

House Bill 811

By: Representatives Williamson of the 115th, Powell of the 171st, Brockway of the 102nd,
Morris of the 156th, England of the 116th, and others

A BILL TO BE ENTITLED
AN ACT

1 To extensively amend Title 7 of the Official Code of Georgia Annotated, relating to banking
2 and finance, so as to update, modernize, and streamline numerous Code sections to provide
3 for efficient regulation of banks, trust companies, credit unions, merchant acquirer limited
4 purpose banks, and the mortgage lending industry; to update and eliminate certain provisions
5 to comply with federal law; to update certain provisions to comply with federal court
6 decisions; to revise powers and duties of the Department of Banking and Finance; to delete
7 all appearances of and references to the term "building and loan associations"; to provide for
8 related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 PART I

11 Department of Banking and Finance generally

12 SECTION 1-1.

13 Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, is
14 amended by revising Code Section 7-1-36, relating to oath and bond of commissioner,
15 deputy commissioner, and examiners within the Department of Banking and Finance, as
16 follows:

17 "7-1-36.

18 (a) Before entering ~~upon the duties of their offices~~ office, the commissioner, ~~each deputy~~
19 ~~commissioner, and each examiner~~ shall take an oath before the Governor or one of the
20 Justices of the Supreme Court to support the Constitution of the United States and the
21 Constitution of Georgia and to execute faithfully the duties of ~~their respective offices~~, his
22 or her office, which oath shall be in writing and subscribed to by the commissioner, ~~each~~
23 ~~deputy commissioner, or each examiner, as the case may be,~~ and filed in the Governor's
24 office ~~in the case of the commissioner and filed in the commissioner's office in the case of~~
25 ~~each deputy commissioner and each examiner. Each of them shall also give bond to the~~

26 ~~State of Georgia with security or securities approved by the Governor in the sum of~~
 27 ~~\$50,000.00 in the case of the commissioner and in the sum of \$10,000.00 in all other cases,~~
 28 ~~conditioned as follows~~ Before entering their respective offices, each deputy commissioner
 29 and examiner shall take an oath of office before the commissioner to support the
 30 Constitution of the United States and the Constitution of Georgia and to execute faithfully
 31 the duties of their respective offices which shall be in writing and subscribed by the deputy
 32 commissioner or examiner and filed with the department.

33 (b) The commissioner, each deputy commissioner, and each examiner shall:

34 (1) ~~That the officer will faithfully~~ Faithfully discharge, execute, and perform all and
 35 singular the duties required of such officer and which may be required by the Constitution
 36 and laws of the State of Georgia;

37 (2) ~~That the officer will faithfully~~ Faithfully account for all moneys that may be received
 38 by such officer from time to time by virtue of his office; and

39 (3) ~~That the officer will safely~~ Safely deliver to the successor of such office all books,
 40 moneys, vouchers, accounts, and effects whatever belonging to said office.

41 ~~(b) The surety on the bonds shall be a regular incorporated surety company or companies~~
 42 ~~qualified to do business in the State of Georgia, and the premium on the bonds shall be paid~~
 43 ~~as other expenses of the department. Notwithstanding the foregoing, the requirements of~~
 44 ~~this subsection as to surety may be fulfilled by the participation of the department in any~~
 45 ~~surety bond program covering other state officials and employees which provides the~~
 46 ~~required level of surety whether such surety is underwritten by a company qualified to do~~
 47 ~~business in this state or by a self-insurance surety bond program established by law.~~

48 ~~(c) Notwithstanding the foregoing, the oath of office of any deputy commissioner or~~
 49 ~~examiner may be administered by the commissioner."~~

50

51

SECTION 1-2.

52 Said title is further amended by revising Code Section 7-1-42, relating to enforcement of
 53 payment of fees, as follows:

54 "7-1-42.

55 In the event any financial institution shall fail or refuse to pay on demand ~~the amount fixed~~
 56 ~~as fees for examinations~~ any amount owed to the department, including, but not limited to,
 57 outstanding fees, the department may proceed through the Attorney General to collect the
 58 same by action at law."

59 **SECTION 1-3.**

60 Said title is further amended by revising Code Section 7-1-68, relating to reports to
61 department, publication of summaries, and penalty for noncompliance, as follows:

62 "7-1-68.

63 (a) The department may require reports on the condition of or any particular facts
64 concerning any financial institution at any time the department deems it necessary or
65 advisable.

66 (b) The form of all reports, the information to be contained in them, and the date on which
67 they shall be due shall be prescribed by the department. The reports shall be verified by
68 the oath or affirmation of the president, secretary, or other managing officer of the
69 institution.

70 ~~(c) Every financial institution shall publish annually abstract summaries of two of its~~
71 ~~reports of condition designated for this purpose by the department and shall file proof of~~
72 ~~such publication with the department. Such publication shall be made only once in a~~
73 ~~newspaper of general circulation in the county of the main office of the institution. The~~
74 ~~department may waive this requirement, in whole or in part, with respect to financial~~
75 ~~institutions which make their financial statements readily available to the public, including~~
76 ~~their customer base, and with respect to a class of financial institutions which does not do~~
77 ~~business with the public generally and may limit the required publication to the customer~~
78 ~~base served by the institution.~~

79 ~~(d)~~ Any financial institution which fails to prepare or publish any report or to furnish any
80 ~~proof of publication~~, in accordance with this Code section, or fails to provide any facts or
81 information requested under subsection (a) of this Code section, shall pay the department
82 a penalty of \$100.00 for each day after the time fixed by the department for filing such
83 report, ~~making such publication, or furnishing such proof of publication~~, but the department
84 may, in its discretion, relieve any financial institution from the payment of such penalty,
85 in whole or in part, if good cause be shown. If a financial institution fails to pay a penalty
86 from which it has not been relieved, the department may, through the Attorney General,
87 maintain an action at law to recover it."

88 **SECTION 1-4.**

89 Said title is further amended by repealing and reserving Code Sections 7-1-96 and 7-1-97,
90 relating to liability on bonds for nonperformance of duty and costs of actions by or against
91 department, respectively.

92 **SECTION 1-5.**

93 Said title is further amended by revising Code Section 7-1-111, relating to emergency
94 closings, as follows:

95 "7-1-111.

96 Whenever it appears to the Governor that the welfare of this state or any region thereof or
97 the welfare and security of any financial institution or the lives of the employees of the
98 financial institution or the safety of the funds of depositors and property of the shareholders
99 are endangered or placed in jeopardy by any impending or existing emergency or other
100 catastrophe, including, but not limited to, economic crises, hurricanes, tornadoes, fire
101 hazards, disruption or failure of utility, transportation, communication, or information
102 systems, or civil disorders, the Governor may proclaim that an emergency exists, ~~which~~
103 ~~shall authorize the emergency closing of any impacted~~ and such state of emergency
104 proclamation shall authorize financial institutions to elect to close. The Governor may also
105 proclaim that any financial institution or type of financial institution shall be subject to
106 special regulation as herein provided until the Governor, by a like proclamation, declares
107 the period of such emergency to have terminated. The department may declare
108 emergencies in specific cases for cause shown, and its declaration shall remain in effect
109 until terminated by the Governor or the commissioner, whichever occurs first."

110 **SECTION 1-6.**

111 Said title is further amended in Code Section 7-1-680, relating to definitions relative to the
112 sale of payment instruments, by adding a new paragraph to read as follows:

113 "(26) 'Virtual currency' means a digital representation of monetary value that does not have
114 legal tender status as recognized by the United States government. The term does not
115 include the software or protocols governing the transfer of the digital representation of
116 monetary value. The term also does not include units of value that are issued in an affinity
117 or rewards program and that cannot be redeemed for money or virtual currencies. Neither
118 does the term include units of value that can be redeemed for goods, services, discounts,
119 or purchases as part of an affinity or rewards program with the issuer or a defined
120 merchant."

121 **SECTION 1-7.**

122 Said title is further amended by revising Code Section 7-1-690, relating to enforcement of
123 restrictions on the sale of payment instruments, as follows:

124 "7-1-690.

125 (a) Without limiting the power conferred by Article 1 of this chapter, the department may
 126 make reasonable rules and regulations, not inconsistent with law, for the interpretation and
 127 enforcement of this article.

128 (b) The department is authorized to enact rules and regulations that apply solely to persons
 129 engaged in any virtual currency business. The department shall enact such rules and
 130 regulations it finds necessary to:

131 (1) Foster the growth of virtual currency businesses in Georgia and spur state economic
 132 development;

133 (2) Ensure the continued solvency, safety, soundness, and prudent conduct of persons
 134 engaged in virtual currency business;

135 (3) Ensure fair, timely, and equitable fulfillment of the financial obligations of such
 136 persons;

137 (4) Protect customers of virtual currency businesses from financially impaired or
 138 insolvent providers of such services;

139 (5) Encourage high standards of honesty, transparency, fair business practices, and
 140 public responsibility;

141 (6) Eliminate financial fraud, other criminal abuse, and unethical conduct in the industry;
 142 and

143 (7) Ensure virtual currency businesses provide customers with timely and understandable
 144 information in order that customers may make informed decisions about virtual currency
 145 products and services."

146 **PART II**

147 Banks and trust companies

148 **SECTION 2-1.**

149 Said title is further amended by repealing and reserving Code Section 7-1-11, relating to
 150 registration of nonresident corporations.

151 **SECTION 2-2.**

152 Said title is further amended by repealing and reserving Code Section 7-1-239.5, relating to
 153 fee for instruments drawn on other institutions.

154 **SECTION 2-3.**

155 Said title is further amended by revising Code Section 7-1-244, relating to deposit insurance
 156 requirements and public notice when deposits are not properly insured, as follows:

157 "7-1-244.

158 (a) Every bank that accepts deposits shall obtain and maintain deposit insurance issued by
 159 a federal public body satisfactory to the department; provided, however, that banks which
 160 have had their deposit insurance withdrawn or canceled may, in the discretion of the
 161 department, continue to accept deposits; ~~provided, further, such banks shall within six~~
 162 ~~months after such withdrawal or cancellation of insurance obtain deposit insurance,~~
 163 ~~satisfactory to the department, written by an insurance company authorized to transact~~
 164 ~~business in this state or by the Federal Deposit Insurance Corporation~~ for a period of time
 165 established by the department, subject to any conditions imposed by the department,
 166 including, but not limited to, notification requirements regarding the loss of deposit
 167 insurance. The department may, in its discretion, for cause shown, extend the time
 168 limitation in which federal deposit insurance must be obtained.

169 (b) ~~Deposit insurance required to be obtained in subsection (a) of this Code section need~~
 170 ~~not be in excess of amounts insured by the Federal Deposit Insurance Corporation at the~~
 171 ~~time the insurance is obtained; but wherever the insurance coverage is, in the opinion of~~
 172 ~~the department, less than amounts insured by the Federal Deposit Insurance Corporation,~~
 173 ~~the bank shall be required to post at a conspicuous place near the entrance of such bank a~~
 174 ~~sign in boldface print, in letters at least four inches high, which states 'Deposits Not~~
 175 ~~Insured' or 'Deposits Insured Up To (insert amount of deposit insurance).'~~ Such wording
 176 shall also follow the name of the bank wherever it is written or printed and shall be posted
 177 in writing which is easily legible in letters at least one inch high at each window or desk
 178 receiving deposits."

179 **SECTION 2-4.**

180 Said title is further amended in Code Section 7-1-290, relating to powers as surety or
 181 guarantor, by revising paragraph (3) of subsection (c) as follows:

182 "(3) Pledging or otherwise granting security interests in their assets to secure public
 183 funds deposited in the bank or another bank, including, but not limited to, deposits made
 184 pursuant to a pledging pool."

185 **SECTION 2-5.**

186 Said title is further amended by revising Code Section 7-1-370, relating to deposits by banks,
 187 as follows:

188 "7-1-370.

189 (a) Subject to the restrictions of subsection (b) of this Code section and of Code Section
 190 7-1-371 in regard to reserve funds, a ~~bank~~ financial institution may deposit its funds in any
 191 depository which is:

- 192 (1) Selected by, or in any manner authorized by, its directors;
- 193 (2) Authorized by law to receive deposits; and
- 194 (3) In the case of a depository located in the United States, one which has deposit
195 insurance issued by ~~or equivalent to deposit insurance provided by~~ a federal public body
196 to depositories of the type involved.
- 197 (b) If a director of the ~~bank~~ financial institution has a relationship to a depository as either:
- 198 (1) An officer or director; or
- 199 (2) An owner of 5 percent or more of the shares of the depository,
- 200 the depository shall be approved by a majority of the directors other than the director who
201 has such relationship."

202

SECTION 2-6.

203 Said title is further amended by revising Code Section 7-1-371, relating to legal reserve
204 requirements, notice of deficiency, penalty, and effect of deficiency, as follows:

205 "7-1-371.

206 (a) For the purposes of the reserve requirement imposed by subsection ~~(b)~~(c) of this Code
207 section and the composition of the required reserve fund under subsection (d) of this Code
208 section, the term:

209 (1) 'Demand deposits' means the aggregate of deposits which can be required to be paid
210 on demand or within less than 30 days after demand;

211 (2) 'Reserve agent' means a depository of a ~~bank~~ financial institution selected as provided
212 in Code Section 7-1-370 ~~and approved by the department~~ for the deposit of funds
213 included in the required reserve fund.

214 (b) A financial institution which is governed by 12 C.F.R. 204 shall maintain, at all times,
215 a reserve fund in accordance with the applicable federal requirements.

216 (c) A ~~bank~~ financial institution which is not a member of the Federal Reserve System
217 governed by 12 C.F.R. 204 shall maintain, at all times, a reserve fund in an amount fixed
218 by regulation of the department, but in no case shall such reserve be required in excess of:

219 ~~(1) In the case of a savings bank, 5 percent of total deposits; and~~

220 ~~(2) In the case of a commercial bank, the aggregate of 15 percent of demand deposits and~~
221 ~~5 percent of other deposits.~~

222 The amount of the required reserve for each day shall be computed on the basis of average
223 daily deposits covering such biweekly or shorter periods as shall be fixed by regulation of
224 the department.

225 ~~(c) A bank which is a member of the Federal Reserve System shall maintain at all times~~
226 ~~a reserve fund in accordance with the requirements applicable to a member bank under the~~
227 ~~laws of the United States.~~

228 (d) In the case of a ~~commercial bank~~ financial institution which is not governed by 12
 229 C.F.R. 204, such portion of the reserve fund against deposits as shall be fixed by regulation
 230 of the department shall consist of United States coin and currency on hand or on deposit,
 231 subject to call without notice, in a reserve agent. The balance of such reserve fund shall
 232 be kept in obligations of:

233 (1) ~~The United States, the Federal National Mortgage Association, a federal land bank,~~
 234 ~~a federal home loan bank, a bank for cooperatives, a federal intermediate credit bank, or~~
 235 ~~the State of Georgia~~ General obligations of the United States or of a subsidiary
 236 corporation of the United States government fully guaranteed by such government, or to
 237 obligations issued by the Federal Land Bank, Federal Home Loan Banks, Federal
 238 Intermediate Credit Bank, Bank for Cooperatives, Federal Farm Credit Banks regulated
 239 by the Farm Credit Administration, Federal Home Loan Mortgage Corporation, or
 240 Federal National Mortgage Association; or

241 (2) Obligations of the State of Georgia or any instrumentality of this state; or

242 (3) Other issuers whose obligations are marketable and approved by regulation of the
 243 department for the purpose of this Code section.

244 (e) ~~In the case of a savings bank, the reserve fund shall consist of:~~

245 (1) ~~United States coin and currency on hand or on deposit, subject to call without notice,~~
 246 ~~in a reserve agent, in a total amount not less than 1 percent of the deposits of the savings~~
 247 ~~bank; and~~

248 (2) ~~Securities permitted under subsection (d) of this Code section.~~

249 (f) All assets which are part of the reserve fund required by this Code section shall be
 250 owned absolutely by the ~~bank~~ financial institution and shall not be pledged, assigned, or
 251 hypothecated in any manner or subject to setoff. The value of all securities which
 252 constitute a part of a ~~bank's~~ financial institution's reserve fund shall be computed at the
 253 current market value thereof.

254 (g)(f) A ~~bank~~ financial institution shall give written notice to the department, in the
 255 manner prescribed by the department for such notice, of any deficiency in the amount or
 256 form of the reserve fund required by this Code section within three business days after the
 257 close of any scheduled averaging period during which such deficiency occurs. ~~A bank~~
 258 ~~shall pay to the department a penalty of \$50.00 for each day after the time fixed for the~~
 259 ~~giving of notice in which it fails to give such notice, provided that the department may~~
 260 ~~relieve a bank of this penalty for good cause shown.~~

261 (h)(g) Immediately following the closing of any scheduled averaging period during which
 262 a deficiency in the required reserve occurs, the ~~bank~~ financial institution will take
 263 immediate action to restore the deficiency; and, until such deficiency is restored, the ~~bank~~
 264 financial institution shall not make any new loans or discounts other than by discounting

265 or purchasing bills of exchange at sight; nor shall any dividend be declared out of the
 266 profits of such ~~bank~~ financial institution. Any ~~bank~~ financial institution failing to restore
 267 its reserve to the required amount within 30 days after the closing of the averaging period
 268 in which the deficiency occurs may have its business and assets taken over by the
 269 department as provided in Part 7 of Article 1 of this chapter."

270 **SECTION 2-7.**

271 Said title is further amended by revising Code Section 7-1-372, relating to remission of
 272 checks at par, collection charge, and service charge, as follows:

273 "7-1-372.

274 A commercial bank ~~shall pay all checks drawn on it at par and shall make no charge for the~~
 275 ~~payment of such checks; provided, however,~~ it may deduct a reasonable collection charge
 276 covering its actual expenses from the remittance for any check forwarded to it for
 277 collection and remittance as a special collection item and may impose a service charge as
 278 authorized by Code Section 44-12-196, relating to when an instrument on which a banking
 279 or financial organization is directly liable is presumed abandoned."

280 **SECTION 2-8.**

281 Said title is further amended in Code Section 7-1-530, relating to authority to merge or
 282 consolidate state banks and trust companies, by revising subsection (a) as follows:

283 "(a) Upon compliance with the requirements of this part and other applicable laws and
 284 regulations, including any branching and minimum age laws and regulations, ~~one or more~~
 285 banks or trust companies may merge or consolidate, provided that an institution exercising
 286 trust powers alone may merge or consolidate only with another such trust company. Upon
 287 compliance with the requirements of this part and other applicable laws and regulations,
 288 including any branching and minimum age laws and regulations, a corporation other than
 289 a bank or trust company may acquire all of the outstanding shares of one or more classes
 290 or series of one or more banks or trust companies through a share exchange."

291 **SECTION 2-9.**

292 Said title is further amended by revising Code Section 7-1-591, relating to representative
 293 offices of banks or bank holding companies domiciled in state, as follows:

294 "7-1-591.

295 A bank domiciled in this state and operating under ~~its~~ the laws of this state ~~or the laws of~~
 296 ~~the United States~~ or a subsidiary or agent of such bank may establish a representative office
 297 anywhere in the state upon registering with the department. A bank holding company
 298 domiciled in this state and operating under ~~its~~ the laws of this state ~~or the laws of the~~

299 ~~United States~~ or a nonbank subsidiary or agent of such bank holding company may
 300 establish a representative office anywhere in this state upon registering with the
 301 department."

302 **SECTION 2-10.**

303 Said title is further amended by revising Code Section 7-1-592, relating to representative
 304 offices of banks or bank holding companies domiciled outside of state, as follows:

305 "7-1-592.

306 A bank or bank holding company domiciled in this state and operating under the laws of
 307 the United States or domiciled outside this state and operating under the laws of such other
 308 state or territory or of the United States, or its subsidiary or agent, may establish
 309 representative offices anywhere in this state, provided that such bank or bank holding
 310 company conforms to the requirements of its primary regulator."

311 **SECTION 2-11.**

312 Said title is further amended in Code Section 7-1-593, relating to registration of bank or bank
 313 holding company with representative office in state, by revising subsection (a) as follows:

314 "(a) A bank or bank holding company domiciled in this state and having a representative
 315 office located in this state shall register with the department annually on forms prescribed
 316 by the department. Such registration shall be filed according to regulations issued by the
 317 department, ~~shall be accompanied by a registration fee prescribed by regulations of the~~
 318 ~~department,~~ and shall list the names of all its Georgia representative offices, the street
 319 address of the offices, the nature of the business to be transacted in or through the offices,
 320 and such other information as the department may require. The department may
 321 consolidate these requirements ~~and those for agency relationships~~ with the holding
 322 company registration required in Parts 18, 19, and 20 of this article."

323 **SECTION 2-12.**

324 Said title is further amended by repealing and reserving Code Section 7-1-594, relating to
 325 registration of banks or bank holding companies conducting agency relationships.

326 **SECTION 2-13.**

327 Said title is further amended in Code Section 7-1-601, relating to bank branch offices, by
 328 revising paragraph (3) of subsection (a) as follows:

329 "(3) A bank may acquire a branch office from another bank without acquisition of the
 330 entire bank. ~~However, an out-of-state bank with no lawfully established branch office~~
 331 ~~in Georgia may not directly or indirectly make such an acquisition; or"~~

332 **SECTION 2-14.**

333 Said title is further amended in Code Section 7-1-602, relating to applications for bank
334 branch offices, by revising subsection (b) as follows:

335 "(b) After receipt of a complete application, the department shall have 90 days within
336 which to approve or disapprove such application. ~~Under normal circumstances and~~
337 ~~workload, the department will issue an approval or disapproval of a branch office within~~
338 ~~21 days or after the end of the public comment period, whichever is later."~~

339 **SECTION 2-15.**

340 Said title is further amended in Code Section 7-1-603, relating to extensions of banking
341 locations, automated teller machines, cash dispensing machines, point-of-sale terminals, and
342 other extensions, by revising paragraph (1) of subsections (b) and (c) as follows:

343 "(1) 'Automated teller machine' means electronic equipment which performs routine
344 banking transactions including, but not limited to, the taking of deposits for the public at
345 locations off premises of a bank's main or branch office under regulations prescribed by
346 the commissioner. This term includes electronic equipment that utilizes, or has the
347 capability to utilize, live video chat with offsite bank personnel who may assist with
348 banking services, including, but not limited to, account initiation."

349 "(1) Any ~~Georgia state~~ federally insured bank or credit union may operate automated
350 teller machines throughout the this state. ~~Any bank not otherwise doing a lawful banking~~
351 ~~business in this state may operate automated teller machines throughout this state,~~
352 ~~provided such automated teller machines are unstaffed and not combined with a staffed~~
353 ~~facility.~~ These machines may be operated individually by any bank or credit union or
354 jointly on a cost-sharing basis by two or more banks or ~~other financial institutions~~ credit
355 unions;"

356 **SECTION 2-16.**

357 Said title is further amended by revising Code Section 7-1-604, relating to banking business
358 prohibited except as allowed by Title 7, as follows:

359 "7-1-604.

360 No bank shall carry on or conduct or do a banking business in this state except in
361 accordance with the provisions of this title ~~which govern entry into this state to conduct~~
362 ~~such a business~~ or federal law directly applicable to the bank. 'A banking business' A
363 'banking business' is the business which a bank is authorized to do pursuant to this title."

364 **SECTION 2-17.**

365 Said title is further amended by revising Code Section 7-1-607, relating to registration,
366 reporting, examinations, and control of bank holding companies, as follows:

367 "7-1-607.

368 (a) On July 1, 1976, and annually thereafter on dates established by the commissioner,
369 each bank holding company that controls a bank shall register with the commissioner on
370 forms provided or prescribed by him or her, which may include such information with
371 respect to the financial condition, operation, management, and intercompany relationships
372 of the bank holding company and its subsidiaries and related matters as the commissioner
373 may deem necessary or appropriate to carry out the purposes of this part.

374 (b) The commissioner is authorized to issue such regulations and orders as may be
375 necessary to enable him or her to administer and carry out the purposes of this Code section
376 ~~and prevent evasions thereof, and for the purpose of lessening the regulatory burden to~~
377 ~~waive certain requirements associated with the annual reporting requirements for bank~~
378 ~~holding companies that do not have their principal place of business in Georgia and do not~~
379 ~~own Georgia banks.~~

380 (c) The commissioner from time to time may require reports under oath to keep him or her
381 informed as to whether the provisions of this Code section and such regulations and orders
382 thereunder issued by him or her have been complied with; may make examinations of each
383 bank holding company and each subsidiary thereof, the cost of which may be assessed
384 against and paid by such holding company; and shall, as far as possible, use the reports of
385 examination made by the Office of the Comptroller of the Currency, Federal Deposit
386 Insurance Corporation, or the Board of Governors of the Federal Reserve System for the
387 purposes of this Code section.

388 (d) Bank holding companies that control a bank and subsidiaries or affiliates thereof shall
389 be regulated, controlled, and examined by the commissioner to the same extent that he or
390 she regulates, controls, and examines state banks ~~and other financial institutions~~ under his
391 or her jurisdiction, which would be in addition to the authority of the Federal Reserve
392 Board as fixed by the laws of the United States. The commissioner is authorized, directed,
393 and required to promulgate, with precision, rules and regulations and investment
394 procedures in the regulation, examination, and control of bank holding companies ~~doing~~
395 ~~business in this state~~ that control a bank."

396 **SECTION 2-18.**

397 Said title is further amended by revising Code Section 7-1-620, relating to part purpose, as
398 follows:

399 "7-1-620.

400 This part governs the acquisition of banks having banking offices in Georgia by bank
 401 holding companies controlling bank subsidiaries having banking offices outside this state.
 402 It further governs the acquisition of banks having banking offices outside this state by bank
 403 holding companies controlling bank subsidiaries having banking offices in Georgia. It sets
 404 forth application, notice, ~~registration~~, and other related requirements. Acquisitions of
 405 banks having banking offices only in Georgia by bank holding companies controlling only
 406 bank subsidiaries having banking offices solely in Georgia are governed by the provisions
 407 of Code Sections 7-1-605 through 7-1-608."

408 **SECTION 2-19.**

409 Said title is further amended in Code Section 7-1-621, relating to definitions relative to
 410 interstate acquisitions of banks and bank holding companies, by revising paragraphs (2), (7),
 411 (12), (15), and (23) as follows:

412 "(2) 'Bank' means any ~~insured institution~~ 'insured bank' as such term is defined in 12
 413 U.S.C. Section 1813(h) ~~Section 3(h)~~ of the Federal Deposit Insurance Act, ~~12 U.S.C.~~
 414 ~~Section 1813(h)~~ or any institution eligible to become such, provided that the term 'bank'
 415 shall not include any 'foreign bank' (which is defined as in 12 U.S.C. Section 3101 of the
 416 International Banking Act of 1978). The term 'bank' as used in this part shall include any
 417 ~~building and loan association~~, savings and loan association; or state savings and loan
 418 association as such terms are defined in Code Section 7-1-4 and shall include federal
 419 savings banks and similar banking entities chartered under the laws of any state and
 420 whose deposits are insured under a federal deposit insurance program."

421 "(7) 'Control' means that which is set forth ~~either~~ in Code Section 7-1-605 ~~or Section 2(a)~~
 422 ~~of the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C. Section~~
 423 ~~1841(a).~~"

424 "(12) 'Home state' means any state in the United States:

- 425 (A) With respect to a state bank, the state by which the bank is chartered;
- 426 (B) With respect to a national bank, the state in which the main office of the bank is
 427 located; or
- 428 (C) With respect to a foreign bank, the state determined to be the home state of the
 429 foreign bank under 12 U.S.C. Section ~~3101(e)~~3103(c) of the International Banking
 430 Act."

431 "(15) 'Insured depository institution' shall have the same meaning as set forth in 12
 432 U.S.C. Section 1813(c)(2) and (3) of the Federal Deposit Insurance Act, provided that the
 433 term 'insured depository institution' shall not include any 'foreign bank' (which is defined
 434 as in 12 U.S.C. Section 3101 of the International Banking Act of 1978)."

435 "(23) 'Subsidiary' means that which is set forth either in Code Section 7-1-605 or Section
 436 2 of the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C. Section
 437 1841."

438 **SECTION 2-20.**

439 Said title is further amended in Code Section 7-1-623, relating to acquisitions by a bank or
 440 bank holding company not requiring department approval, by revising subsection (a) as
 441 follows:

442 "(a) Subject to any applicable restrictions or exceptions provided for in subsection (b) of
 443 Code Section 7-1-622, a bank holding company having a bank subsidiary with banking
 444 offices in Georgia may acquire a bank that does not have banking offices in this state, and
 445 a bank holding company, ~~which may or may not have an out-of-state bank subsidiary~~
 446 ~~having only branch offices in Georgia,~~ may acquire an out-of-state bank with branch
 447 offices in Georgia, but shall notify the department at least 30 days prior to the
 448 consummation of the proposed transaction. The notification requirements of this
 449 subsection shall be satisfied by furnishing the department with a copy of the application or
 450 applications filed with applicable bank supervisory agencies seeking approval for the
 451 proposed transaction and such other information as the department shall request. In lieu
 452 of furnishing the entire application, the applicant may submit to the department a
 453 description of the transaction within the same time frame. In this event, the department
 454 shall request further information only if needed. The department may, for good cause
 455 shown, object to the transaction by letter to the bank holding company and to the
 456 appropriate federal or state regulator before consummation of the transaction. ~~Annual~~
 457 ~~registration of the holding company with the department is required so long as it has~~
 458 ~~banking offices in Georgia."~~

459 **SECTION 2-21.**

460 Said title is further amended by revising Code Section 7-1-624, relating to prohibited
 461 acquisitions by a bank or bank holding company, as follows:

462 "7-1-624.

463 (a) Except as expressly permitted under this part, Part 20 of this article, or by federal law,
 464 no bank holding company may acquire a bank or a bank holding company controlling a
 465 bank ~~having banking offices in Georgia~~ chartered by the department.

466 (b) In the event any bank holding company makes an acquisition that is prohibited by this
 467 part, the commissioner shall require such bank holding company to divest itself
 468 immediately of its direct or indirect ownership or control of any Georgia banks or banking
 469 offices located in Georgia. ~~In addition, the~~ The commissioner shall also have the power

470 to enforce any other prohibitions in this part by requiring divestitures of nonconforming
 471 banks, bank holding companies, or assets. Alternatively, the commissioner shall have the
 472 power to impose ~~through the imposition of~~ fines and penalties or ~~through the exercise of~~
 473 such other remedies as are provided in this chapter, including, but not limited to, judicial
 474 actions."

475 **SECTION 2-22.**

476 Said title is further amended in Code Section 7-1-628, relating to purpose and scope of part,
 477 by revising subsections (b) and (c) as follows:

478 "(b) The scope of this part covers mergers where, upon consummation of the interstate
 479 merger transaction, the resulting bank will have banking locations in Georgia and at least
 480 one other state. It provides for certain approval, notice, ~~registration~~, and other
 481 requirements. Mergers involving banks having present and resulting branches located only
 482 in this state are governed by Parts 14 and 15 of this article. To the extent a bank
 483 participating in an interstate merger transaction is owned or controlled by a bank holding
 484 company, the applicable provisions of Part 19 of this article shall also apply.

485 (c) In authorizing the expansion of interstate banking to this state, and in the interests of
 486 its citizens, the General Assembly finds that primary consideration should be given to the
 487 following:

- 488 (1) Affording protection and promoting convenience to bank depositors and other
 489 customers of financial institutions in this state;
 490 (2) Preserving the advantages of a sound dual banking system and the competitive
 491 equality of state chartered institutions with federally chartered institutions; and
 492 ~~(3) Supervising, regulating, and keeping records of all persons, firms, corporations,~~
 493 ~~associations, and other business entities who furnish depository, lending, and associated~~
 494 ~~financial services in this state; and~~
 495 ~~(4)~~ Providing to the Department of Banking and Finance sufficient powers and
 496 responsibilities to implement these considerations."

497 **SECTION 2-23.**

498 Said title is further amended in Code Section 7-1-628.1, relating to definitions relative to
 499 interstate banking and branching by merger, by revising paragraphs (1), (6), (11), (14), and
 500 (22) as follows:

501 "(1) 'Bank' shall have the same meaning as ~~set forth~~ 'insured bank' in 12 U.S.C. Section
 502 1813(h) of the Federal Deposit Insurance Act, provided that the term 'bank' shall not
 503 include any 'foreign bank' (which is defined as in 12 U.S.C. Section 3101 of the
 504 International Banking Act of 1978)."

505 "(6) 'Control' means that which is set forth ~~either in Code Section 7-1-605 or Section 2(a)~~
 506 ~~of the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C. Section~~
 507 ~~1841(a).~~"

508 "(11) 'Home state' means:

509 (A) With respect to a state bank, the state by which the bank is chartered;

510 (B) With respect to a national bank, the state in which the main office of the bank is
 511 located; or

512 (C) With respect to a foreign bank, the state determined to be the home state of the
 513 foreign bank under 12 U.S.C. Section ~~3101(c)~~ 3103(c) of the International Banking
 514 Act."

515 "(14) 'Insured depository institution' shall have the same meaning as set forth in 12
 516 U.S.C. Section 1813(c)(2) and (3) of the Federal Deposit Insurance Act, provided that the
 517 term 'insured depository institution' shall not include any 'foreign bank' (which is defined
 518 as in 12 U.S.C. Section 3101 of the International Banking Act of 1978)."

519 "(22) 'Subsidiary' means that which is set forth ~~either in Code Section 7-1-605 or Section~~
 520 ~~2 of the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C. Section~~
 521 ~~1841.~~"

522 SECTION 2-24.

523 Said title is further amended by revising Code Section 7-1-628.5, relating to requirements
 524 for out-of-state banks that are the result of an interstate merger transaction, as follows:

525 "7-1-628.5.

526 ~~(a)~~ An out-of-state bank that is to be the resulting bank of an interstate merger transaction
 527 shall comply or assure compliance with the following requirements:

528 (1) Part 19 of this article, if applicable to the transaction shall require any holding
 529 company of the resulting bank to comply with Code Sections 7-1-605 through 7-1-612;

530 (2) An out-of-state bank that will be the resulting bank pursuant to an interstate merger
 531 transaction involving a Georgia state bank shall notify the commissioner of the proposed
 532 merger not later than the date on which it files an application for an interstate merger
 533 transaction with the responsible federal bank supervisory agency, provide such
 534 information as required by rule or regulation or as the commissioner may otherwise
 535 specify, and pay any filing fee required by regulation;

536 (3) Prior to consummation of the merger, the resulting bank shall provide the
 537 commissioner with satisfactory evidence of all required approvals from all relevant bank
 538 supervisory agencies; and

539 (4) Prior to consummation of the merger, the out-of-state bank shall certify to the
 540 department that while it has a branch or any other location in Georgia, it will maintain

541 ~~deposit insurance issued by a federal public body. An out-of-state bank holding company~~
 542 ~~that may be the owner of the resulting bank shall provide satisfactory evidence to the~~
 543 ~~commissioner of compliance with applicable requirements of Article 15 of Chapter 2 of~~
 544 ~~Title 14 of the Georgia Business Corporation Code, 'Foreign Corporations,' and shall~~
 545 ~~notify the department of its location, any changes in its initial registered office within this~~
 546 ~~state, and the name of its registered agent at such location. An out-of-state resulting bank~~
 547 ~~shall notify the department of the location of its initial office, any subsequent registered~~
 548 ~~office, and the name of its current registered agent;~~

549 ~~(5) Each bank or bank holding company attempting to establish interstate branches in~~
 550 ~~Georgia shall provide to the department a certification that all applicable Georgia laws~~
 551 ~~and regulations have been satisfied or a copy of the Uniform Interagency Branch~~
 552 ~~Application. The department may, if appropriate and after its own investigation, provide~~
 553 ~~to the applicable state or federal regulator a certificate of compliance or a statement of~~
 554 ~~noncompliance with Georgia law, together with any advisory comments; and~~

555 ~~(6) The out-of-state bank must certify to the department that while it maintains a branch~~
 556 ~~in Georgia it will meet the conditions set forth in this part and comply with all applicable~~
 557 ~~Georgia laws and any rules issued under the laws of this state, as well as any orders or~~
 558 ~~directives issued to the bank by the commissioner.~~

559 ~~(b) In order to facilitate the cooperation between state regulatory authorities, an~~
 560 ~~out-of-state state bank that is the resulting bank of an interstate merger transaction shall~~
 561 ~~comply or assure compliance with the following additional requirements:~~

562 ~~(1) The supervisor of the out-of-state state bank must agree to share with the~~
 563 ~~commissioner examination reports prepared by the supervisor and any other information~~
 564 ~~deemed necessary by the commissioner regarding such bank. The exam reports from any~~
 565 ~~other state shall be considered to be the other state's property and shall be protected as~~
 566 ~~confidential by Georgia law; and~~

567 ~~(2) The out-of-state state bank must agree to make available to the commissioner any~~
 568 ~~information that may be deemed necessary to protect Georgia consumers."~~

569 **SECTION 2-25.**

570 Said title is further amended in Code Section 7-1-628.6, relating to powers of out-of-state
 571 banks branching into Georgia, by revising subsection (a) as follows:

572 "(a) An out-of-state state bank which establishes and maintains one or more branches in
 573 Georgia under this part may conduct any activities at such branch or branches that are
 574 authorized under the law of this state for Georgia state banks, and if an activity is one that
 575 requires the prior approval of the commissioner, such approval must be secured prior to
 576 commencing such activity."

577 **SECTION 2-26.**

578 Said title is further amended in Code Section 7-1-628.8, relating to restrictions on de novo
579 branches, by revising subsections (b) and (c) as follows:

580 ~~"(b) No out-of-state bank shall establish or maintain a de novo branch in this state unless~~
581 ~~such bank has lawfully established a branch in Georgia, and then only~~ An out-of-state bank
582 that does not have a branch in Georgia and that meets the requirements of this article may
583 establish and maintain a de novo branch in this state to the extent that any Georgia bank
584 could establish such a de novo branch.

585 ~~(c) By enacting this Code section and Code Section 7-1-628.9, the General Assembly~~
586 ~~intends to permit entry into Georgia only by acquisition of or merger with an entire bank,~~
587 ~~subject to the three-year rule contained in Code Sections 7-1-608, 7-1-622, and 7-1-628.3~~
588 A Georgia state bank may establish and maintain a de novo branch in another state. Such
589 Georgia state bank shall comply with the provisions of this article, including, but not
590 limited to, obtaining approval from the department prior to establishing the branch."

591 **SECTION 2-27.**

592 Said title is further amended by revising Code Section 7-1-628.9, relating to restrictions on
593 purchase of branches, as follows:

594 "7-1-628.9.

595 ~~(a) Unless otherwise expressly permitted by Georgia law or regulation, no bank may~~
596 ~~acquire a branch of any other bank in Georgia without the acquisition of the entire bank,~~
597 ~~unless the acquiring bank could lawfully establish a branch in the geographic area where~~
598 ~~the branch to be acquired is located~~ An out-of-state bank that does not have a branch in
599 Georgia and that meets the requirements of this article may establish and maintain a branch
600 in this state through the acquisition of a branch.

601 (b) A Georgia state bank may establish and maintain a branch in another state through the
602 acquisition of a branch in compliance with the provisions of this article, including, but not
603 limited to, obtaining approval from the department prior to acquiring the branch."

604 **PART III**

605 Credit unions

606 **SECTION 3-1.**

607 Said title is further amended in Code Section 7-1-630, relating to initial subscribers, articles
608 of incorporation, and filing requirements for credit unions, by revising paragraph (1) of
609 subsection (e) as follows:

610 "(1) The date of the annual meeting, the manner of conducting the same, the number of
 611 members constituting a quorum and regulations as to voting, and the manner of
 612 notification of the meeting, which shall comply with Code Section 7-1-6, ~~except that, if~~
 613 ~~the credit union maintains an office and the board of directors so determines, notice of~~
 614 ~~the annual meeting or of any special meeting may be given by posting such notice in a~~
 615 ~~conspicuous place in the office of the credit union at least ten days prior to such meeting;"~~

616 SECTION 3-2.

617 Said title is further amended in Code Section 7-1-650, relating to powers of credit unions,
 618 by revising subparagraph (D) of paragraph (4) and paragraphs (6) and (9) as follows:

619 "(D) By depositing its funds in banks, ~~building and loan associations~~, savings and loan
 620 associations, and credit unions; by purchasing certificates of deposit and savings
 621 certificates which such financial institutions are authorized to issue; and by selling or
 622 purchasing federal or correspondent (daily) funds or loan participations through such
 623 financial institutions; subject to limitations prescribed in regulations issued by the
 624 department; and"

625 "(6) It may undertake, with the approval of the department, other activities which are not
 626 inconsistent with this chapter or regulations adopted pursuant thereto, ~~including such~~
 627 ~~powers as are afforded to federally chartered credit unions, either directly, through a~~
 628 ~~subsidiary corporation, or in cooperation with other credit unions; provided, however,~~
 629 that no such approval shall be granted unless the commissioner determines the activities
 630 do not present undue safety and soundness risks to the credit union involved;"

631 "(9) ~~No real~~ Real estate acquired in the cases provided for by subparagraphs (B) and (C)
 632 of paragraph (8) of this Code section and ~~no~~ real estate which has ceased to be used
 633 primarily as credit union premises ~~shall~~ may be held ~~for a longer period~~ subject to a
 634 determination by a majority vote of its directors at least once each year as to the
 635 advisability of retaining any such property, provided that no such property may be held
 636 for more than five years, unless the time shall be extended by without the prior written
 637 approval of the department. Properties, other than real estate, which are acquired in
 638 satisfaction of debts previously contracted and which a credit union is not otherwise
 639 authorized to own shall be held for no longer than six months unless such time period is
 640 extended by the department. Disposition of such property may be financed by the credit
 641 union without the advance of additional funds irrespective of the purchasers' membership
 642 in the credit union and of ordinarily applicable collateral margin requirements; and"

643 **SECTION 3-3.**

644 Said title is further amended in Code Section 7-1-655, relating to board of directors, credit
 645 and supervisory committees, and officers of credit unions and removals from office, by
 646 revising subsection (g) and adding new subsections as follows:

647 "(g) Directors may be removed from office as provided in Code Section 7-1-485 The entire
 648 board of directors or an individual director may be removed from office without cause by
 649 the vote of a quorum of members at a properly called meeting.

650 (h) The board may remove a director from office if:

651 (1) The director is adjudicated an incompetent by a court or is convicted of a felony;

652 (2) The director does not, within 60 days of his or her election or such longer time as
 653 may be specified in the bylaws, accept the office in writing or by attendance at a meeting
 654 and fulfill other requirements for holding the office;

655 (3) The director fails to attend regular meetings of the board for six successive meetings
 656 without having been excused by the board;

657 (4) The director was an employee or duly elected officer of the credit union and was
 658 discharged or resigned at the request of the board for reasons relating to performance of
 659 duties as an employee or officer of the credit union; or

660 (5) For any reason set forth in the bylaws of the credit union.

661 (i) The board of directors, by a two-thirds' vote of a quorum of the board, may suspend any
 662 member of the credit union's board of directors, for cause, until the next membership
 663 meeting, which shall be held not less than seven nor more than 60 days after such
 664 suspension. The suspended person will be notified of the details of his or her suspension,
 665 and shall have the right to request a meeting with the board to reconsider his or her
 666 suspension prior to the membership meeting. Any suspended member of the board of
 667 directors may be removed by a majority vote of a quorum of members at a properly called
 668 meeting. At such meeting of the membership, the suspended person shall have the right
 669 to make a presentation to the members and the suspension shall be acted upon by the
 670 members at such meeting and the person shall be removed from, or restored to, the board.

671 (j) Vacancies in the board of directors, whether caused by removal or otherwise and
 672 including vacancies resulting from an increase in the number of directors, may be filled by
 673 the remaining members of the board, even though less than a quorum.

674 (k) The credit union shall immediately notify the department upon a change in president
 675 or chief executive officer."

676 **SECTION 3-4.**

677 Said title is further amended by revising Code Section 7-1-666, relating to deposit insurance
 678 requirements for a credit union and public notices, as follows:

679 "7-1-666.

680 (a) Every credit union shall be required to obtain deposit insurance issued by a federal
 681 public body satisfactory to the department before it may conduct business and accept
 682 deposits, except that credit unions which have had their deposit insurance coverage
 683 withdrawn or canceled may, in the discretion of the department, continue to accept
 684 deposits, ~~provided that, within six months after withdrawal or cancellation of insurance,~~
 685 ~~such credit unions shall obtain deposit insurance written by an insurance company~~
 686 ~~authorized to transact business in this state and acceptable to the department or by the~~
 687 ~~National Credit Union Administration~~ for a period of time established by the department
 688 subject to any conditions imposed by the department, including, but not limited to,
 689 notification requirements regarding the loss of deposit insurance. The department may, in
 690 its discretion, for cause shown, extend the time ~~limitation~~ in which federal deposit
 691 insurance must be obtained.

692 ~~(b) Deposit insurance required to be obtained in subsection (a) of this Code section need~~
 693 ~~not be in excess of amounts insured by the National Credit Union Administration at the~~
 694 ~~time the insurance is obtained; but, whenever the insurance coverage is, in the opinion of~~
 695 ~~the department, less than amounts insured by the National Credit Union Administration,~~
 696 ~~the credit union shall be required to post a sign in boldface print, in letters at least four~~
 697 ~~inches high, at a conspicuous place near the entrance of such credit union, which states~~
 698 ~~'Deposits Not Insured' or 'Deposits Insured Up To (insert amount of deposit insurance).'~~
 699 ~~Such wording shall also follow the name of the credit union wherever it is written or~~
 700 ~~printed and shall be posted in writing which is easily legible in letters at least one inch high~~
 701 ~~at each window or desk receiving deposits.'~~

702 **SECTION 3-5.**

703 Said title is further amended in Code Section 7-1-669, relating to central credit union, by
 704 revising the introductory language of subsection (b) as follows:

705 "(b) The field of membership of a central credit union shall include credit unions organized
 706 and operating under this chapter, any other state credit union law, or under the Federal
 707 Credit Union Act. In addition, the field of membership may include:"

708 **SECTION 3-6.**

709 Said title is further amended in Code Section 7-1-670, relating to third-party payment
 710 services, by revising subsection (d) as follows:

711 "(d) A credit union that is approved to offer third-party payment services may apply to the
 712 department to offer other services, such as check-cashing services, sale of ~~money orders~~
 713 payment instruments, or international remittances, which services are determined by the

714 department to be safe, sound, convenient, and necessary and responsive to those consumers
 715 eligible for membership. The department may impose restrictions on these services if
 716 approved."

717 **PART IV**

718 Georgia merchant acquirer limited purpose bank

719 **SECTION 4-1.**

720 Said title is further amended by adding new Code sections to read as follows:

721 "7-9-5.1.

722 (a) The board of directors shall hold regular meetings at such times as may be fixed by the
 723 bylaws and shall, at all times, be subject to call by the chairperson of the board, the chief
 724 executive officer, the president, or any two members of the board. The board shall meet
 725 at least once in ten different months of each calendar year unless an alternative schedule
 726 is approved in writing by the department, but in no event shall the board meet less
 727 frequently than once in each calendar quarter.

728 (b) Unless otherwise provided in the articles or bylaws:

729 (1) A majority of all the directors in office shall constitute a quorum for the transaction
 730 of business; and actions of a majority of those present at a meeting at which a quorum is
 731 present shall be actions of the board;

732 (2) The board of directors may designate by resolution three or more of its number to
 733 constitute an executive committee or other committee which, to the extent provided in
 734 such resolution, shall have and exercise the authority of the board of directors in regard
 735 to the business of the merchant acquirer limited purpose bank; and

736 (3) Any action which may be taken at a meeting of the directors or of the members of an
 737 executive or other committee may be taken without a meeting if a consent or consents in
 738 writing setting forth the action shall be signed by all of the directors or all of the members
 739 of the executive or other committee and filed with the secretary of the merchant acquirer
 740 limited purpose bank.

741 7-9-5.2.

742 The board of directors shall have the power to adopt, amend, or repeal bylaws governing
 743 the regulation and management of affairs of the merchant acquirer limited purpose bank
 744 unless such power is reserved exclusively to the shareholders by the articles or bylaws
 745 previously adopted by shareholders; provided, however, that any bylaws adopted by the
 746 board of directors may be altered, amended, or repealed and new bylaws adopted by
 747 shareholders. Shareholders may prescribe that any bylaw or bylaws adopted shall not be

748 altered, amended, or repealed by the board of directors. Copies of the bylaws and any
749 change, addition, or amendment thereto shall be filed with the department immediately
750 upon adoption by the directors or the shareholders.

751 7-9-5.3.

752 (a) A merchant acquirer limited purpose bank shall maintain a chief executive officer,
753 chief information officer, chief risk officer, and such other officers the department may
754 require by rule or regulation. A person may hold more than one office; provided, however,
755 that no person shall serve as both chief executive officer and chief risk officer.

756 (b) Except as otherwise provided for in the articles or bylaws, the board of directors shall
757 elect officers, fix their compensation, and fill vacancies. An officer elected or appointed
758 by the board may be removed without prejudice to any contract right of such officer upon
759 determination by the board that such removal is in the best interests of the merchant
760 acquirer limited purpose bank. The merchant acquirer limited purpose bank shall
761 immediately notify the department in writing upon a change in the position of chief
762 executive officer or president.

763 (c) Officers of a merchant acquirer limited purpose bank shall have such authority and
764 perform such duties as provided for in the bylaws adopted by the board.

765 (d) A merchant acquirer limited purpose bank may employ such agents or employees as
766 necessary for the prompt and orderly discharge of its business.

767 7-9-5.4.

768 (a) Prior to assuming office, each director shall take an oath or affirmation that he or she
769 will diligently and honestly perform his or her duties in the administration of the affairs of
770 the merchant acquirer limited purpose bank; he or she will not permit a willful violation
771 of law by the merchant acquirer limited purpose bank; and he or she meets the eligibility
772 requirements of this chapter, the regulations of the department, and the articles and bylaws
773 of the merchant acquirer limited purpose bank.

774 (b) Each director shall sign a copy of the oath required by this Code section and include
775 such documentation in the meeting minutes. No director shall participate in the affairs of
776 the board or receive any compensation for service as a director until such oath has been
777 executed. Any person seeking to act in the capacity of a director before subscribing to the
778 oath required by this Code section or otherwise qualifying for service pursuant to the
779 bylaws of the merchant acquirer limited purpose bank or the laws and regulations
780 governing the operations of the merchant acquirer limited purpose bank shall be liable for
781 his or her actions to the same extent as if that person had qualified to serve as a director of
782 the merchant acquirer limited purpose bank."

783 "7-9-11.1.

784 (a) Merchant acquirer limited purpose banks may merge or consolidate upon compliance
785 with the requirements of this chapter and other applicable laws and regulations.

786 (b) A corporation other than a merchant acquirer limited purpose bank may be merged into
787 or may be consolidated with a merchant acquirer limited purpose bank, provided that:

788 (1) The resulting institution of the merger or consolidation is a merchant acquirer limited
789 purpose bank;

790 (2) The resulting institution of the merger or consolidation holds only assets and
791 liabilities and is engaged only in activities which may be held or engaged in by a
792 merchant acquirer limited purpose bank; and

793 (3) The merger or consolidation is not otherwise unlawful.

794 (c) A merger or consolidation pursuant to subsection (b) of this Code section shall be made
795 by compliance with the requirements of this chapter. Title 14 shall not be applicable to
796 such a merger or consolidation.

797 (d) In the case of a merger of a merchant acquirer limited purpose bank with any other
798 corporation or corporations, with the merchant acquirer limited purpose bank as the
799 resulting entity, any assets, lines of business, activities, or powers which may accrue to the
800 resulting entity which would be prohibited for a merchant acquirer limited purpose bank
801 shall be provided for in the plan of merger. Such plan shall include a proposal for the
802 disposal of such prohibited assets or the termination of such prohibited line of business,
803 activity, or power. The department shall review such plan to determine whether the
804 prohibited asset, line of business, activity, or power should be a basis for denial of the
805 requested merger or consolidation or phased out within a reasonable period of time, which
806 shall be determined by the department.

807 7-9-11.2.

808 (a) The parties to a merger or consolidation of a merchant acquirer limited purpose bank
809 shall:

810 (1) Adopt a plan stating the method, terms, and conditions of the merger or
811 consolidation, including the rights under the plan of the shareholders of each of the
812 parties and any agreement concerning the merger or consolidation. Such plan shall
813 specify:

814 (A) The name that such merchant acquirer limited purpose bank shall have upon and
815 after such merger or consolidation;

816 (B) The persons who shall constitute the board of directors of the merchant acquirer
817 limited purpose bank after the merger or consolidation;

818 (C) The manner and basis of converting the shares of each merged or consolidated
 819 entity into shares or other securities or obligations of the surviving merchant acquirer
 820 limited purpose bank and, if any shares of any of the merged or consolidated entities
 821 are not to be converted solely into shares or other securities of the surviving merchant
 822 acquirer limited purpose bank, the amount of cash or securities of any other
 823 corporation, or combination of cash and such securities, which is to be paid or delivered
 824 to the holders of such shares in exchange for, or upon the surrender of, such shares.
 825 Such cash or securities may be in addition to, or in lieu of, the shares or other securities
 826 of the surviving merchant acquirer limited purpose bank;

827 (D) Such other provisions with respect to the proposed merger or consolidation which
 828 are deemed desirable to the parties of the merger or consolidation plan; and

829 (E) Any other requirements of the department, adopted through rule or regulation,
 830 deemed essential to ensure protection of creditors or shareholders of the merging or
 831 consolidating entities;

832 (2) Adopt a merger or consolidation plan upon affirmative vote of at least:

833 (A) A majority of the directors; and

834 (B) At a meeting of shareholders, a majority of the shareholders entitled to cast votes
 835 or the majority of holders of outstanding shares of a class, if a class of shares is entitled
 836 to vote thereon as a class; and

837 (3) Include a copy or summary of the merger or consolidation plan and a full statement
 838 of the rights and remedies of dissenting shareholders, the method of exercising such
 839 rights, and any limitations on such rights and remedies in the meeting notice for which
 840 a merger or consolidation is to be voted upon.

841 (b) Any modification of a merger or consolidation plan which has been adopted shall be
 842 made by any method provided therein or, in the absence of such provision, by the same
 843 vote as required for adoption.

844 7-9-11.3.

845 (a) Upon adoption of the plan of merger or consolidation as provided in Code Section
 846 7-9-11.2, parties to a merger or consolidation shall file with the department articles of a
 847 merger or consolidation pursuant to the requirements of this Code section together with the
 848 fee required by Code Section 7-1-862.

849 (b) The articles of merger or consolidation shall be signed by two duly authorized officers
 850 of each party to a merger or consolidation plan under their respective seals and shall
 851 contain:

852 (1) The names of parties to a merger or consolidation plan and the name of the resulting
 853 merchant acquirer limited purpose bank;

- 854 (2) The street address and county location of the main office and registered agent and
855 office of each party;
- 856 (3) The votes by which the merger or consolidation plan was adopted, a copy of the
857 notice of each meeting held in connection with such adoption, and the time and place
858 such meeting or meetings were held;
- 859 (4) The names and addresses of the initial directors of the resulting merchant acquirer
860 limited purpose bank;
- 861 (5) In the case of a merger, any amendments to the articles of the resulting merchant
862 acquirer limited purpose bank;
- 863 (6) In the case of a consolidation, the requirements for articles of a new merchant
864 acquirer limited purpose bank as provided for by paragraphs (4) through (8) of
865 subsection (a) of Code Section 7-9-5; and
- 866 (7) The merger or consolidation plan.
- 867 (c) Together with the articles of merger or consolidation, parties to a merger or
868 consolidation shall deliver to the department a copy of the notice of merger or
869 consolidation and an undertaking, which may appear in the articles of merger or
870 consolidation or be set forth in a letter or other instrument executed by an officer or any
871 person authorized to act on behalf of such merchant acquirer limited purpose bank, that the
872 request for publication of a notice of filing the articles of merger or consolidation and
873 payment therefor will be made as required by subsection (d) of this Code section.
- 874 (d) No later than the next business day after filing the articles of merger or consolidation
875 with the department, parties to a merger or consolidation shall transmit for publication, to
876 the publisher of a newspaper which is the official organ of the county where the main
877 office of each party is located, a notice which shall contain a statement that the articles of
878 merger or consolidation have been filed with the department, the names of entities which
879 are parties to the proposed merger or consolidation, and, in the case of a merger, the
880 proposed name of the surviving merchant acquirer limited purpose bank. The parties shall
881 include in the notice a designated location where a copy of the articles of merger or
882 consolidation may be examined. Such notice shall be published once a week for two
883 consecutive weeks commencing within ten days after receipt of the notice by the
884 newspaper.
- 885 (e) In the event a merger or consolidation plan is amended as provided for in Code Section
886 7-9-11.2, parties shall promptly file with the department an amendment to the articles of
887 consolidation or merger reflecting such amendment of the merger or consolidation plan.

888 7-9-11.4.

889 In addition to the filing of articles of merger and consolidation under Code Section
890 7-9-11.3, the parties to a merger or consolidation plan shall also file with the department:

891 (1) An application including any information desired by the department in order to
892 evaluate the proposed merger or consolidation, which shall be made available in the form
893 specified by the department;

894 (2) Applicable fees established by regulation of the department to defray the expenses
895 of the investigation required by Code Section 7-9-11.5; and

896 (3) If the merger or consolidation involves the adoption of a new name, a certificate
897 issued by the Secretary of State reserving such name under Code Section 7-1-131.

898 7-9-11.5.

899 (a) Upon receipt of the articles of merger or consolidation and the filings required by Code
900 Section 7-9-11.4, the department shall conduct such investigation as it may deem necessary
901 to ascertain whether:

902 (1) The articles of merger or consolidation and supporting items satisfy the requirements
903 of this chapter;

904 (2) The merger or consolidation plan and any modification thereof adequately protect the
905 interests of creditors and shareholders;

906 (3) The requirements for a merger or consolidation under all applicable laws have been
907 satisfied and the resulting merchant acquirer limited purpose bank would satisfy the
908 applicable requirements of this chapter; and

909 (4) The merger or consolidation would not adversely impact the merchant acquirer
910 limited purpose bank, entities engaged in merchant acquiring activities or settlement
911 activities, or the payment card network. In making such a determination, the department
912 will take into consideration competitive, financial, managerial, safety and soundness,
913 compliance, and other concerns with respect to the merger or consolidation plan and all
914 parties.

915 (b) Within 90 days after receipt of the articles of merger or consolidation and the filings
916 required by Code Section 7-9-11.4 or within an additional period of not more than 30 days
917 after an amendment to the application is received within the initial 90 day period, the
918 department shall, in its discretion, approve or disapprove such articles on the basis of its
919 investigation and the criteria set forth in subsection (a) of this Code section. Except as
920 provided in Code Section 7-9-11.6, the department shall provide written notice of its
921 approval along with a copy of the articles of merger or consolidation to the Secretary of
922 State. The department shall provide parties to the merger or consolidation plan written
923 notice of its decision and, in the event of disapproval, a general statement of explanation

924 for its decision. The decision of the department shall be conclusive; provided, however,
925 that such decision may be subject to judicial review as provided for in Code Section
926 7-1-90.

927 7-9-11.6.

928 Upon payment of all required taxes, fees, and charges, the Secretary of State shall issue to
929 any resulting merchant acquirer limited purpose bank a certificate of merger or
930 consolidation with the approved articles of merger or consolidation attached thereto,
931 provided that the name of the resulting merchant acquirer limited purpose bank in a merger
932 or consolidation has been reserved by a merging or consolidating party or is available on
933 the records of the Secretary of State. The resulting merchant acquirer limited purpose bank
934 shall retain a copy of such certificate, articles, and approval by the department.

935 7-9-11.7.

936 (a) A merger or consolidation of a merchant acquirer limited purpose bank shall become
937 effective upon the issuance of a certificate of merger or consolidation by the Secretary of
938 State.

939 (b) A certificate of merger or consolidation shall be conclusive evidence of satisfactory
940 performance of all conditions precedent to a merger or consolidation and of the existence
941 or creation of a merchant acquirer limited purpose bank, except as against the state.

942 (c) When a merger or consolidation becomes effective, each party to the merger or
943 consolidation plan, except the resulting merchant acquirer limited purpose bank, shall cease
944 to exist as a separate entity. Upon merger or consolidation, any parties to a merger or
945 consolidation plan shall become a single corporation which shall be the merchant acquirer
946 limited purpose bank and which shall have, without further act or deed, all property, rights,
947 powers, duties, and obligations of each party to a merger or consolidation plan.

948 (d) The articles of a resulting merchant acquirer limited purpose bank established from a
949 merger shall be the same as its articles prior to the merger with any change stated in the
950 articles of merger. The articles of a resulting merchant acquirer limited purpose bank
951 established from a consolidation shall be the same as its articles prior to the consolidation
952 with any change stated in the articles of consolidation.

953 (e) A resulting merchant acquirer limited purpose bank shall be authorized to engage only
954 in such business and exercise only such powers as are then permissible upon original
955 incorporation under this chapter and shall be subject to the same prohibitions and
956 limitations as it would then be subject to upon original incorporation.

957 (f) No liability of any party to a merger or consolidation plan or of its shareholders,
958 directors, or officers shall be affected nor shall any lien on any property of a party to the

959 plan be impaired by a merger or consolidation. Any claim existing or action pending by
 960 or against any party to a merger or consolidation plan may be prosecuted to judgment as
 961 if a merger or consolidation had not taken place or a resulting merchant acquirer limited
 962 purpose bank may be substituted in place of such appropriate party of a plan of proposed
 963 merger or consolidation.

964 7-9-11.8.

965 (a) A shareholder of a merchant acquirer limited purpose bank which is a party to a plan
 966 of proposed merger or consolidation under this chapter who objects to such plan shall be
 967 entitled to the rights and remedies of a dissenting shareholder as determined under
 968 Chapter 2 of Title 14, known as the 'Georgia Business Corporation Code.'

969 (b) A resulting merchant acquirer limited purpose bank into which other or others have
 970 been merged or consolidated may require the return of original certificates of stock held
 971 by each shareholder in each or either of the merged or consolidated institutions, or in lieu
 972 thereof may:

973 (1) Issue to each shareholder new certificates for such number of shares of the resulting
 974 acquirer limited purpose bank; or

975 (2) Cause to be paid or delivered to each shareholder the amount of cash or securities of
 976 any other corporation or combination of cash and such securities as, under the plan of
 977 merger or consolidation, such shareholder is entitled to receive."

978 **PART V**

979 Criminal and related provisions

980 **SECTION 5-1.**

981 Said title is further amended in Code Section 7-1-840, relating to criminal prosecutions and
 982 assistance with law enforcement, by revising subsection (a) as follows:

983 "(a) Upon discovery, by report or otherwise, of any apparent violation of any state or
 984 federal criminal law which is perpetrated through a deposit or loan account maintained at
 985 or which utilizes a monetary instrument issued by a financial institution located in this state
 986 or of any state or federal criminal law which relates to a financial institution, the
 987 department shall ~~in its discretion either institute criminal proceedings in the manner~~
 988 ~~provided by law or~~ refer the matter to an appropriate law enforcement or prosecuting
 989 authority for further action. The ~~department~~ appropriate state prosecuting authority shall
 990 have the right to submit to the grand juries of the respective counties of the state, or
 991 otherwise seek an indictment of, any criminal violations of the laws of Georgia known by
 992 it to have occurred in such counties, ~~or it may likewise submit to.~~ Similarly, any United

993 States attorney may likewise submit to a grand jury, or otherwise seek an indictment of,
 994 any criminal violations of the laws of Georgia which also constitute violations of the laws
 995 of the United States applicable to such financial institution. ~~This provision~~ Nothing herein
 996 shall ~~not~~ be so construed as to prevent the ~~commissioner~~ appropriate state prosecuting
 997 authority or other persons from proceeding in such cases by affidavit and warrant."

998 **SECTION 5-2.**

999 Said title is further amended by revising Code Section 7-1-842, relating to felonies of
 1000 directors, officers, agents, and employees of financial institutions and aiding and abetting
 1001 false entries, as follows:

1002 "7-1-842.

1003 Any director, officer, agent, or employee of a financial institution who knowingly:

1004 (1) Makes any false entry in any book, report, or statement of the financial institution or
 1005 who omits or concurs in omitting to make any material entry in its books or accounts with
 1006 intent in either case to injure or defraud the financial institution or any other company,
 1007 firm, or person or to deceive any officer of the financial institution, the commissioner, or
 1008 any examiner and every person who with like intent aids or abets any officer, director,
 1009 clerk, agent, or employee in making any false entry, report, or statement or omitting to
 1010 make any material entry on its books and accounts shall be guilty of a felony and, upon
 1011 conviction, shall be punished by imprisonment ~~and labor in the penitentiary~~ for not less
 1012 than one year nor more than ten years;

1013 (2) While in charge of or employed in a financial institution, allows it to receive a
 1014 deposit when he or she knows the financial institution to be insolvent shall be guilty of
 1015 a felony and, upon conviction, shall be punished by imprisonment ~~in the penitentiary~~ for
 1016 not less than one year nor more than ten years if loss or injury shall result to such
 1017 depositor;

1018 (3) By letterheads, newspaper advertisements, signs, circulars, or otherwise, represents
 1019 the capital stock of any financial institution to be in excess of the capital actually paid in
 1020 or who knowingly makes or concurs in making or publishing any written report, exhibit,
 1021 or statement of its affairs or pecuniary condition containing any material statement
 1022 therein which is false or who knowingly omits or concurs in omitting any statement
 1023 required by law or to be contained therein shall be guilty of a felony and, upon
 1024 conviction, shall be punished by imprisonment ~~and labor in the penitentiary~~ for not less
 1025 than one year nor more than five years;

1026 (4) ~~Violates or is involved in violating any provision of the charter or bylaws of said~~
 1027 ~~financial institution shall be guilty of a felony and, upon conviction, shall be punished by~~

1028 ~~imprisonment and labor in the penitentiary for not less than one year nor more than five~~
 1029 ~~years;~~
 1030 (5) Uses information obtained through his or her association with the financial institution
 1031 which he or she serves as a director, officer, agent, or employee, which is not otherwise
 1032 publicly available, with the intent to realize personal gain or to cause financial harm to
 1033 another party shall be guilty of a felony and, upon conviction, shall be punished by a fine
 1034 not to exceed \$10,000.00 or twice the amount of improper gain realized, whichever is
 1035 less, or by imprisonment ~~and labor in the penitentiary~~ for not less than one year nor more
 1036 than five years, or both."

1037 **PART VI**

1038 Mortgage lenders and brokers

1039 **SECTION 6-1.**

1040 Said title is further amended by replacing "Nationwide Mortgage Licensing System and
 1041 Registry" with "Nation-wide Multistate Licensing System and Registry" wherever the former
 1042 phrase occurs in:

- 1043 (1) Code Section 7-1-1000, relating to definitions relative to mortgage lenders and brokers;
- 1044 (2) Code Section 7-1-1001, relating to registration requirements and exemptions for
 1045 mortgage lenders and brokers;
- 1046 (3) Code Section 7-1-1002, relating to transaction of lending business without a license
 1047 and liability;
- 1048 (4) Code Section 7-1-1003.5, relating to Nationwide Mortgage Licensing System and
 1049 Registry;
- 1050 (5) Code Section 7-1-1003.6, relating to privileged or confidential nature of information
 1051 provided to the Nationwide Mortgage Licensing System and Registry;
- 1052 (6) Code Section 7-1-1004, relating to issuance or denial of license for a mortgage broker
 1053 or lender;
- 1054 (7) Code Section 7-1-1004.1, relating to reports of condition by mortgage broker and
 1055 lender;
- 1056 (8) Code Section 7-1-1004.2, relating to ability of mortgage broker and lender licensee to
 1057 challenge information in the Nationwide Mortgage Licensing System and Registry;
- 1058 (9) Code Section 7-1-1005, relating to the renewal and expiration of licenses and
 1059 registrations of mortgage lenders and brokers;
- 1060 (10) Code Section 7-1-1011, relating to annual fees set by department for mortgage loan
 1061 originator, mortgage broker, and mortgage lender;

- 1062 (11) Code Section 7-1-1013, relating to the prohibition of certain acts by licensees and
 1063 registrants; and
 1064 (12) Code Section 7-1-1016, relating to regulations relevant to advertising by mortgage
 1065 broker and mortgage lenders.

1066 **SECTION 6-2.**

1067 Said title is further amended in Code Section 7-1-1004, relating to issuance or denial of
 1068 license for a mortgage broker or lender and prelicensing education requirements, by adding
 1069 a new paragraph to subsection (e) and revising paragraphs (8) and (9) of subsection (g) as
 1070 follows:

1071 "(6) The department is authorized to enact rules and regulations related to the expiration
 1072 of prelicensing education."

1073 "(8) A licensed mortgage loan originator who subsequently becomes unlicensed shall
 1074 complete the continuing education requirements for the last year in which the license was
 1075 held prior to issuance of a new or renewed license or the prelicensing education in the
 1076 event the prelicensing education has expired pursuant to the rules and regulations of the
 1077 department.

1078 (9) An individual meeting the requirements of ~~paragraphs (1) and (3)~~ of subsection (e)
 1079 of Code Section 7-1-1005 may make up any deficiency in continuing education as
 1080 established by rule or regulation of the department."

1081 **PART VII**

1082 Building and loan associations and various changes

1083 **SECTION 7-1.**

1084 Said title is further amended in Code Section 7-1-4, relating to definitions relative to the
 1085 Department of Banking and Finance and financial institutions generally, by revising
 1086 paragraphs (7), (8), (17), and (21) as follows:

1087 "(7) 'Bank' means a corporation existing under the laws of this state on April 1, 1975, or
 1088 organized under this chapter and authorized to engage in the business of receiving
 1089 deposits withdrawable on demand or deposits withdrawable after stated notice or lapse
 1090 of time; 'bank' shall also include national banks located in this state for the purpose of
 1091 Part 6 of Article 2 of this chapter, relating to deposits, safe-deposit agreements, and
 1092 money received for transmission, and Article 8 of this chapter, relating to multiple
 1093 deposit accounts; provided, however, that the term 'bank' shall not include a credit union,
 1094 ~~a building and loan association~~, a savings and loan association, or a licensee under Article
 1095 4 of this chapter., but 'Bank' shall include a federal or state credit union for the purposes

1096 of Part 6 of Article 2 of this chapter, provided that this inclusion is not intended to grant
 1097 or expand any powers to credit unions not authorized in Part 6 of Article 2 of this chapter
 1098 or by other law.

1099 ~~(8) 'Building and loan association' means such an association as defined in paragraph (1)~~
 1100 ~~of subsection (a) and subsections (b) and (c) of Code Section 7-1-770~~ Reserved."

1101 "(17) 'Depositor' means any person or corporation who shall deposit money or items for
 1102 the payment of money in any financial institution, which funds are subsequently
 1103 (allowing time for collections) withdrawable either on demand or after a stated notice or
 1104 lapse of time, whether interest is allowed thereon or not, and shall also include:

1105 (A) Holders of demand and time certificates of deposit;

1106 (B) Owners of certified or cashiers' checks and checks purchased from a licensee under
 1107 Article 4 of this chapter; and

1108 (C) Shareholders in credit unions, federal credit unions, ~~building and loan associations,~~
 1109 and savings and loan associations to the extent that funds paid in by them are
 1110 withdrawable within the terms of this definition."

1111 "(21) 'Financial institution' means:

1112 (A) A bank;

1113 (B) A trust company;

1114 (C) ~~A building and loan association~~ Reserved;

1115 (D) A credit union;

1116 (E) A corporation licensed to engage in the business of selling payment instruments in
 1117 this state on April 1, 1975, or so licensed pursuant to Article 4 of this chapter;

1118 (F) Business development corporations existing on April 1, 1975, pursuant to the
 1119 former 'Georgia Business Development Corporation Act of 1972,' approved April 3,
 1120 1972 (Ga. L. 1972, p. 798), or organized pursuant to Article 6 of this chapter;

1121 (G) An international bank agency doing business in this state on April 1, 1975,
 1122 pursuant to the former 'International Bank Agency Act,' approved April 6, 1972 (Ga.
 1123 L. 1972, p. 1140), or authorized to do business in this state pursuant to Article 5 of this
 1124 chapter;

1125 (H) In addition, as the context requires, a national bank, savings and loan association,
 1126 or federal credit union for the purpose of the following provisions:

1127 (i) Code Section 7-1-2, relating to findings of the General Assembly;

1128 ~~(ii) Code Section 7-1-3, relating to objectives of this chapter;~~

1129 ~~(iii)~~ (iii) Code Section 7-1-8, relating to supplementary principles of law;

1130 ~~(iv)~~ (iii) Code Section 7-1-37, relating to restrictions on officials and personnel;

1131 ~~(v)~~ (iv) Code Section 7-1-70, relating to disclosure of information;

1132 ~~(vi)~~ (v) Code Section 7-1-90, relating to judicial review of department action;

1133 ~~(vii) Subsection (d) of Code Section 7-1-91, relating to orders to desist from conduct~~
 1134 ~~illegal under the laws and regulations of this state;~~
 1135 ~~(viii) Code Section 7-1-94, relating to the evidentiary results of examinations and~~
 1136 ~~investigations;~~
 1137 ~~(ix)~~(vi) Code Sections 7-1-111 and 7-1-112, relating to emergency closings and
 1138 business restrictions;
 1139 ~~(x) Code Sections 7-1-110 and 7-1-294, relating to permissive closings;~~
 1140 ~~(xi) Code Section 7-1-133, relating to prohibited advertising;~~
 1141 ~~(xii) Paragraph (11) of Code Section 7-1-261, relating to additional operational~~
 1142 ~~powers of banks and trust companies;~~
 1143 ~~(xiii)~~(vii) Paragraph (3) of subsection (a) of Code Section 7-1-394, relating to criteria
 1144 to be considered in approving new banks;
 1145 ~~(xiv) Code Section 7-1-658, relating to loans;~~
 1146 ~~(xv)~~(viii) Code Section 7-1-840, relating to criminal prosecutions; and
 1147 ~~(xvi)~~(ix) Code Section 7-1-841, relating to application of Title 16 provisions;
 1148 (I) A bank holding company as defined in Code Section 7-1-605 for the purposes of
 1149 Code Sections 7-1-61, 7-1-71, and 7-1-91;
 1150 (J) Banks chartered by states other than Georgia for the purposes of paragraph (10) of
 1151 Code Section 7-1-261, relating to agency relationships; and
 1152 (K) Federal credit unions for the purposes of Part 6 of Article 2 of this chapter, relating
 1153 to deposits, ~~safe deposit~~ safe-deposit agreements, and money received for transmission,
 1154 and Article 8 of this chapter, relating to ~~multiple party deposit~~ multiple-party accounts."

1155 SECTION 7-2.

1156 Said title is further amended by revising Code Section 7-1-10, relating to rules of
 1157 construction relative to financial institutions, as follows:

1158 "7-1-10.

1159 (a) The rules of statutory construction contained in Chapter 3 of Title 1 shall apply to this
 1160 chapter title.

1161 (b) Unless otherwise specifically indicated and to the full extent permitted by the
 1162 Constitution of Georgia, any reference in this chapter title to an existing statute or
 1163 regulation shall mean to such statute or regulation as has been or may in the future be
 1164 amended or have material added to it. If in any case such construction is not
 1165 constitutionally permissible, such reference shall mean to the statute or regulation as it
 1166 existed on ~~April 1, 1975~~ July 1, 2016.

1167 (c) Any reference in this ~~chapter title~~ to an action by a superior court or other court shall
 1168 authorize a judge of such court to take such action in term or in vacation, whether present
 1169 in the county or absent from it."

1170 SECTION 7-3.

1171 Said title is further amended by revising Code Section 7-1-77, relating to approval by
 1172 commissioner of state or federal rules and regulations affecting financial institutions, as
 1173 follows:

1174 "7-1-77.

1175 Any rule, regulation, order, or administrative directive issued by a state ~~or federal~~ official,
 1176 agency, or entity which is intended to be applicable to banks, banking associations, bank
 1177 holding companies, ~~building and loan associations and~~ savings and loan associations, credit
 1178 unions, or companies engaged in selling money orders or any other company or financial
 1179 institution under the supervision of the commissioner and required to report to the
 1180 commissioner or subject to rules and regulations issued by the commissioner shall be
 1181 effective as to any such company or financial institution only after the rule, regulation,
 1182 order, or other directive has been approved in writing by the commissioner. Nothing in this
 1183 Code section shall be construed to modify, limit, or otherwise restrict the authority of the
 1184 department to conduct an examination, bring a civil or administrative action, or otherwise
 1185 enforce state or federal laws against a financial institution."

1186 SECTION 7-4.

1187 Said title is further amended by striking "a building and loan association," "building and
 1188 loan associations," "'building and loan associations and"; ", building and loan association,";
 1189 "building and loan association,"; "building and loan"; "building and loan association or"; "a
 1190 building and loan association or"; "or 'building and loan"; "building and loan or"; or
 1191 "Georgia building and loan associations," wherever such term appears in:

- 1192 (1) Code Section 7-1-192, relating to notice to depositors and other creditors to present
 1193 claims;
- 1194 (2) Code Section 7-1-310, relating to powers to act as fiduciary and in other representative
 1195 capacities;
- 1196 (3) Code section 7-1-355, relating to agreements concerning safe deposits;
- 1197 (4) Code Section 7-1-608, relating to lawful and unlawful acquisitions, formation, and
 1198 mergers of bank holding companies;
- 1199 (5) Code Section 7-1-740, relating to definitions relative to business development
 1200 corporations;

- 1201 (6) Code Section 7-1-747, relating to applying for membership and loans by members of
1202 a business development corporation;
- 1203 (7) Code Section 7-1-758, relating to tax exemptions and state and local occupational
1204 license taxes;
- 1205 (8) Code Section 7-1-777, relating to principal and branch offices of building and loan
1206 associations and savings and loan associations;
- 1207 (9) Code Section 7-1-779, relating to use of term "savings and loan," "building and loan,"
1208 or other terms likely to mislead public as to nature of business;
- 1209 (10) Code Section 7-1-780, relating to lien on deposits to secure loans;
- 1210 (11) Code Section 7-1-786, relating to taxation of building and loan associations and
1211 savings and loan associations;
- 1212 (12) Code Section 7-1-787, relating to building and loan associations and savings and loan
1213 associations exemptions from securities regulations;
- 1214 (13) Code Section 7-1-788, relating to nondisqualification of interested notaries and other
1215 officers of building and loan associations and savings and loan associations;
- 1216 (14) Code Section 7-1-789, relating to deposits by minors, safe-deposit boxes, third-party
1217 payment accounts, and validity releases in building and loan associations and savings and
1218 loan associations;
- 1219 (15) Code Section 7-1-790, relating to deposits of fiduciaries in building and loan
1220 associations and savings and loan associations;
- 1221 (16) Code Section 7-1-791, relating to payment on death of depositor by building and loan
1222 associations and savings and loan associations;
- 1223 (17) Code Section 7-1-792, relating to deposits applied to funeral expenses of a depositor,
1224 building and loan association, or savings and loan association;
- 1225 (18) Code Section 7-1-793, relating to investment of funds in insured deposits in building
1226 and loan associations and savings and loan associations;
- 1227 (19) Code Section 7-1-795, relating to savings account books and certificates of building
1228 and loan associations and savings and loan associations;
- 1229 (20) Code Section 7-1-796, relating to insanity, incompetency, bankruptcy, or death of
1230 depositor in building and loan associations and savings and loan associations;
- 1231 (21) Code Section 7-1-940, relating to definitions relative to small minority business
1232 development corporations;
- 1233 (22) Code Section 7-1-947, relating to applicant for membership and loan requirements
1234 for small minority business development corporations;
- 1235 (23) Code Section 7-1-958, relating to tax exemptions, credits, privileges, and
1236 occupational license taxes for small minority business development corporations;

- 1237 (24) Code Section 7-1-1001, relating to registration requirements and exemptions for
 1238 mortgage lenders and brokers; and
 1239 (25) Code Section 7-3-6, relating to exemptions from chapter regarding industrial loans.

1240 **SECTION 7-5.**

1241 Said title is further amended in Code Section 7-1-241, relating to restrictions on engaging in
 1242 banking business, by revising subsection (a) as follows:

1243 "(a) No person or corporation may lawfully engage in this state in the business of banking
 1244 or receiving money for deposit or transmission or lawfully establish in this state a place of
 1245 business for such purpose, except a bank, a national bank, a credit union to the extent
 1246 provided in Article 3 of this chapter, a licensee engaged in selling ~~checks~~ payment
 1247 instruments to the extent permitted by Article 4 of this chapter, an international banking
 1248 agency to the extent provided in Article 5 of this chapter, ~~a building and loan association~~
 1249 ~~to the extent provided in Article 7 of this chapter~~, or a savings and loan association to the
 1250 extent provided by the laws of the United States."

1251 **SECTION 7-6.**

1252 Said title is further amended by revising Code Section 7-1-289, relating to security for
 1253 deposits, as follows:

1254 "7-1-289.

1255 (a) A bank may, ~~unless otherwise specifically approved in writing by the department,~~
 1256 pledge or otherwise grant security interests in its assets to secure deposits of:

- 1257 (1) Public funds;
 1258 (2) Funds of a pension fund for employees of a public body of the state;
 1259 (3) Funds for which a public body of the state or an officer or employee thereof or any
 1260 court of law is the custodian or trustee pursuant to statute;
 1261 (4) Funds held by the department as receiver;
 1262 (5) Funds which are required to be secured by law or by an order of a court;
 1263 (6) Its own fiduciary funds or the fiduciary funds of an affiliate. In either case, the funds
 1264 shall be deposited with the pledging institution and held in its commercial department;
 1265 and
 1266 (7) Public funds deposited in another bank.

1267 (b) ~~Except for the deposits listed in subsection (a) of this Code section,~~ a bank may not
 1268 pledge or otherwise grant security interests in its assets as security for deposits ~~other than~~
 1269 ~~the deposits listed in subsection (a) of this Code section~~ unless otherwise specifically
 1270 approved in writing by the department."

SECTION 7-7.

1271
1272 Said title is further amended in Code Section 7-1-293, relating to savings banks and state
1273 savings and loan associations, by revising subsections (c) through (e) and (h) as follows:

1274 "(c) A savings bank shall provide its depositors with deposit insurance coverage pursuant
1275 to those deposit insurance provisions of this chapter applicable to commercial banks. A
1276 state savings and loan association shall provide its depositors, but not its shareholders, with
1277 deposit insurance coverage ~~pursuant to those deposit insurance provisions of this chapter~~
1278 ~~applicable to building and loan associations.~~

1279 ~~(d)(1) Unless specifically exempt therein, all rules and regulations promulgated by the~~
1280 ~~department and applicable to commercial banks shall be applicable to a savings bank.~~

1281 ~~(2) The commissioner shall not approve an application of a financial institution~~
1282 ~~requesting conversion to a commercial bank or a mutual savings bank unless such~~
1283 ~~financial institution divests itself of all branches which were not lawfully established and~~
1284 ~~in existence prior to July 1, 1996, or which do not conform with the branch banking laws~~
1285 ~~of this state if established on or after July 1, 1996. Any federal mutual savings bank or~~
1286 ~~federal mutual savings and loan association with a banking location in Georgia prior to~~
1287 ~~July 1, 1996, which converts to a state charter, shall be entitled to retain the banking~~
1288 ~~locations lawfully established in Georgia which conform to the limitations of this~~
1289 ~~subsection Reserved.~~

1290 (e) The conversion, merger, or consolidation of a federal savings and loan association or
1291 federal savings bank, including a federal mutual savings and loan association or federal
1292 mutual savings bank, shall be accomplished pursuant to the same procedures as are
1293 prescribed in this chapter for a conversion, merger, or consolidation involving a national
1294 bank, provided that any federal mutual savings bank or federal mutual savings and loan
1295 association converting to a Georgia mutual savings bank must have been in existence on
1296 January 1, 1997, and must have had its main office in the State of Georgia; and provided,
1297 further, that the approval of such conversion by the members of such association or bank
1298 shall be by such vote as is required in the articles of association and bylaws of such
1299 association or bank. A federal mutual savings and loan association or federal mutual
1300 savings bank shall upon conversion be and be known as a mutual savings bank.
1301 ~~Conversion of a building and loan association into a savings bank or state savings and loan~~
1302 ~~association may be made with the approval of the department and an appropriate~~
1303 ~~amendment of the articles of incorporation of the association. In considering any plan for~~
1304 ~~the conversion, merger, or consolidation of a federal savings and loan association or federal~~
1305 ~~savings bank or conversion of a building and loan association, the department shall not~~
1306 ~~approve the plan unless it is satisfied that such plan is fair and equitable to all borrowers,~~
1307 ~~depositors, and shareholders."~~

1308 "(h) Except as provided therein, Article 1 of this chapter and all other parts of this article
 1309 shall apply to all mutual savings banks, savings banks, and state savings and loan
 1310 associations and unless specifically exempt therein, all rules and regulations promulgated
 1311 by the department applicable to banks shall be applicable to mutual savings banks, savings
 1312 banks, and state savings and loan associations."

1313 **SECTION 7-8.**

1314 Said title is further amended in Code Section 7-1-353, relating to adverse claims to deposits
 1315 and property held in safe deposit, by revising paragraph (1) of subsection (b) as follows:

1316 "(1) A court order, distraint, levy, garnishment, or other effective legal process;"

1317 **SECTION 7-9.**

1318 Said title is further amended in Code Section 7-1-436, relating to voting of shares of banks
 1319 and trust companies, by revising subsections (c) and (h) as follows:

1320 "(c) The chairman of the board, chief executive officer, president, any vice-president, the
 1321 secretary, or the treasurer of a corporation which is the holder of record of shares of a bank
 1322 or trust company shall be deemed by the bank or trust company to have authority to vote
 1323 such shares and to execute proxies and written waivers and consents in relation thereto,
 1324 whether such shares are held in a fiduciary capacity or otherwise, unless, before a vote is
 1325 taken or a waiver of consent is acted upon, it is made to appear by a certified copy of the
 1326 bylaws or resolution of the board of directors or executive committee of the corporation
 1327 holding such shares that such authority does not exist or is vested in some other officer or
 1328 person. In the absence of such certification, a person executing any such proxies, waivers,
 1329 or consents or presenting himself or herself at a meeting as one of such officers of a
 1330 corporate shareholder shall, for the purposes of this Code section, be prima facie deemed
 1331 to be duly elected, qualified, and acting as such officer and to be fully authorized; and, in
 1332 the case of conflicting representation, the corporate shareholder shall be deemed to be
 1333 represented by its senior officer in the order first stated in this subsection."

1334 "(h) Notwithstanding subsections (a) through (g) of this Code section, a corporation shall
 1335 be protected from liability in relying on and treating the persons in whose names shares
 1336 stand on the record of shareholders as the owners thereof for all purposes."

1337 **SECTION 7-10.**

1338 Said title is further amended in Code Section 7-1-441, relating to restrictions on derivative
 1339 actions by shareholders of banks and trust companies, by revising subsection (a) as follows:

1340 "(a) In a derivative action involving a right which a bank or trust company may have
 1341 properly asserted, but which its representatives wrongfully failed to enforce that has been

1342 brought by one or more shareholders of a bank or trust company to procure a judgment in
 1343 its favor, ~~the representatives of the bank or trust company wrongfully having failed to~~
 1344 ~~enforce a right which may properly be asserted by it~~, the complaint shall be verified and
 1345 shall allege that the plaintiff is a shareholder of record at the time of bringing the action.

1346 It shall further allege:

1347 (1) That the plaintiff had purchased his or her shares or was a shareholder of record at
 1348 the time of the transaction of which he or she complains or that his or her shares
 1349 thereafter devolved on him or her through one or more transfers by operation of law from
 1350 one who was a holder of record or member at such time; or

1351 (2) That the plaintiff is the holder of record of shares which at the time of the transaction
 1352 of which he or she complains were held of record by a trustee of a trust in which the
 1353 plaintiff held a beneficial interest or in which a beneficial interest was held by one from
 1354 whom the shares have devolved upon the plaintiff through one or more transfers by
 1355 operation of law."

1356 **SECTION 7-11.**

1357 Said title is further amended in Code Section 7-1-488, relating to officers, agents, employees,
 1358 and employee share plans of banks and trust companies, by revising subsection (b) as
 1359 follows:

1360 "(b) Except as otherwise provided in the articles or bylaws, the board of directors shall
 1361 elect the officers, fix their compensation, and fill vacancies, however occurring. An officer
 1362 elected or appointed by the board may be removed by the board at any time, whenever in
 1363 its judgment the best interests of the institution will be served thereby, without prejudice
 1364 to any contract right of such officer. The department shall immediately be notified in
 1365 writing when the individual holding the position of chief executive officer or president of
 1366 the bank changes."

1367 **SECTION 7-12.**

1368 Said title is further amended in Code Section 7-1-600, relating to definitions relative to bank
 1369 branches, offices, facilities, and holding companies, by revising paragraph (1) as follows:

1370 "(1) 'Bank' means any moneyed corporation authorized by law to receive deposits of
 1371 money and commercial paper, to make loans, to discount bills, notes, and other
 1372 commercial paper, to buy and sell bills of exchange, and to issue bills, notes, acceptances,
 1373 or other evidences of debt, and shall include incorporated banks, savings banks, banking
 1374 companies, trust companies, and other corporations doing a banking business and may
 1375 include corporations who provide some or all of the financial services listed in this
 1376 paragraph by technological means in lieu of or in addition to traditional geographically

1377 based delivery systems but, unless the context otherwise indicates, shall not include
 1378 national banks or ~~building and loan associations or similar associations or corporations;~~
 1379 ~~provided, however, that Code Sections 7-1-590 through 7-1-594, providing for the~~
 1380 ~~registration of representative offices; Code Sections 7-1-601 and 7-1-602, regulating the~~
 1381 ~~operation and establishment of bank branch offices; Code Section 7-1-603, regulating the~~
 1382 ~~expansion of existing facilities; and Code Sections 7-1-604 through 7-1-608, restricting~~
 1383 ~~the acquisition and ownership of bank shares or assets and regulating the operation of~~
 1384 ~~banks and bank holding companies in this state, shall apply to national banks and all other~~
 1385 ~~persons, corporations, or associations, by whatever authority organized, doing a banking~~
 1386 ~~or trust business in this state. 'Bank' Such term shall include 'main office' and any 'branch~~
 1387 ~~office,' unless the context indicates that it does not."~~

1388 SECTION 7-13.

1389 Said title is further amended in Code Section 7-1-605, relating to when a company is deemed
 1390 to control shares in a bank holding company, by revising paragraph (2) of subsection (b) as
 1391 follows:

1392 "(2) 'Company' means any corporation, limited liability company, partnership, business
 1393 trust, association, ~~or similar organization~~, commercial entity regardless of organizational
 1394 structure, or any other trust unless by its terms it must terminate within 25 years or not
 1395 later than 21 years and ten months after the death of individuals living on the effective
 1396 date of the trust, but shall not include any corporation the majority of the shares of which
 1397 are owned by the United States or by any state or any qualified family partnership as
 1398 defined in the federal Bank Holding Company Act of 1956, as amended."

1399 SECTION 7-14.

1400 Said title is further amended in Code Section 7-1-611, relating to penalties for violations of
 1401 certain provisions relative to banks and bank holding companies, as follows:

1402 "7-1-611.

1403 Any bank, bank holding company, or company (as defined in Code Section 7-1-605) which
 1404 violates subsection (a) of Code Section 7-1-601 or any provision of Code Section 7-1-602,
 1405 Code Section 7-1-603, or Code Sections 7-1-605 through 7-1-608 shall, ~~upon conviction,~~
 1406 ~~be fined~~ be subject to civil monetary penalties of not less than \$500.00 nor more than
 1407 \$5,000.00 unless it shall cease and desist therefrom within 60 days after notice of any such
 1408 violation served on it by the department. Each day on which such violation occurs shall
 1409 constitute a separate offense."

SECTION 7-15.

1410
1411 Said title is further amended by revising Code Section 7-1-770, relating to definitions relative
1412 to building and loan associations and savings and loan associations, as follows:

1413 "7-1-770.

1414 (a) As used in this article, ~~the term:~~

1415 (1) ~~'Building and loan association' means a local mutual association existing under the~~
1416 ~~laws of this state on April 1, 1975, or organized under this article without capital stock~~
1417 ~~which:~~

1418 (A) ~~Is authorized to receive deposits but shall not have the power to offer third-party~~
1419 ~~payment services except in the same manner and subject to the same provisions as are~~
1420 ~~set forth in Code Section 7-1-670 for credit unions;~~

1421 (B) ~~Receives the greater portion of its funds from such deposits; and~~

1422 (C) ~~Lends the greater portion of its funds on the security of first liens or security titles~~
1423 ~~on homes and on the security of first liens on its own deposits.~~

1424 (2) ~~'Deposit' means any arrangement whereby a withdrawable interest is created in a~~
1425 ~~building and loan association or whereby the building and loan association becomes~~
1426 ~~indebted to a person transferring to it money, commercial paper, or similar items for the~~
1427 ~~payment of money, whether called a 'share,' 'account,' 'certificate,' 'share account,'~~
1428 ~~'savings account,' 'deposit,' 'savings deposit,' 'deposit account,' or otherwise.~~

1429 (b)(1) An association is 'local' ~~within the meaning of this article~~ if the greater portion of
1430 its investment in real estate loans is limited to loans on the security of a first lien or
1431 security title on real estate. Any such association may purchase real estate loans or
1432 interests in real estate loans which are made and owned by ~~other associations qualified~~
1433 ~~under the building and loan statutes of their respective states or from any savings and~~
1434 ~~loan association to the extent authorized by the regulations of the department, provided~~
1435 ~~that such regulations shall not permit the purchase of loans or interests in loans of any~~
1436 ~~type or in any amounts (per individual loan or in the aggregate) which are not permitted~~
1437 ~~by law to be purchased by savings and loan associations with principal offices in this~~
1438 ~~state.~~

1439 (e)(2) An association is 'mutual' if all depositors in such association participate in the
1440 income of such association and if all borrowers are privileged to vote at least one vote at
1441 any meeting of members, it being unnecessary that any borrower should subscribe to or
1442 purchase any shares or be entitled to participate in any way in the income of such
1443 association."

1444

SECTION 7-16.

1445

1446 Said title is further amended by repealing and reserving:

1447 (1) Code Section 7-1-771, relating to members and voting by a building and loan
1448 association;1449 (2) Code Section 7-1-772, relating to presentation, contents, and execution of articles of
1450 a building and loan association;1451 (3) Code Section 7-1-775, relating to filing and processing articles of incorporation and
1452 amendments for a building and loan association;1453 (4) Code Section 7-1-776, relating to certificate of incorporation or amendment issued by
1454 the Secretary of State for building and loan association;1455 (5) Code Section 7-1-778, relating to rules and regulations governing building and loan
1456 associations;1457 (6) Code Section 7-1-782, relating to effect on conversion into savings and loan
1458 association;1459 (7) Code Section 7-1-784, relating to previous conversions from a savings and loan
1460 association into a building and loan association;1461 (8) Code Section 7-1-785, relating to effect of conversion into a building and loan
1462 association; and1463 (9) Code Section 7-1-797, relating to building and loan association deposit insurance
1464 requirements and public notice.**SECTION 7-17.**

1465

1466 Said title is further amended by revising Code Section 7-1-781, relating to conversion of a
1467 financial institution to a savings and loan, as follows:

1468 "7-1-781.

1469 Any ~~building and loan association~~ or other financial institution existing under the laws of
1470 this state doing a home financing business may convert itself into a savings and loan
1471 association in accordance with Section 5 of the Home Owners' Loan Act of 1933, 12
1472 U.S.C. Section 1464, upon a vote of 51 percent or more of the votes of the members cast
1473 at an annual meeting or at any special meeting called to consider such action."**SECTION 7-18.**

1474

1475 Said title is further amended by revising Code Section 7-1-783, relating to previous
1476 conversions into savings and loan associations ratified, as follows:

1477 "7-1-783.

1478 Any ~~building and loan association~~ or corporation which has converted itself prior to April
1479 1, 1975, into a savings and loan association under the Home Owners' Loan Act of 1933 and

1480 has received a charter from the Federal Home Loan Bank Board shall be recognized as a
 1481 savings and loan association, and its federal charter shall be given full credence by the
 1482 courts of this state to the same extent as if such conversion had taken place under this
 1483 article."

1484 **SECTION 7-19.**

1485 Said title is further amended in Code Section 7-1-841, relating to applicability of Title 16 to
 1486 financial institutions, by revising subsection (a) as follows:

1487 "(a) The following provisions of Title 16 are expressly made applicable to financial
 1488 institutions, their directors, officers, agents, and employees and persons or corporations
 1489 having dealings with, supervision over, or other contact with financial institutions:

- 1490 (1) Article 2 of Chapter 7 of Title 16, relating to damage to property;
 1491 (2) Article 3 of Chapter 7 of Title 16, relating to arson and related offenses;
 1492 (3) Article 1 of Chapter 7 of Title 16, relating to burglary and related offenses;
 1493 (4) Chapter 9 of Title 16, relating to deceptive practices;
 1494 (5) Chapter 8 of Title 16, relating to theft, including robbery;
 1495 (6) ~~Article 2 of Chapter 8 of Title 16, relating to robbery~~;
 1496 ~~(7)~~ Article 1 of Chapter 10 of Title 16, relating to abuse of government office; and
 1497 ~~(8)~~(7) Article 4 of Chapter 10 of Title 16, relating to perjury and other falsifications."

1498
 1499 **SECTION 7-20.**

1500 Said title is further amended by revising Code Section 7-1-843, relating to certain
 1501 misdemeanors of directors, officers, agents, and employees of financial institutions, as
 1502 follows:

1503 "7-1-843.

1504 Any officer, director, agent, or employee of any financial institution who shall perform the
 1505 following acts or deeds shall be guilty of a misdemeanor:

- 1506 (1) Advertises by any office sign or upon any letterhead, billhead, bank note, receipt,
 1507 certificate, or circular or on any written or printed paper that the deposits in said financial
 1508 institution are insured or guaranteed, unless such deposits in said financial institution are,
 1509 in fact, insured and guaranteed as required by Code Sections 7-1-244; and 7-1-666; ~~and~~
 1510 ~~7-1-797~~ or regulation or action of the department pursuant thereto;
 1511 (2) Intentionally conceals from the directors of any financial institution or from the
 1512 committee to whom the directors have delegated authority to pass on loans and discounts
 1513 any discount or loan made for and in behalf of said financial institution or the purchase
 1514 or sale of any evidence of indebtedness or agreement for the payment of money;

- 1515 (3) Uses or applies any part of the capital or other funds of any financial institution to the
 1516 purchase of shares of its own stock, unless such purchase shall be necessary to prevent
 1517 loss upon a debt previously contracted in good faith under Code Section 7-1-263 or is
 1518 otherwise permitted by law;₂
- 1519 (4) Concurs in any vote or act of the directors of such financial institution by which it is
 1520 intended to declare a dividend or reduce or make a distribution of capital, except as
 1521 authorized by Code Section 7-1-460 or 7-1-461 or otherwise under this chapter or other
 1522 applicable law;₂
- 1523 (5) Discounts or receives any evidence of indebtedness or agreement for the payment of
 1524 money in payment of any subscription for common or preferred shares or with intent to
 1525 enable any shareholder to withdraw any part of the money paid by him for shares held in
 1526 the financial institution;₂
- 1527 (6) Knowingly and willfully issues, participates in issuing, or concurs in any vote of the
 1528 directors to issue any increase of its capital beyond the amount of the capital thereof duly
 1529 authorized by or in pursuance of law or who knowingly or willfully sells or agrees to sell
 1530 or who is interested, directly or indirectly, in the sale of any such shares of stock of such
 1531 financial institution or in any agreement to sell the same;₂
- 1532 (7) Certifies any check, draft, or order where the drawer of such check, draft, or order
 1533 does not have on deposit with the financial institution at the time of such certification an
 1534 amount of money equal to the amount specified in such check, draft, or order or fails to
 1535 charge or set aside such amount from the deposit of the drawer immediately for the
 1536 purpose of paying such certified check, draft, or order when presented;₂
- 1537 (8) Makes or consents to the making of any conveyance, assignment, transfer, mortgage,
 1538 or lien with intent to hinder, delay, or defraud creditors, after insolvency of the financial
 1539 institution or in contemplation thereof, whether the same is made to an innocent
 1540 purchaser or to any other person."

1541 **SECTION 7-21.**

1542 Said title is further amended in Code Section 7-1-845, relating to miscellaneous acts by
 1543 financial institutions and directors, officers, agents, and employees to be treated as felonies,
 1544 by revising paragraph (3) of subsection (a) as follows:

- 1545 "(3) Willfully engages in the business of:
- 1546 (A) A bank in violation of Code Section 7-1-241;
- 1547 (B) A trust company in violation of Code Section 7-1-242;
- 1548 (C) A credit union in violation of Code Section 7-1-633;
- 1549 (D) Selling payment instruments before receiving a license as required by Code
 1550 Section 7-1-681;

- 1551 (E) An international bank agency before receiving the license required by Code Section
 1552 7-1-713;
- 1553 (F) A business development corporation before approval of the department is granted
 1554 under Code Section 7-1-743; or
- 1555 (G) ~~A building and loan association before its articles are approved; or~~
- 1556 ~~(H)~~ Transacting business either directly or indirectly as a mortgage loan originator,
 1557 mortgage broker, or mortgage lender unless licensed by the department or exempt from
 1558 licensing pursuant to Code Section 7-1-1001; or"

1559 **SECTION 7-22.**

1560 Said title is further amended in Code Section 7-1-911, relating to definitions relative to
 1561 records and reports of currency transactions, by revising paragraph (6) as follows:

1562 "(6) 'Financial institution' means:

- 1563 (A) A state or national bank;
- 1564 (B) A trust company;
- 1565 (C) ~~A building and loan association~~, state savings and loan association, or a federal
 1566 savings and loan association;
- 1567 (D) A state or federal credit union;
- 1568 (E) An international bank agency doing business in this state on April 1, 1975,
 1569 pursuant to the former 'International Bank Agency Act,' approved April 6, 1972 (Ga.
 1570 L. 1972, p. 1140), or authorized to do business in this state pursuant to Article 5 of this
 1571 chapter; or
- 1572 (F) A licensee under Article 4 or Article 4A of this chapter and such other persons as
 1573 may be engaged in the business of:
- 1574 (i) Cashing ~~checks~~ payment instruments for a fee; or
- 1575 (ii) Performing transactions by wire or other electronic means to facilitate the
 1576 movement or transfer of money."

1577 **SECTION 7-23.**

1578 Said title is further amended in Code Section 7-2-11, relating to supervision by the
 1579 department of credit union deposit insurance corporations, by revising subsection (a) as
 1580 follows:

- 1581 "(a) The corporation shall not be deemed an insurance company within the meaning of the
 1582 laws of the State of Georgia relating to insurance or providing for the supervision of
 1583 insurance companies, but it shall be subject to the exclusive supervision of the department.
 1584 The department shall exercise the same powers and authority over the corporation as is
 1585 now or hereafter exercised over banks, and credit unions, ~~and building and loan~~

1586 ~~associations~~ under its jurisdiction and shall issue such rules and regulations as shall be
1587 necessary to carry out its responsibilities under this chapter."

1588 **PART VIII**

1589 Repealer

1590 **SECTION 8-1.**

1591 All laws and parts of laws in conflict with this Act are repealed.