 paid, or money is lent. With respect to a bank that ~~which~~ has a
 932 trust department, the terms "~~branch~~" and "~~branch office~~" have
 933 the meanings herein ascribed to a branch or a branch office of a
 934 trust company and mean. "~~Branch~~" or "~~branch office~~" of a trust
 935 ~~company means~~ any office or place of business of a trust
 936 company, other than its main office and its trust service
 937 offices established pursuant to s. 660.33, where trust business
 938 is transacted with its customers.

939 ~~(25) Terms used but not defined in this code, but which are~~
 940 ~~defined in Revised Article 3 or Article 4 of the Uniform~~
 941 ~~Commercial Code as enacted in chapters 673 and 674 shall, in~~
 942 ~~this code, unless the context otherwise requires, have the~~
 943 ~~meanings ascribed to them in chapters 673 and 674.~~

944 Section 20. Subsection (3) of section 658.20, Florida
 945 Statutes, is repealed.

946 Section 21. Subsection (1) of section 658.28, Florida
 947 Statutes, is amended to read:

948 658.28 Acquisition of control of a bank or trust company.-

949 (1) If ~~In any case in which~~ a person or a group of persons,
 950 directly or indirectly or acting by or through one or more
 951 persons, proposes to purchase or acquire a controlling interest
 952 in a ~~any~~ state bank or state trust company, and ~~thereby to~~
 953 change the control of that bank or trust company, such each
 954 ~~person or group of persons must shall~~ first submit an ~~make~~
 955 application to the office for a certificate of approval of such
 956 proposed change ~~of control of the bank or trust company.~~

957 (a) The application must ~~shall~~ contain the name and

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958 address, and such other relevant information as the commission
 959 or office requires, including information relating to other and
 960 former addresses and the reputation, character, responsibility,
 961 and business affiliations, ~~of the proposed new owner or each of~~
 962 ~~the proposed~~ new owners of the controlling interest.

963 (b) The office shall issue a certificate of approval only
 964 after it has made an investigation and determined that the
 965 proposed new ~~owner or~~ owners of the interest are qualified by
 966 reputation, character, experience, and financial responsibility
 967 to control and operate the bank or trust company in a legal and
 968 proper manner and that the interests of the other stockholders,
 969 if any, ~~and~~ the depositors and creditors of the bank or trust
 970 company, ~~and the interests of the public generally will not be~~
 971 jeopardized by the proposed change in ownership, controlling
 972 interest, or management.

973 (c) ~~A No~~ person who has been convicted of, or pled guilty
 974 or nolo contendere to, a violation of s. 655.50, relating to ~~the~~
 975 ~~Florida Control of~~ money laundering in financial institutions
 976 ~~Act~~; chapter 896, relating to offenses related to financial
 977 transactions; or any similar state or federal law may not
 978 receive ~~shall be given~~ a certificate of approval ~~by the office~~.

979 (d) A business organization that is not a bank holding
 980 company authorized by the office or the federal Bank Holding
 981 Company Act of 1956, as amended, 12 U.S.C. ss. 1841 et seq., may
 982 not control a bank.

983 Section 22. Section 658.295, Florida Statutes, is repealed.

984 Section 23. Section 658.2953, Florida Statutes, is amended
 985 to read:

986 658.2953 Interstate branching.—

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987 (1) SHORT TITLE.—This section may be cited as the “Florida
988 Interstate Branching Act.”

989 (2) PURPOSE.—The purpose of this section is to provide for
990 the regulation of ~~permit~~ interstate branching, ~~effective May 31,~~
991 ~~1997, by a merger transaction under s. 102 of the Riegle-Neal~~
992 ~~Interstate Banking and Branching Efficiency Act of 1994, Pub. L.~~
993 ~~No. 103-328,~~ in accordance with this section and consistent with
994 the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.
995 1811 et seq.; the Bank Holding Company Act of 1956, as amended,
996 12 U.S.C. ss. 1841 et seq., and 12 U.S.C. s. 5451; and the Dodd-
997 Frank Wall Street Reform and Consumer Protection Act, Pub. L.
998 No. 111-203.

999 (3) ~~LEGISLATIVE INTENT.~~ ~~The Legislature finds it is in the~~
1000 ~~interest of the citizens of this state, and declares it to be~~
1001 ~~the intent of this section, to:~~

1002 (a) ~~Supervise, regulate, and examine persons, firms,~~
1003 ~~corporations, associations, and other business entities~~
1004 ~~furnishing depository, lending, and associated financial~~
1005 ~~services in this state.~~

1006 (b) ~~Protect the interests of shareholders, members,~~
1007 ~~depositors, and other customers of financial institutions~~
1008 ~~operating in this state.~~

1009 (c) ~~Preserve the competitive equality of state financial~~
1010 ~~institutions as compared with federal financial institutions.~~

1011 (d) ~~Promote the availability, efficiency, and profitability~~
1012 ~~of financial services in the communities of this state.~~

1013 (e) ~~Preserve the advantages of the dual banking system.~~

1014 (f) ~~Cooperate with federal regulators and regulators from~~
1015 ~~other states in regulating financial institutions, in improving~~

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1016 ~~the quality of regulation, and in promoting the interests of~~
1017 ~~this state in interstate matters.~~

1018 ~~(g) Provide the commission and office sufficient powers and~~
1019 ~~responsibilities to carry out such purposes.~~

1020 (3)~~(4)~~ DEFINITIONS.—As used in this section, the term
1021 ~~unless a different meaning is required by the context:~~

1022 ~~(a) "Bank" has the meaning set forth in 12 U.S.C. s.~~
1023 ~~1813(h), provided the term "bank" does not include any "foreign~~
1024 ~~bank" as defined in 12 U.S.C. s. 3101(7), except such term~~
1025 ~~includes any foreign bank organized under the laws of a~~
1026 ~~territory of the United States, Puerto Rico, Guam, American~~
1027 ~~Samoa, or the Virgin Islands, the deposits of which are insured~~
1028 ~~by the Federal Deposit Insurance Corporation.~~

1029 ~~(b) "Bank holding company" has the meaning set forth in 12~~
1030 ~~U.S.C. s. 1841(a)(1).~~

1031 ~~(c) "Bank regulatory agency" means:~~

1032 ~~1. Any agency of another state with primary responsibility~~
1033 ~~for chartering and regulating banks.~~

1034 ~~2. The Office of the Comptroller of the Currency, the~~
1035 ~~Federal Deposit Insurance Corporation, the Board of Governors of~~
1036 ~~the Federal Reserve System, and any successor to such agencies.~~

1037 ~~(d) "Branch" has the meaning set forth in s. 658.12.~~

1038 ~~(e) "De novo branch" means a branch of a bank located in a~~
1039 ~~host state which:~~

1040 ~~1. Is originally established by the bank as a branch.~~

1041 ~~2. Does not become a branch of the bank as a result of:~~

1042 ~~a. The acquisition of another bank or a branch of another~~
1043 ~~bank; or~~

1044 ~~b. The merger, consolidation, or conversion involving any~~

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1045 ~~such bank or branch.~~

1046 ~~(f) "Control" shall be construed consistently with the~~
1047 ~~provisions of 12 U.S.C. s. 1841(a)(2).~~

1048 ~~(g) "Failing financial entity" means an out-of-state state~~
1049 ~~bank that has been determined by its home state regulator or the~~
1050 ~~appropriate federal regulatory agency to be imminently insolvent~~
1051 ~~or to require immediate action to prevent its probable failure.~~

1052 ~~(h) "Home state" means:~~

1053 ~~1. With respect to a state bank, the state by which the~~
1054 ~~bank is chartered.~~

1055 ~~2. With respect to a national bank, the state in which the~~
1056 ~~main office of the bank is located.~~

1057 ~~3. With respect to a foreign bank, the state determined to~~
1058 ~~be the home state of such foreign bank under 12 U.S.C. s.~~
1059 ~~3103(c).~~

1060 ~~(i) "Home state regulator" means, with respect to an out-~~
1061 ~~of-state state bank, the bank's regulatory agency of the state~~
1062 ~~in which such bank is chartered.~~

1063 ~~(j) "Host state" means a state, other than the home state~~
1064 ~~of a bank, in which the bank maintains or seeks to establish and~~
1065 ~~maintain a branch.~~

1066 ~~(k) "Insured depository institution" has the meaning set~~
1067 ~~forth in 12 U.S.C. s. 1813(c)(2) and (3).~~

1068 (a)(1) ~~"Interstate merger transaction" means the merger or~~
1069 ~~consolidation of banks with different home states, and the~~
1070 ~~conversion of branches of any bank involved in the merger or~~
1071 ~~consolidation into branches of the resulting bank.~~

1072 ~~(m) "Out-of-state bank" means a bank whose home state is a~~
1073 ~~state other than this state.~~

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1074 ~~(n) "Out-of-state state bank" means a bank chartered under~~
 1075 ~~the laws of any state other than this state.~~

1076 (b) ~~(e)~~ "Resulting bank" means a bank that results ~~has~~
 1077 ~~resulted~~ from an interstate merger transaction under this
 1078 section.

1079 ~~(p) "State" means any state of the United States, the~~
 1080 ~~District of Columbia, any territory of the United States, Puerto~~
 1081 ~~Rico, Guam, American Samoa, the Trust Territory of the Pacific~~
 1082 ~~Islands, the Virgin Islands, and the Northern Mariana Islands.~~

1083 (c) ~~(q)~~ "Florida bank" means a bank whose home state is this
 1084 state.

1085 ~~(r) "State bank" means a bank chartered under the laws of~~
 1086 ~~this state.~~

1087 ~~(5) INTERSTATE BRANCHING BY DE NOVO ENTRY PROHIBITED.—An~~
 1088 ~~out-of-state bank that does not operate a branch in this state~~
 1089 ~~is prohibited from establishing a de novo branch in this state.~~

1090 (4) ~~(6)~~ AUTHORITY OF STATE BANKS TO ESTABLISH INTERSTATE
 1091 BRANCHES BY MERGER.—With the prior written approval of the
 1092 office, a state bank may establish, maintain, and operate one or
 1093 more branches in a state other than this state pursuant to an
 1094 interstate merger transaction in which the state bank is the
 1095 resulting bank. No later than the date on which the required
 1096 application for the interstate merger transaction is filed with
 1097 the appropriate ~~responsible~~ federal bank regulatory agency, the
 1098 applicant state bank shall file an application on a form
 1099 prescribed by the commission accompanied by the required fee
 1100 pursuant to s. 658.73. The applicant must ~~shall~~ also comply with
 1101 the provisions of ss. 658.40-658.45.

1102 (5) ~~(7)~~ INTERSTATE MERGER TRANSACTIONS AND BRANCHING

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1103 PERMITTED.—

1104 (a) One or more Florida banks may enter into an interstate
 1105 merger transaction with one or more out-of-state banks. An out-
 1106 of-state bank resulting from such transaction may maintain and
 1107 operate the branches of a Florida bank that participated in such
 1108 transaction ~~if, provided that~~ the conditions and filing
 1109 requirements of this section are met.

1110 (b) Except as otherwise expressly provided in this section,
 1111 an interstate merger transaction is ~~shall~~ not be permitted if,
 1112 upon consummation of such transaction, the resulting bank,
 1113 including all insured depository institutions that would be
 1114 "affiliates," as defined in 12 U.S.C. s. 1841(k), of the
 1115 resulting bank, would control 30 percent or more of the total
 1116 amount of deposits held by all insured depository institutions
 1117 in this state. However, this paragraph does not apply to initial
 1118 entry into this state by an out-of-state bank or bank holding
 1119 company.

1120 ~~(c) An interstate merger transaction resulting in the~~
 1121 ~~acquisition by an out-of-state bank of a Florida bank shall not~~
 1122 ~~be permitted under this section unless such Florida bank has~~
 1123 ~~been in existence and continuously operating, on the date of~~
 1124 ~~such acquisition, for more than 3 years.~~

1125 (6) (8) NOTICE AND FILING REQUIREMENTS.—An Any out-of-state
 1126 bank that will be the resulting bank pursuant to an interstate
 1127 merger transaction involving a Florida bank must ~~shall~~ notify
 1128 the office of the proposed merger within 15 days after the date
 1129 ~~on which~~ it files an application for an interstate merger
 1130 transaction with the appropriate federal regulatory agency and
 1131 the home state regulatory agency, if applicable. Thereafter, the

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1132 out-of-state bank and the Florida bank must, upon request of the
1133 office, submit status updates with such information as the
1134 office specifies until the merger transaction is completed or
1135 the merger application is withdrawn or denied.

1136 (7)-(9) EXAMINATIONS; PERIODIC REPORTS; COOPERATIVE
1137 AGREEMENTS; ASSESSMENT OF FEES.—

1138 (a) The office may examine any Florida branch of an out-of-
1139 state state bank which the office deems necessary for the
1140 purpose of determining whether the branch is being operated in
1141 compliance with the laws of this state and in accordance with
1142 safe and sound banking practices.

1143 (b) The office may enter into cooperative, coordinating, or
1144 information-sharing agreements with other bank regulatory
1145 agencies or any organization affiliated with or representing one
1146 or more bank regulatory agencies to facilitate the regulation of
1147 out-of-state state branches doing business in this state.

1148 (c) The office may accept reports of examinations or
1149 investigations, or other records from other regulatory agencies
1150 having concurrent jurisdiction over a state bank or a bank
1151 holding company that controls out-of-state state banks that
1152 operate branches in this state in lieu of conducting its own
1153 examinations or investigations.

1154 (d) The office may assess supervisory and examination fees
1155 that are ~~shall be~~ payable by state banks and out-of-state state
1156 bank holding companies doing business in this state in
1157 connection with the office's performance of its duties under
1158 this section and as prescribed by the commission. Such fees may
1159 be shared with other bank regulatory agencies or ~~any~~
1160 organizations affiliated with or representing one or more bank

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1161 regulatory agencies in accordance with agreements between them
1162 and the office.

1163 (8) ~~(10)~~ LAWS APPLICABLE TO INTERSTATE BRANCHING

1164 OPERATIONS.—Laws of this state regarding consumer protection,
1165 fair lending, and establishment of intrastate branches apply to
1166 any out-of-state bank branch doing business in this state to the
1167 same extent as the laws of this state apply to a state bank,
1168 unless ~~except~~:

1169 (a) ~~When~~ Federal law preempts the application of the laws
1170 of this state.

1171 (b) ~~When~~ The Comptroller of the Currency determines that
1172 the application of the ~~such~~ laws of this state would have a
1173 discriminatory effect on the branch of a national bank in
1174 comparison with the effect the application of such state laws
1175 would have with respect to branches of a state bank.

1176 (9) ~~(11)~~ ENFORCEMENT.—

1177 (a) If the office determines that a branch maintained by an
1178 out-of-state state bank in this state is being operated in
1179 violation of any ~~provision of~~ law of this state, or that such
1180 branch is being operated in an unsafe and unsound manner, the
1181 office may take all such enforcement actions as it would be
1182 empowered to take if the branch were a state bank if, ~~provided~~
1183 ~~that~~ the office ~~shall~~ promptly gives ~~give~~ notice to the home
1184 state regulator of each enforcement action taken against the ~~an~~
1185 out-of-state state bank and, to the extent practicable, consults
1186 and cooperates ~~shall consult and cooperate~~ with the home state
1187 regulator in pursuing and resolving the ~~said~~ enforcement action.

1188 (b) The office may take any action jointly with other
1189 regulatory agencies having concurrent jurisdiction over out-of-

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1190 state banks and bank holding companies that operate branches in
 1191 this state, or take such action independently, to carry out its
 1192 responsibilities.

1193 ~~(10)-(12)~~ NOTICE OF SUBSEQUENT MERGER.-

1194 (a) Each out-of-state state bank that has established and
 1195 maintains a branch in this state must ~~pursuant to this section~~
 1196 ~~shall~~ give at least 30 days' prior written notice to the office
 1197 of any merger, consolidation, or other transaction that would
 1198 cause a change of control pursuant to home state or federal law
 1199 with respect to such bank or any bank holding company that
 1200 controls such bank.

1201 (b) ~~Notwithstanding any other provisions of the financial~~
 1202 ~~institutions codes or of chapter 120,~~ In the case of a failing
 1203 financial institution entity, the office ~~shall have the power,~~
 1204 with the concurrence of the appropriate regulatory agencies
 1205 ~~agency,~~ may ~~to~~ issue an emergency order authorizing any
 1206 necessary interstate banking or branching transaction pursuant
 1207 to s. 655.4185.÷

1208 1. ~~The merger or interstate merger transaction of any such~~
 1209 ~~failing financial entity with a state bank or bank holding~~
 1210 ~~company that controls a state bank;~~

1211 2. ~~Any bank to acquire assets and assume liabilities of the~~
 1212 ~~Florida branches of any such failing financial entity;~~

1213 3. ~~The conversion of any such failing financial entity into~~
 1214 ~~a state bank or trust company;~~

1215 4. ~~The chartering of a new state bank to acquire the~~
 1216 ~~Florida branches of any such failing financial entity; or~~

1217 5. ~~The chartering of a new state trust company to acquire~~
 1218 ~~assets and assume liabilities and rights, powers, and~~

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1219 ~~responsibilities as fiduciary of such failing financial entity.~~

1220 (11)~~(13)~~ DE NOVO INTERSTATE BRANCHING BY STATE BANKS.-

1221 (a) With the prior approval of the office, a ~~any~~ state bank
1222 may establish and maintain a de novo branch or acquire a branch
1223 in a state other than this state by submitting an application
1224 with the office pursuant to s. 658.26.

1225 (b) A state bank desiring to establish and maintain a
1226 branch in another state ~~pursuant to s. 658.26~~ shall pay the
1227 branch application fee set forth in s. 658.73. In acting on the
1228 application, the office shall consider the views of the
1229 appropriate bank regulatory agencies.

1230 (c) An out-of-state bank may establish and maintain a de
1231 novo branch or acquire a branch in this state upon compliance
1232 with chapter 607 or chapter 608 relating to doing business in
1233 this state as a foreign business entity, including maintaining a
1234 registered agent for service of process and other legal notice
1235 pursuant to s. 655.0201.

1236 (12)~~(14)~~ ADDITIONAL BRANCHES; POWERS.-

1237 (a) An out-of-state bank that has lawfully acquired or
1238 established a branch in this state ~~or bank holding company that~~
1239 ~~has acquired a bank in this state pursuant to s. 658.295, or by~~
1240 ~~interstate merger pursuant to this section,~~ may establish an
1241 ~~additional branch or~~ additional branches in this state to the
1242 same extent that any Florida bank may establish ~~a branch or~~
1243 branches in this state.

1244 (b) An out-of-state bank may conduct only those activities
1245 at its Florida branch or branches which ~~that~~ are authorized
1246 under the laws of this state or of the United States. However,
1247 an out-of-state bank with trust powers ~~resulting from an~~

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1248 ~~interstate merger transaction with one or more Florida banks~~
1249 ~~with trust powers shall be entitled to and may exercise all~~
1250 trust powers in this state as a Florida bank with trust powers
1251 ~~that participated in the transaction.~~

1252 Section 24. Section 658.296, Florida Statutes, is repealed.

1253 Section 25. Section 658.36, Florida Statutes, is amended to
1254 read:

1255 658.36 Changes in capital.—

1256 (1) A ~~No~~ state bank or trust company may not ~~shall~~ reduce
1257 the number of shares of its outstanding capital stock without
1258 first obtaining the approval of the office, ~~and such Approval~~
1259 ~~shall be withheld if the reduction will cause the outstanding~~
1260 capital accounts ~~stock~~ to be less than the minimum required
1261 pursuant to the financial institutions codes.

1262 (2) A ~~Any~~ state bank or trust company may provide for an
1263 increase in its number of outstanding shares of capital stock
1264 after filing a written notice with the office at least 15 days
1265 before ~~prior to~~ making such increase. The office may waive the
1266 time requirement upon a demonstration of good cause.

1267 (3) If a bank or trust company's capital accounts have been
1268 diminished by losses to less than the minimum required pursuant
1269 to the financial institutions codes, the market value of its
1270 shares of capital stock is less than the present par value, and
1271 the bank or trust company cannot reasonably issue and sell new
1272 shares of stock to restore its capital accounts at a share price
1273 of par value or greater of the previously issued capital stock,
1274 the office, notwithstanding any other provisions of chapter 607
1275 or the financial institutions codes, may approve special stock
1276 offering plans.

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1277 (a) Such plans may include, but are not limited to,
1278 mechanisms for stock splits including reverse splits;
1279 revaluations of par value of outstanding stock; changes in
1280 voting rights, dividends, or other preferences; and creation of
1281 new classes of stock.

1282 (b) The plan must be approved by majority vote of the bank
1283 or trust company's entire board of directors and by holders of
1284 two-thirds of the outstanding shares of stock.

1285 (c) The office shall disapprove a plan that provides unfair
1286 or disproportionate benefits to existing shareholders,
1287 directors, executive officers, or their related interests. The
1288 office shall also disapprove any plan that is not likely to
1289 restore the capital accounts to sufficient levels to achieve a
1290 sustainable, safe, and sound financial institution.

1291 (d) For any bank or trust company that the office
1292 determines to be a failing financial institution pursuant to s.
1293 655.4185, the office may approve special stock offering plans
1294 without a vote of the shareholders.

1295 Section 26. Subsection (2) of section 658.41, Florida
1296 Statutes, is amended to read:

1297 658.41 Merger; resulting state or national bank.—

1298 (2) ~~Nothing in~~ The laws law of this state do not shall
1299 restrict the right of a state bank or state trust company to
1300 merge with a resulting national bank or out-of-state bank. In
1301 such case the action to be taken by a constituent state bank or
1302 state trust company, and its rights and liabilities and those of
1303 its shareholders, are shall be the same as those prescribed for
1304 constituent national banks at the time of the action by the
1305 applicable federal law ~~of the United States~~ and not ~~by~~ the law

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1306 of this state.

1307 Section 27. Subsections (3) through (11) of section 658.48,
1308 Florida Statutes, are amended to read:

1309 658.48 Loans.—A state bank may make loans and extensions of
1310 credit, with or without security, subject to the following
1311 limitations and provisions:

1312 (3) LOANS TO OTHER PERSONS.—A ~~No~~ bank may not shall extend
1313 credit, including the granting of a line of credit, to any ~~other~~
1314 person ~~not included in subsection (2)~~, including a any related
1315 interest of that person, which that, if when aggregated with the
1316 amount of all other extensions of credit to that person and any
1317 related interest of that person, exceeds 15 percent of the
1318 capital accounts of the lending bank, unless the extension of
1319 credit has been approved in advance by a majority of the entire
1320 board of directors or by all members of an authorized committee
1321 thereof within not more than 1 year before ~~prior to~~ the time
1322 ~~when~~ such credit is extended.

1323 (4) RELATED INTERESTS.—~~As used in this section, the term~~
1324 ~~“related interest” means, with respect to any person, any~~
1325 ~~partnership, corporation, or other business organization~~
1326 ~~controlled by that person. A corporation is controlled by a~~
1327 ~~person who:~~

1328 (a) ~~Owns, controls, or has the power to vote 25 percent or~~
1329 ~~more of any class of voting securities of the corporation;~~

1330 (b) ~~Controls in any manner the election of a majority of~~
1331 ~~the directors of the corporation; or~~

1332 (c) ~~Has the power to exercise a controlling influence over~~
1333 ~~the management or policies of the corporation.~~

1334 (4) ~~(5)~~ SPECIAL PROVISIONS.—

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1335 (a) A limitation of 25 percent of the capital accounts of
1336 the lending bank applies to the aggregate of all loans made to a
1337 corporation, together with all loans secured by shares of stock,
1338 bonds, or other obligations of the same corporation, unless the
1339 stocks or bonds are listed and traded on a recognized stock
1340 exchange, ~~or are~~ registered under the Securities Exchange Act of
1341 1934, ~~or are~~ registered with the Board of Governors of the
1342 Federal Reserve System, ~~with~~ the Federal Deposit Insurance
1343 Corporation, or ~~with~~ the Comptroller of the Currency, in which
1344 case no aggregate loan limit applies.

1345 (b) A limitation of 15 percent of the capital accounts of
1346 the lending bank applies to loans made to any one borrower on
1347 the security of shares of capital stock listed and traded on a
1348 recognized exchange. A limitation of 10 percent of the capital
1349 accounts of the lending bank applies to loans made to any one
1350 borrower on the security of shares of capital stock not listed
1351 on a recognized exchange or the obligations subordinate to
1352 deposits of another bank. A limitation of 25 percent of the
1353 capital accounts of the lending state bank applies to the
1354 aggregate of all loans secured by the shares of capital stock or
1355 the obligations subordinate to deposits of any one bank.

1356 (c) A ~~No~~ loan may not ~~shall~~ be made by a bank:

1357 1. On the security of the shares of its own capital stock
1358 or of its obligations subordinate to deposits.

1359 2. On an unsecured basis for the purpose of purchasing ~~the~~
1360 ~~purchase of~~ shares of its own capital stock or its obligations
1361 subordinate to deposits.

1362 3. On a secured or unsecured basis for the purpose of
1363 purchasing ~~the purchase of~~ shares of the stock of its one-bank

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1364 holding company.

1365 (d) A one-bank holding company bank may make loans on its
1366 own one-bank holding company stock. For capital stock that is
1367 listed and traded on a recognized exchange, the stock may not be
1368 valued at more than 70 percent of its current market value, and
1369 for capital stock that is not listed and traded on a recognized
1370 exchange, the stock may not be valued at more than 70 percent of
1371 its current book value.

1372 ~~(e) Loans based upon the security of real estate mortgages~~
1373 ~~shall be documented as first liens, except that liens other than~~
1374 ~~first liens may be taken:~~

1375 ~~1. To protect a loan previously made in good faith;~~

1376 ~~2. To further secure a loan otherwise amply and entirely~~
1377 ~~secured;~~

1378 ~~3. As additional security for Federal Housing~~
1379 ~~Administration Title 1 loans or loans made with participation or~~
1380 ~~guaranty by the Small Business Administration;~~

1381 ~~4. To secure a loan not in excess of 15 percent of the~~
1382 ~~capital accounts of the bank; or~~

1383 ~~5. As provided by rules of the commission.~~

1384 ~~(e)-(f)~~ In computing the total liabilities of any person,
1385 ~~there shall be included~~ all loans or lines of credit endorsed or
1386 guaranteed as to repayment by such person and ~~by~~ any related
1387 interest of such person must be included. Purchased
1388 participations in pools of loans which are carried as loans
1389 subject to the limits of this section must be aggregated when
1390 computing the total liabilities of a person who is a borrower,
1391 originator, seller, broker, or guarantor, or has a repurchase
1392 agreement obligation for the individual and pooled loans. The

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1393 computation of total liabilities must also include all potential
1394 liabilities and obligations of the person, and any related
1395 interest, resulting from the person's derivatives transactions,
1396 repurchase agreements, securities lending and borrowing
1397 transactions, credit default swaps, and similar contracts.

1398 (f)~~(g)~~ All loan documentation must ~~shall~~ be written in the
1399 English ~~language~~ or contain an English translation of foreign
1400 language provisions.

1401 (5)~~(6)~~ APPLICABILITY OF LOAN LIMITATIONS.—The loan
1402 limitations ~~otherwise~~ provided in this section do not apply to:

1403 (a) Loans that ~~which~~ are fully secured by assignment of a
1404 savings account or certificate of deposit of the lending bank;

1405 (b) Loans that ~~which~~ are fully secured by notes, bonds, or
1406 other evidences of indebtedness issued by the United States
1407 Government or fully guaranteed as to repayment by the United
1408 States Government or its agencies, bureaus, boards, or
1409 commissions; ~~or~~

1410 (c) Loans made to district school boards if ~~when~~ such loans
1411 are secured by the assignment of revenues reasonably expected to
1412 be received from the state and are otherwise made in compliance
1413 with statutes governing borrowings by such boards; or~~—~~

1414 (d) Purchased participations in pools of loans which are
1415 carried as investments subject to the limitations of s. 658.67.

1416 (6)~~(7)~~ APPROVAL BY BOARD.—The requirements of this section
1417 concerning approval of lending activities by the board of
1418 directors or an authorized committee therefrom are ~~have been~~ met
1419 only if ~~when~~ such approvals are recorded in the formal minutes
1420 of the actions of the board and its committees by name of
1421 borrower, amount of loan, maturity of loan, and general type of

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1422 collateral. If, at the time of approval of a line of credit,
1423 such information is not available, the name of the borrower and
1424 the amount of the approved line of credit must ~~shall~~ be recorded
1425 in the minutes. Any action required by this section ~~to be taken~~
1426 ~~by the board of directors or an authorized committee therefrom~~
1427 may be taken pursuant to s. 607.0820(4) if the minutes of the
1428 proceedings of the board or of the committee reflect such action
1429 and each director taking such action signs the minutes
1430 reflecting such action at the next regular meeting of the board
1431 or committee attended by such director.

1432 (7) ~~(8)~~ LIABILITY OF OFFICERS AND DIRECTORS.—Officers and
1433 directors are personally liable, jointly and severally, for any
1434 loss that may be occasioned by a ~~any~~ willful violation of this
1435 section.

1436 (8) ~~(9)~~ If ~~When~~ a bank's capital has been diminished by
1437 losses so that its ability to honor legally binding written loan
1438 commitments is impaired, the office may approve limited
1439 expansion of the lending limitations set forth in this section.

1440 ~~(10) IMMINENTLY INSOLVENT BANK. When the office has~~
1441 ~~determined that a state bank is imminently insolvent, the bank~~
1442 ~~may not make any new loans or discounts other than by~~
1443 ~~discounting or purchasing bills of exchange payable at sight.~~

1444 (9) ~~(11)~~ FEDERAL RESTRICTIONS AND LIMITATIONS. ~~Nothing in~~
1445 This section does not expand, enlarge ~~shall be construed as~~
1446 ~~expanding, enlarging,~~ or otherwise affect ~~affecting~~ any lending
1447 limits, restrictions, or procedures now provided by federal law
1448 applicable to state banks in conjunction with any loan or loans
1449 to any borrower or class of borrowers.

1450 Section 28. Subsection (4) of section 658.53, Florida

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1451 Statutes, is amended to read:

1452 658.53 Borrowing; limits of indebtedness.—

1453 (4) Unrepaid proceeds of sales of capital notes and capital
1454 debentures ~~are, as provided herein, shall be considered as a~~
1455 part of the aggregate amount of capital and surplus in computing
1456 loan and investment limitations ~~and in evaluating adequacy of~~
1457 ~~capital of the issuing bank~~ if the issuing bank is not in
1458 default ~~thereunder~~.

1459 Section 29. Section 658.65, subsection (33) of section
1460 665.013, and subsection (35) of section 667.003, Florida
1461 Statutes, are repealed.

1462 Section 30. Paragraph (c) of subsection (5) and subsections
1463 (6) and (10) of section 658.67, Florida Statutes, are amended to
1464 read:

1465 658.67 Investment powers and limitations.—A bank may invest
1466 its funds, and a trust company may invest its corporate funds,
1467 subject to the following definitions, restrictions, and
1468 limitations:

1469 (5) INVESTMENTS IN RELATED COMPANIES.—A bank or trust
1470 company may invest in the stock of incorporated companies to the
1471 extent hereinafter defined:

1472 (c) Up to 10 percent of the capital accounts of a bank may
1473 be invested in a clearing corporation as defined in s. 678.1021
1474 ~~678.102(3)~~.

1475 (6) INVESTMENTS IN CORPORATIONS.—Up to an aggregate of 10
1476 percent of the total assets of a bank may be invested in the
1477 stock, obligations, or other securities of subsidiary
1478 corporations or other corporations or entities, except as
1479 limited or prohibited by federal law, and except that during the

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1480 first 3 years of existence of a bank, such investments are
1481 limited to 5 percent of the total assets. ~~Any bank whose~~
1482 ~~aggregate investment on June 30, 1992, exceeds the limitation in~~
1483 ~~this subsection has 5 years within which to achieve compliance;~~
1484 ~~additional time may be approved by the office if the office~~
1485 ~~finds that compliance with this subsection will result in more~~
1486 ~~than a minimal loss to the bank. The commission may, by rule, or~~
1487 the office by order, may further limit any type of investment
1488 made pursuant to this subsection if it finds that such
1489 investment would constitute an unsafe or unsound practice.

1490 (10) SPECIAL PROVISIONS.—

1491 (a) ~~None of~~ The bonds or other obligations described in
1492 this section are not shall be eligible for investment in ~~any~~
1493 ~~amount~~ unless current as to all payments of principal and
1494 interest and ~~unless rated in one of the four highest~~
1495 ~~classifications, or, in the case of commercial paper, unless it~~
1496 ~~is of prime quality and of the highest letter and numerical~~
1497 ~~rating, as established by a nationally recognized rating service~~
1498 ~~or any comparable rating as determined by the office. Bonds or~~
1499 ~~other obligations which are unrated shall not be eligible for~~
1500 ~~investment unless~~ otherwise supported as to investment quality
1501 and marketability by a credit rating file compiled and
1502 maintained in current status by the purchasing bank or trust
1503 company. Banks and trust companies shall establish written
1504 policies and procedures to evaluate the systemic and specific
1505 risks and benefits associated with all investments authorized in
1506 this section before making such investments and must provide for
1507 appropriate risk management and monitoring for the duration of
1508 the investment. An investment decision may not be based solely

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1509 on the rating of the bond or other obligation by an investment
 1510 rating service. The office may require a bank or trust company
 1511 to divest itself of any investment that the office determines
 1512 creates excessive risk or that has an associated risk that
 1513 exceeds the ability of the bank or trust company to properly
 1514 evaluate and manage.

1515 (b) Investment securities shall be entered on the books of
 1516 the bank or trust company at the fair market value on the date
 1517 of acquisition. Premiums paid in excess of par value shall be
 1518 amortized ~~either~~ over the life of the security or to the first
 1519 call date at its call price and thereafter to subsequent call
 1520 dates at their respective call prices until maturity. Discount
 1521 may be accredited over the life of the security.

1522 Section 31. Subsection (5) of section 288.772, Florida
 1523 Statutes, is amended to read:

1524 288.772 Definitions.—For purposes of ss. 288.771-288.778:

1525 (5) "Financial institution" shall have the same meaning as
 1526 that term is defined in s. 655.005~~(1)(h)~~.

1527 Section 32. Paragraph (b) of subsection (5) of section
 1528 288.99, Florida Statutes, is amended to read:

1529 288.99 Certified Capital Company Act.—

1530 (5) INVESTMENTS BY CERTIFIED CAPITAL COMPANIES.—

1531 (b) All capital not invested in qualified investments by
 1532 the certified capital company:

1533 1. Must be held in a financial institution as defined in ~~by~~
 1534 s. 655.005~~(1)(h)~~ or held by a broker-dealer registered under s.
 1535 517.12, except as set forth in sub-subparagraph 3.g.

1536 2. Must not be invested in a certified investor of the
 1537 certified capital company or any affiliate of the certified

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1538 investor of the certified capital company, except for an
1539 investment permitted by sub-subparagraph 3.g. ~~if, provided~~
1540 repayment terms do not permit the obligor to directly or
1541 indirectly manage or control the investment decisions of the
1542 certified capital company.

1543 3. Must be invested only in:

1544 a. ~~Any~~ United States Treasury obligations;

1545 b. Certificates of deposit or other obligations, maturing
1546 within 3 years after acquisition of such certificates or
1547 obligations, issued by any financial institution or trust
1548 company incorporated under the laws of the United States;

1549 c. Marketable obligations, maturing within 10 years or less
1550 after the acquisition of such obligations, which are rated "A"
1551 or better by any nationally recognized credit rating agency;

1552 d. Mortgage-backed securities that have, ~~with~~ an average
1553 life of 5 years or less, after the acquisition of such
1554 securities, which are rated "A" or better by a ~~any~~ nationally
1555 recognized credit rating agency;

1556 e. Collateralized mortgage obligations and real estate
1557 mortgage investment conduits that are direct obligations of an
1558 agency of the United States Government; are not private-label
1559 issues; are in book-entry form; and do not include the classes
1560 of interest only, principal only, residual, or zero;

1561 f. Interests in money market funds, the portfolio of which
1562 is limited to cash and obligations described in sub-
1563 subparagraphs a.-d.; or

1564 g. Obligations that are issued by an insurance company that
1565 is not a certified investor of the certified capital company
1566 making the investment, that has provided a guarantee indemnity

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1567 bond, insurance policy, or other payment undertaking in favor of
1568 the certified capital company's certified investors as permitted
1569 by subparagraph (3)(1)1. or an affiliate of such insurance
1570 company as defined by subparagraph (3)(a)3. that is not a
1571 certified investor of the certified capital company making the
1572 investment, provided that such obligations are:

1573 (I) Issued or guaranteed as to principal by an entity whose
1574 senior debt is rated "AA" or better by Standard & Poor's Ratings
1575 Group or such other nationally recognized credit rating agency
1576 as the commission may determine by rule ~~determine~~.

1577 (II) Not subordinated to other unsecured indebtedness of
1578 the issuer or the guarantor.

1579 (III) Invested by such issuing entity in accordance with
1580 sub-subparagraphs 3.a.-f.

1581 (IV) Readily convertible into cash within 5 business days
1582 for the purpose of making a qualified investment unless such
1583 obligations are held to provide a guarantee, indemnity bond,
1584 insurance policy, or other payment undertaking in favor of the
1585 certified capital company's certified investors as permitted by
1586 subparagraph (3)(1)1.

1587 Section 33. Subsection (1) of section 440.12, Florida
1588 Statutes, is amended to read:

1589 440.12 Time for commencement and limits on weekly rate of
1590 compensation.—

1591 (1) ~~No~~ Compensation is not ~~shall be~~ allowed for the first 7
1592 days of the disability, except for benefits provided for in s.
1593 440.13. However, if the injury results in ~~disability of~~ more
1594 than 21 days of disability, compensation is ~~shall be~~ allowed
1595 from the commencement of the disability. All weekly compensation

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1596 payments, except for the first payment, must ~~shall~~ be paid by
1597 check or, if authorized by the employee, deposited directly into
1598 the employee's account at a financial institution. ~~As used in~~
1599 ~~this subsection, the term "financial institution" means a~~
1600 ~~financial institution~~ as defined in s. 655.005(1)(h).

1601 Section 34. Paragraph (a) of subsection (1) of section
1602 440.20, Florida Statutes, is amended to read:

1603 440.20 Time for payment of compensation and medical bills;
1604 penalties for late payment.—

1605 (1) (a) Unless the carrier ~~it~~ denies compensability or
1606 entitlement to benefits, the carrier shall pay compensation
1607 directly to the employee as required by ss. 440.14, 440.15, and
1608 440.16, in accordance with those ~~the obligations set forth in~~
1609 ~~such~~ sections. If authorized by the employee, the carrier's
1610 obligation to pay compensation directly to the employee is
1611 satisfied when the carrier directly deposits, by electronic
1612 transfer or other means, compensation into the employee's
1613 account at a financial institution. ~~As used in this paragraph,~~
1614 ~~the term "financial institution" means a financial institution~~
1615 as defined in s. 655.005(1)(h). Compensation by direct deposit
1616 is considered paid on the date the funds become available for
1617 withdrawal by the employee.

1618 Section 35. Paragraph (c) of subsection (2) of section
1619 445.051, Florida Statutes, is amended to read:

1620 445.051 Individual development accounts.—

1621 (2) As used in this section, the term:

1622 (c) "Financial institution" has the same meaning ~~means a~~
1623 ~~financial institution~~ as defined in s. 655.005(1)(h).

1624 Section 36. Subsection (18) of section 489.503, Florida

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1625 Statutes, is amended to read:

1626 489.503 Exemptions.—This part does not apply to:

1627 (18) The monitoring of an alarm system by a direct employee
1628 of any state or federally chartered financial institution, as
1629 defined in s. 655.005~~(1)(h)~~, or any parent, affiliate, or
1630 subsidiary thereof, so long as:

1631 (a) The institution is subject to, and in compliance with,
1632 s. 3 of the Federal Bank Protection Act of 1968, 12 U.S.C. s.
1633 1882;

1634 (b) The alarm system is in compliance with all applicable
1635 firesafety standards as set forth in chapter 633; and

1636 (c) The monitoring is limited to an alarm system associated
1637 with:

1638 1. The commercial property where banking operations are
1639 housed or ~~where~~ other operations are conducted by a state or
1640 federally chartered financial institution, ~~as defined in s.~~
1641 ~~655.005(1)(h)~~, or any parent, affiliate, or subsidiary thereof;
1642 or

1643 2. The private property occupied by the institution's
1644 executive officers, as defined in s. 655.005~~(1)(f)~~,
1645
1646 and does not otherwise extend to the monitoring of residential
1647 systems.

1648 Section 37. Paragraph (b) of subsection (15) of section
1649 501.005, Florida Statutes, is amended to read:

1650 501.005 Consumer report security freeze.—

1651 (15) The provisions of this section do not apply to the
1652 following entities:

1653 (b) A deposit account information service company that,

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1654 ~~which~~ issues reports regarding account closures due to fraud,
 1655 substantial overdrafts, automatic teller machine abuse, or
 1656 similar negative information regarding a consumer to an
 1657 inquiring ~~banks or other~~ financial institution as defined in s.
 1658 655.005 institutions for use only in reviewing a consumer
 1659 request for a deposit account at the inquiring ~~bank or~~ financial
 1660 institution, as defined in s. 655.005(1)(g) ~~or (h)~~, or in
 1661 federal law.

1662 Section 38. Paragraph (d) of subsection (2) of section
 1663 501.165, Florida Statutes, is amended to read:

1664 501.165 Automatic renewal of service contracts.—

1665 (2) SERVICE CONTRACTS WITH AUTOMATIC RENEWAL PROVISIONS.—

1666 (d) This subsection does not apply to:

1667 1. A financial institution as defined in s. 655.005(1)(h)
 1668 or any depository institution as defined in 12 U.S.C. s.
 1669 1813(c) (2).

1670 2. A foreign bank maintaining a branch or agency licensed
 1671 under the laws of any state of the United States.

1672 3. Any subsidiary or affiliate of an entity described in
 1673 subparagraph 1. or subparagraph 2.

1674 4. A health studio as defined in s. 501.0125(1).

1675 5. Any entity licensed under chapter 624, chapter 627,
 1676 chapter 634, chapter 636, or chapter 641.

1677 6. Any electric utility as defined in s. 366.02(2).

1678 7. Any private company as defined in s. 180.05 providing
 1679 services described in chapter 180 which ~~that~~ is competing
 1680 against a governmental entity or has a governmental entity
 1681 providing billing services on its behalf.

1682 Section 39. Paragraph (r) of subsection (1) of section

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1683 624.605, Florida Statutes, is amended to read:

1684 624.605 "Casualty insurance" defined.—

1685 (1) "Casualty insurance" includes:

1686 (r) *Insurance for debt cancellation products.*—Insurance
1687 that a creditor may purchase against the risk of financial loss
1688 from the use of debt cancellation products with consumer loans
1689 or leases or retail installment contracts. Insurance for debt
1690 cancellation products is not liability insurance but is ~~shall be~~
1691 considered credit insurance only for the purposes of s.
1692 631.52(4).

1693 1. For purposes of this paragraph, the term "debt
1694 cancellation products" means loan, lease, or retail installment
1695 contract terms, or modifications to loan, lease, or retail
1696 installment contracts, under which a creditor agrees to cancel
1697 or suspend all or part of a customer's obligation to make
1698 payments upon the occurrence of specified events and includes,
1699 but is not limited to, debt cancellation contracts, debt
1700 suspension agreements, and guaranteed asset protection
1701 contracts. However, the term "~~debt cancellation products~~" does
1702 not include title insurance as defined in s. 624.608.

1703 2. Debt cancellation products may be offered by financial
1704 institutions, ~~as defined in s. 655.005(1)(h)~~, insured depository
1705 institutions as defined in 12 U.S.C. s. 1813(c), and
1706 subsidiaries of such institutions, as provided in the financial
1707 institutions codes; by sellers as defined in s. 721.05, or by
1708 the parents, subsidiaries, or affiliated entities of sellers, in
1709 connection with the sale of timeshare interests; or by other
1710 business entities as ~~may be~~ specifically authorized by law, and
1711 such products are ~~shall not constitute~~ insurance for purposes of

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1712 the Florida Insurance Code.

1713 Section 40. Paragraph (g) of subsection (1) of section
1714 626.321, Florida Statutes, is amended to read:

1715 626.321 Limited licenses.—

1716 (1) The department shall issue to a qualified individual,
1717 or a qualified individual or entity under paragraphs (c), (d),
1718 (e), and (i), a license as agent authorized to transact a
1719 limited class of business in any of the following categories:

1720 (g) *Credit property insurance.*—A license covering only
1721 credit property insurance may be issued to any individual except
1722 an individual employed by or associated with a ~~lending or~~
1723 financial institution as defined in s. 655.005(1)(g), (h), or
1724 ~~(p)~~ and authorized to sell such insurance only with respect to a
1725 borrower or debtor, not to exceed the amount of the loan.

1726 Section 41. Subsection (4) of section 626.730, Florida
1727 Statutes, is amended to read:

1728 626.730 Purpose of license.—

1729 (4) This section does not ~~shall not be deemed to~~ prohibit
1730 the licensing under a limited license as to motor vehicle
1731 physical damage and mechanical breakdown insurance or ~~the~~
1732 ~~licensing under a limited license for~~ credit property insurance
1733 of any person employed by or associated with a motor vehicle
1734 sales or financing agency, a retail sales establishment, or a
1735 consumer loan office, other than a consumer loan office owned by
1736 or affiliated with a financial institution as defined in s.
1737 655.005(1)(g), (h), or ~~(p)~~, with respect to insurance of the
1738 interest of such agency in a motor vehicle sold or financed by
1739 it or in personal property if ~~when~~ used as collateral for a
1740 loan. This section does not apply with respect to the interest

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1741 of a real estate mortgage in or as to insurance covering such
1742 interest or in the real estate subject to such mortgage.

1743 Section 42. Section 626.9885, Florida Statutes, is amended
1744 to read:

1745 626.9885 Financial institutions conducting insurance
1746 transactions.—A financial institution, as defined in s.
1747 655.005(1) ~~(g), (h), or (p)~~, may conduct insurance transactions
1748 only through Florida-licensed insurance agents representing
1749 Florida-authorized insurers or representing Florida-eligible
1750 surplus lines insurers.

1751 Section 43. This act shall take effect July 1, 2011.