

Adopted	Rejected
---------	----------

COMMITTEE REPORT

YES:	11
NO:	0

MR. SPEAKER:

*Your Committee on Financial Institutions, to which was referred House Bill 1834, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 5, between lines 12 and 13, begin a new paragraph and insert:
- 2 "SECTION 7. IC 28-6.1-8-8 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. **Subject to any**
- 4 **limitations imposed by the department through policy, a** savings
- 5 bank may do any of the following:
- 6 (1) Invest the money deposited in the savings bank in the shares
- 7 of the capital stock, bonds, debentures, notes, or other obligations
- 8 of a federal home loan bank of the United States.
- 9 (2) Become a member of the federal home loan bank of this or an
- 10 adjoining district.
- 11 (3) Borrow money from:
- 12 (A) a bank described in subdivision (2);
- 13 (B) the Federal Deposit Insurance Corporation; or
- 14 (C) any other corporation.

1 (4) Transfer, assign to, and pledge with a bank described in
 2 subdivision (2), the Federal Deposit Insurance Corporation, or
 3 other corporation, any of the bonds, notes, contracts, mortgages,
 4 securities, or other property of the savings bank held or acquired,
 5 as security for the payment of loans entered into under
 6 subdivision (3).

7 (5) Exercise all rights, powers, and privileges conferred upon, and
 8 to do all things and perform all acts required of, members or
 9 shareholders of a federal home loan bank by the Federal Home
 10 Loan Bank Act (12 U.S.C. 1421 through 1449)."

11 Page 14, line 27, delete "public".

12 Page 15, between lines 33 and 34, begin a new paragraph and insert:

13 "SECTION 19. IC 28-11-4-5 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. If the department
 15 enters into a consent to a final order under section 7 of this chapter with
 16 a financial institution, director, ~~or~~ officer, **or employee**, the director is
 17 not required to issue and serve a notice of charges upon the financial
 18 institution, director, or officer under section 2 or 3 of this chapter. A
 19 consent agreement may be negotiated and entered into before or after
 20 the issuance of a notice of charges.

21 SECTION 20. IC 28-11-4-6 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) If the department
 23 determines that an alleged practice, a violation, or an act specified in
 24 a notice served under this chapter is likely to:

- 25 (1) cause insolvency of the financial institution;
- 26 (2) cause substantial dissipation of assets or earnings of the
 27 financial institution; or
- 28 (3) otherwise seriously prejudice the interests of the depositors of
 29 the financial institution;

30 the department may issue a temporary order without a hearing.

31 (b) A temporary order may

- 32 ~~(1)~~ require the financial institution to cease and desist from the
 33 practice or violation. ~~or~~
- 34 ~~(2) temporarily remove a director or an officer of the financial
 35 institution.~~

36 (c) A temporary order is effective upon service and remains
 37 effective and enforceable until the earliest of the following:

- 38 (1) The issuance of an injunction by a court under subsection (d).

- 1 (2) The dismissal of the charges by the department.
- 2 (3) The effective date of a final order under section 7 of this
- 3 chapter.
- 4 (d) A financial institution a ~~director, or an officer~~ served with a
- 5 temporary order under this section may apply to a court having
- 6 jurisdiction for an injunction to stay, modify, or vacate the order.".
- 7 Page 16, line 15, after "cause shown." insert "**A final order issued**
- 8 **under this chapter may be made public by the department.**".
- 9 Page 17, line 16, delete "company" and insert "**company, savings**
- 10 **bank, or savings association**".
- 11 Page 17, line 18, delete "company or savings bank." and insert
- 12 "**company, savings bank, or savings association.**".
- 13 Page 17, line 19, delete "company" and insert "**company, savings**
- 14 **bank, or savings association**".
- 15 Page 17, line 20, after "protection of" insert "**the depositors of**".
- 16 Page 17, line 21, strike "company's depositors," and insert
- 17 "**company, savings bank, or savings association,**".
- 18 Renumber all SECTIONS consecutively.
 (Reference is to HB 1834 as introduced.)

and when so amended that said bill do pass.

Representative Bardon