

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 74

FINAL READING

Introduced by Pirsch, 4.

Read first time January 8, 2009

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to banking; to amend section 8-133, Reissue
2 Revised Statutes of Nebraska; to authorize the pledging
3 of Federal Home Loan Bank of Topeka letters of credit
4 as security for private deposits; to repeal the original
5 section; and to declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 8-133, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 8-133 (1) A state-chartered bank may pay interest at any
4 rate on any deposits made or retained in the bank.

5 (2) Any officer, director, stockholder, or employee of
6 a bank or any other person who directly or indirectly, either
7 personally or for the bank, pays any money, gives any consideration
8 of value, or pledges any assets, except as provided by law, as
9 an inducement, in addition to the legal interest, for making
10 or retaining a deposit in the bank shall be guilty of a Class
11 IV felony. Any depositor who accepts any such inducement shall
12 be guilty of a Class IV felony. Deposits made in violation of
13 this section shall not be entitled to priority of payment from
14 the assets of the bank. In determining the maximum interest
15 that may be paid on deposits, the bank shall consider generally
16 recognized sound banking principles, the financial soundness of
17 banks, competitive conditions, and general economic conditions.

18 (3) A bank may secure deposits made by a trustee under
19 11 U.S.C. 101 et seq. by pledge of the assets of the bank or by
20 furnishing a surety bond as provided in 11 U.S.C. 345. A bank may
21 also secure deposits made by the United States Secretary of the
22 Interior on behalf of any individual Indian or any Indian tribe
23 under 25 U.S.C. 162a by a pledge of the assets of the bank or by
24 furnishing an acceptable bond as provided in 25 U.S.C. 162a.

25 (4) Nothing in this section shall prohibit a bank or any

1 officer, director, stockholder, or employee thereof from providing
2 to a depositor a guaranty bond or an irrevocable, nontransferable,
3 unconditional standby letter of credit issued by the Federal Home
4 Loan Bank of Topeka which provides coverage for the deposits of the
5 depositor which are in excess of the amounts insured by the Federal
6 Deposit Insurance Corporation. Any bank which offers letters of
7 credit for consideration to depositors pursuant to this section
8 shall post a notice in the lobby of each office of such bank
9 stating that letters of credit issued by the Federal Home Loan
10 Bank of Topeka which provide coverage for deposits in excess of
11 the amounts insured by the Federal Deposit Insurance Corporation
12 may be available to depositors of the bank. Provision of a letter
13 of credit issued by the Federal Home Loan Bank of Topeka by a
14 bank to a depositor shall be at the discretion of the bank. The
15 notice required under this section shall be sufficient if made in
16 substantially the following form:

17 Notice

18 This bank is a member of the Federal Home Loan Bank
19 of Topeka and offers for consideration Federal Home Loan Bank of
20 Topeka letters of credit which provide coverage for deposits in
21 excess of the amounts insured by the Federal Deposit Insurance
22 Corporation. Please contact a representative of the bank to
23 determine if such a letter of credit is available to you.

24 Sec. 2. Original section 8-133, Reissue Revised Statutes
25 of Nebraska, is repealed.

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1 Sec. 3. Since an emergency exists, this act takes effect
2 when passed and approved according to law.