

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB707

Chairperson: Senator Matt Williams

Committee: Banking, Commerce and Insurance

Date of Hearing: January 18, 2022

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 707 is a bill introduced at the request of the Nebraska Department of Banking and Finance (“Department”) to update and clarify laws under the jurisdiction of the Department.

LB 707 provides for the annual re-enactment of the depository financial institutions “wild card” statutes to provide equal rights, powers, privileges, benefits, and immunities for state-chartered banks, savings and loans, and credit unions, with their respective federal counterparts. Due to state constitutional restrictions, these statutes are amended annually. (§8-1,140; §8-355; §21-17,115) (Sections 11, 13, and 23 of the bill.)

LB 707 would amend the following laws to update cross-referenced federal statutes and regulations to refer to these statutes and regulations as they existed on January 1, 2022:

- §§8-135, 8-141, 8-143.01, 8-157.01, and 8-183.04 of the Nebraska Banking Act (Sections 3, 4, 5, 9, and 10 of the bill);
- §8-318 of the savings and loan statutes (Section 12 of the bill);
- §§ 8-1101 and 8-1101.01 of the Securities Act of Nebraska (Sections 14 and 15 of the bill);
- §§8-1704 and 8-1707 of the Nebraska Commodity Code (Sections 17 and 18 of the bill);
- §8-2724 of the Money Transmitters Act (Section 19 of the bill);
- §8-2903 of the depository institutions financial exploitation statutes (Section 20 of the bill);
- §§8-3005 and 8-3007 of the Nebraska Financial Innovation Act (Sections 21 and 22 of the bill);

- §59-1722 of the Seller-Assisted Marketing Plan Act (Section 25 of the bill);
- §§69-2103, 69-2104, and 69-2112 of the Consumer Rental Purchase Agreement Act (Sections 26, 27, and 28 of the bill); and
- Uniform Commercial Code §4A-1088 (Section 29 of the bill).

The above-listed statutes currently have a reference date of January 1, 2021.

LB 707 proposes these additional revisions:

· Amendments to the Nebraska Banking Act to authorize bank subsidiaries to be formed as limited liability companies and to provide that the limitations on investment amounts and authorized practices applicable to subsidiary corporations, as well as the Department's authority to examine these entities, will also apply to limited liability company subsidiaries. Currently, bank subsidiaries may only be formed as corporations. The amendments will be to §§ 8-101.03, 8-108, 8-148.06, 8-148.07, and 8-148.08 of the Act. (Sections 1, 2, 6, 7, and 8 of the bill.)

· An amendment to §8-1502 to change the ten-day prior notice requirement for acquisition of shares of banks and trust companies in specified transactions to a thirty-day prior notice requirement. (Section 16 of the bill.)

· An amendment to §45-736 of the Residential Mortgage Licensing Act to provide that the current requirement that a licensee making loans under the Act show its unique Nationwide Mortgage Licensing System identifier number on application forms and all forms of advertising will apply to all licensees under the Act. (Section 24 of the bill.)

Principal Introducer: _____

Senator Matt Williams