

By the Committee on Banking and Insurance; and Senator Richter

597-02570-11

20111332c1

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

597-02570-11

20111332c1

30 s. 655.419, F.S.; deleting a provision relating to
31 actions conducted outside this state; amending s.
32 655.947, F.S.; conforming a cross-reference; amending
33 s. 657.038, F.S.; specifying the loan factors that
34 must be considered when computing a person's total
35 obligations for purposes of extending credit; amending
36 s. 657.042, F.S.; revising criteria that limit a
37 credit union's investment of funds; requiring a credit
38 union to establish policies and procedures for
39 evaluating risk; amending ss. 657.063 and 657.064,
40 F.S.; conforming cross-references; amending s. 658.12,
41 F.S.; revising the definition of "banker's bank";
42 conforming a cross-reference; deleting a provision
43 relating to the application of definitions in the
44 financial institutions codes; amending s. 658.165,
45 F.S.; revising provisions relating to banker's banks;
46 specifying the type of business such a bank may do
47 with entities or individuals that are not banks;
48 revising provisions relating to the services a
49 banker's bank may provide to financial institutions in
50 organization; repealing s. 658.20(3), F.S., relating
51 to applications for prior approval of officers or
52 directors; amending s. 658.28, F.S.; providing
53 additional limitations on acquiring or controlling
54 another bank; repealing s. 658.295, F.S., relating to
55 the Florida Interstate Banking Act; amending s.
56 658.2953, F.S.; revising and updating provisions
57 relating to Florida bank mergers with out-of-state
58 banks; deleting legislative intent; repealing s.

597-02570-11

20111332c1

59 658.296, F.S., relating to the control of deposit-
60 taking institutions; amending s. 658.36, F.S.;
61 authorizing the office to approve a special stock
62 offering plan under certain circumstances; amending s.
63 658.41, F.S.; clarifying that state laws do not
64 restrict the right of a state bank or trust company to
65 merge with an out-of-state bank; amending s. 658.48,
66 F.S.; revising provisions relating to bank loans;
67 specifying the process for computing the liabilities
68 of a person seeking a loan; amending s. 658.53, F.S.;
69 deleting a provision providing that unpaid proceeds of
70 sales are used to evaluate the adequacy of a bank's
71 capital; repealing ss. 658.65, 665.013(33), and
72 667.003(35), F.S., relating to remote financial
73 service units; amending s. 658.67, F.S.; updating
74 provisions relating to the investment powers of a bank
75 or trust company; requiring banks and trust companies
76 to establish procedures for evaluating risk; amending
77 ss. 288.772, 288.99, 440.12, 440.20, 445.051, 489.503,
78 501.005, 501.165, 624.605, 626.321, 626.730, and
79 626.9885, F.S.; conforming cross-references; providing
80 an effective date.

81

82 Be It Enacted by the Legislature of the State of Florida:

83

84 Section 1. Section 655.005, Florida Statutes, is reordered
85 and amended to read:

86 655.005 Definitions.—

87 (1) As used in the financial institutions codes, unless the

597-02570-11

20111332c1

88 context otherwise requires, the term:

89 (a) "Affiliate" means a holding company of a ~~any~~ financial
90 institution established ~~holding company~~ pursuant to state or
91 federal law, a ~~or any~~ subsidiary or service corporation of such
92 a holding company, or a subsidiary or service corporation of a
93 financial institution.

94 (b) "Appropriate federal regulatory agency" means the
95 federal ~~financial institution~~ regulatory agency that has ~~granted~~
96 ~~federal~~ statutory authority over a financial institution.

97 (c) "Bank holding company" means a business organization
98 that is a bank holding company under the Bank Holding Company
99 Act of 1956, as amended, 12 U.S.C. ss. 1841 et seq., or is
100 otherwise determined or authorized by the office to be a holding
101 company of a financial institution pursuant to ss. 658.27-
102 658.285.

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

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

113 (f) ~~(e)~~ "Commission" means the Financial Services
114 Commission.

115 (h) ~~(f)~~ "Executive officer" means an individual, whether or
116 not the individual has an official title or receives a salary or

597-02570-11

20111332c1

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

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

140 (j) ~~(h)~~ "Financial institution" means a state or federal
141 savings or thrift association, bank, savings bank, trust
142 company, international bank agency, international banking
143 corporation, international branch, international representative
144 office, international administrative office, international trust
145 company representative office, ~~or~~ credit union, or an agreement

597-02570-11

20111332c1

146 corporation operating pursuant to s. 25 of the Federal Reserve
147 Act, 12 U.S.C. ss. 601 et seq. or Edge Act corporation organized
148 pursuant to s. 25(a) of the Federal Reserve Act, 12 U.S.C. ss.
149 611 et seq.

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

151 1. A ~~Any~~ director, officer, employee, or controlling
152 stockholder, ~~other than a financial institution holding~~
153 company, ~~of, or agent for, a financial institution, subsidiary,~~
154 or service corporation;

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

158 3. A ~~Any~~ stockholder, ~~other than a financial institution~~
159 holding company, a ~~any~~ joint venture partner, or any other
160 person as determined by the office who participates in ~~the~~
161 ~~conduct of~~ the affairs of a financial institution, subsidiary,
162 or service corporation; or

163 4. An ~~Any~~ independent contractor, ~~including an~~ any
164 attorney, appraiser, consultant, or accountant, ~~who knowingly~~
165 or recklessly participates in:

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

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

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

169

170 which caused or is likely to cause more than a minimal financial
171 loss to, or a significant adverse effect on, the financial
172 institution, subsidiary, or service corporation.

173 (l) ~~(j)~~ "Financial institutions codes" means:

174 1. Chapter 655, relating to financial institutions

597-02570-11

20111332c1

175 generally;

176 2. Chapter 657, relating to credit unions;

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

178 4. Chapter 660, relating to trust business;

179 5. Chapter 663, relating to international banking

180 ~~corporations;~~

181 6. Chapter 665, relating to associations; and

182 7. Chapter 667, relating to savings banks.

183 (m) "Home state" means:

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

185 2. The state where the main office of a federal financial
186 institution is located.

187 3. The state determined to be the home state of an
188 international banking corporation pursuant to 12 U.S.C. s.
189 3103(c).

190 (n) "Home state regulator" means, with respect to an out-
191 of-state state financial institution, the financial institution
192 regulatory agency of the state in which the institution is
193 chartered.

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

197 (p) ~~(*)~~ "Imminently insolvent" means a condition in which a
198 financial institution has total capital accounts, or equity in
199 the case of a credit union, of less than 2 percent of its total
200 assets, after adjustment for apparent losses.

201 (q) ~~(1)~~ "Insolvent" means a condition in which:

202 1. The capital accounts, or equity in the case of a credit
203 union, and all assets of a financial institution are

597-02570-11

20111332c1

204 insufficient to meet liabilities;

205 2. The financial institution is unable to meet current
206 obligations as they mature, even though assets may exceed
207 liabilities; or

208 3. The capital accounts, ~~or equity in the case of a credit~~
209 ~~union,~~ of a financial institution, or equity in the case of a
210 credit union, are exhausted by losses and no immediate prospect
211 of replacement exists.

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

597-02570-11

20111332c1

233 authority.

234 (t)~~(n)~~ "Officer" of a financial institution means an any
235 individual ~~duly~~ elected or appointed to, or otherwise performing
236 the duties and functions appropriate to, any position or office
237 having the designation or title of chair of the board of
238 directors, vice chair of the board of directors, chair of the
239 executive committee, president, vice president, assistant vice
240 president, cashier or assistant cashier, comptroller, assistant
241 comptroller, trust officer, assistant trust officer, secretary
242 or assistant secretary ~~(of a trust company)~~, or any other office
243 or officer designated in, or as provided by, the articles of
244 incorporation or bylaws.

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

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

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

255 2. Controls in any manner the election of a majority of the
256 directors of the organization; or

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

259 (w)~~(o)~~ "Service corporation" means a corporation that is
260 organized to perform, for two or more financial institutions,
261 services related or incidental to the business of a financial

597-02570-11

20111332c1

262 institution and that is wholly or partially owned or controlled
263 by one or more financial institutions.

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

267 (y) ~~(p)~~ "State financial institution" means a state-
268 chartered or state-organized financial institution ~~association,~~
269 ~~bank, investment company, trust company, international bank~~
270 ~~agency, international branch, international representative~~
271 ~~office, international administrative office, international trust~~
272 ~~company representative office, or credit union.~~

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

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

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

289 (cc) ~~(t)~~ "Debt cancellation products" means loan, lease, or
290 retail installment contract terms, or modifications or addenda

597-02570-11

20111332c1

291 to such ~~loan, lease, or retail installment~~ contracts, under
292 which a creditor agrees to cancel or suspend all or part of a
293 customer's obligation to make payments upon the occurrence of
294 specified events and includes, but is not limited to, debt
295 cancellation contracts, debt suspension agreements, and
296 guaranteed asset protection contracts offered by financial
297 institutions, insured depository institutions as defined in 12
298 U.S.C. s. 1813(c), and subsidiaries of such institutions.
299 ~~However,~~ The term "~~debt cancellation products~~" does not include
300 title insurance as defined in s. 624.608.

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

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

308 Section 2. Section 655.013, Florida Statutes, is amended to
309 read:

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

318 Section 3. Section 655.03855, Florida Statutes, is created
319 to read:

597-02570-11

20111332c1

320 655.03855 Provisional directors and executive officers.-

321 (1) If a state financial institution has an insufficient
322 number of directors to meet the minimum requirements of s.
323 657.021 or s. 658.33 for 30 days or longer, there are an
324 insufficient number of executive officers, or the qualifications
325 of the executive officers are insufficient to operate the
326 financial institution in a safe and sound manner, the office may
327 appoint one or more provisional directors or executive officers
328 by order.

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

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

597-02570-11

20111332c1

349 (4) The office shall allow reasonable compensation, if
350 applicable, to a provisional director or executive officer
351 appointed under this section for services rendered, and
352 reimbursement or direct payment of all reasonable costs and
353 expenses, which shall be paid by the financial institution. The
354 office is not liable for any appointment, action, or decision
355 made pursuant to this section.

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

358 655.044 Accounting practices; bad debts ineligible to be
359 carried as assets.-

360 (1) Except as otherwise provided by law, a state financial
361 institution shall observe United States generally accepted
362 accounting principles ~~and practices~~. The commission may
363 authorize ~~by rule~~ exceptions to such accounting principles by
364 rule practices as necessary.

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

367 655.045 Examinations, reports, and internal audits;
368 penalty.-

369 (1) ~~(a)~~ The office shall conduct an examination of the
370 condition of each state financial institution during each 18-
371 month period, ~~beginning July 1, 1981~~. The office may conduct
372 more frequent examinations based upon the risk profile of the
373 financial institution, prior examination results, or significant
374 changes in the institution or its operations. The office may use
375 continuous, phase, or other flexible scheduling examinations
376 methods for very large or complex state financial institutions
377 and financial institutions owned or controlled by a multi-

597-02570-11

20111332c1

378 financial institution holding company. The office shall consider
379 examination guidelines from federal regulatory agencies in order
380 to facilitate, coordinate, and standardize examination
381 processes. ~~The office may accept an examination made by the~~
382 ~~appropriate federal regulator, insuring or guaranteeing~~
383 ~~corporation, or agency with respect to the condition of the~~
384 ~~state financial institution or may make a joint or concurrent~~
385 ~~examination with the appropriate federal regulator, insuring or~~
386 ~~guaranteeing corporation, or agency. However, at least once~~
387 ~~during each 36-month period beginning on July 3, 1992, the~~
388 ~~office shall conduct an examination of each state financial~~
389 ~~institution in such a manner as to allow the preparation of a~~
390 ~~complete examination report not subject to the right of any~~
391 ~~federal or other non-Florida entity to limit access to the~~
392 ~~information contained therein.~~

393 (a) With respect to, and examination of, the condition of a
394 state institution, the office may accept an examination made by
395 an appropriate federal regulatory agency, or may make a joint or
396 concurrent examination with the federal agency. The office may
397 furnish a copy of all examinations or reviews made of financial
398 institutions or their affiliates to the state or federal
399 agencies participating in the examination, investigation, or
400 review, or as otherwise authorized by s. 655.057.

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

597-02570-11

20111332c1

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

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

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

597-02570-11

20111332c1

436 are due. The office may levy a late payment of up to \$100 per
437 day or part thereof that a payment is overdue, unless ~~it is~~
438 excused for good cause. However, for intentional late payment of
439 costs, the office may levy an administrative fine of up to
440 \$1,000 per day for each day the payment is overdue.

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

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

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

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

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

597-02570-11

20111332c1

465 ~~of this state or organized under the laws of the United States~~
466 ~~and having its principal office is place of business~~ in this
467 state.

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

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

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

476 655.411 Conversion of charter.—

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

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

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

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

492 3. The ~~competitive~~ impact of such change on the financial
493 entity's business plan and operations, including any effect on

597-02570-11

20111332c1

494 the availability of particular financial services in the market
495 area served by the financial entity.

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

499 5. Such other information as the commission may by rule
500 require.

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

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

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

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

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

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

522 6. The resulting financial entity is able to comply with

597-02570-11

20111332c1

523 the applicable terms of any regulatory action in effect before
524 the date of the conversion.

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

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

535 Section 8. Section 655.414, Florida Statutes, is amended to
536 read:

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

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

550 (a) The names and types of financial institutions ~~entities~~
551 involved.

597-02570-11

20111332c1

552 (b) A statement setting forth the material terms of the
553 proposed acquisition, assumption, or sale, including the plan
554 for disposition of all assets and liabilities not subject to the
555 plan.

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

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

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

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

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

580 (a) The resulting financial entity or entities would have

597-02570-11

20111332c1

581 an adequate capital structure in relation to its activities and
582 its deposit liabilities;

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

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

585

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

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

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

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

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

609 (c) Notwithstanding approval of the members or stockholders

597-02570-11

20111332c1

610 or certification by the office, the board of directors of the
611 transferring financial institution ~~entity~~ may, ~~in its~~
612 ~~discretion~~, abandon such a transaction without further action or
613 approval by the members or stockholders, subject to the rights
614 of third parties under any contracts relating thereto.

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

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

637 Section 9. Section 655.416, Florida Statutes, is amended to
638 read:

597-02570-11

20111332c1

639 655.416 Book value of assets.—Upon the effective date of a
640 merger, consolidation, conversion, or acquisition pursuant to
641 ss. 655.41-655.419, an asset may not be carried on the books of
642 the resulting financial entity at a valuation higher than that
643 at which it was carried on the books of a participating or
644 converting financial institution ~~entity~~ at the time of its last
645 examination by a state or federal examiner before such ~~the~~
646 effective date ~~of such merger, consolidation, conversion, or~~
647 ~~acquisition~~, without written approval from the office.

648 Section 10. Section 655.417, Florida Statutes, is amended
649 to read:

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

656 (1) CONTINUING ENTITY.—Even though the charter of a
657 participating or converting financial institution may have
658 ~~entity has~~ been terminated, the resulting financial entity is
659 deemed to be a continuation of the participating or converting
660 financial institution ~~entity~~ such that all acquired property of
661 the participating or converting institution ~~financial entity~~,
662 including rights, titles, and interests in and to all property
663 of whatsoever kind, whether real, personal, or mixed, and things
664 in action, and all rights, privileges, interests, and assets of
665 any conceivable value or benefit which are then existing, or
666 pertaining to it, or which would inure to it, are immediately
667 vested in and continue to be the property of the resulting

597-02570-11

20111332c1

668 financial entity, by act of law and without any conveyance or
669 transfer and without further act or deed. The resulting; ~~and~~
670 ~~such~~ financial entity has, holds, and enjoys the same in its own
671 right as fully and to the same extent as the same was possessed,
672 held, and enjoyed by the participating or converting financial
673 institution ~~entity~~; and, at the time ~~of the taking effect of~~
674 such merger, consolidation, conversion, or acquisition takes
675 effect, the resulting financial entity has and succeeds to all
676 the rights, obligations, and relations of the participating or
677 converting institution ~~financial entity~~.

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

691 (3) CREDITORS' RIGHTS.—The resulting financial entity in a
692 merger, consolidation, conversion, or acquisition is liable for
693 all obligations of the participating or converting financial
694 institution ~~entity~~ which existed before ~~prior to~~ such action, ~~;~~
695 and the action taken does not prejudice the right of a creditor
696 of the participating or converting financial institution

597-02570-11

20111332c1

697 ~~financial entity~~ to have his or her debts paid out of the assets
698 thereof, nor may such creditor be deprived of, or prejudiced in,
699 any action against the officers, directors, members, or other
700 persons participating in the conduct of the affairs of a
701 participating or converting financial institution ~~entity~~ for any
702 neglect or misconduct.

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

710 Section 11. Section 655.418, Florida Statutes, is amended
711 to read:

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

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

725 (2) EFFECTIVE DATE.—The plan of merger, consolidation,

597-02570-11

20111332c1

726 conversion, or acquisition must state that, from the effective
727 date of such action, the resulting financial entity will not
728 engage in any nonconforming activities, except to the extent
729 necessary to fulfill obligations existing before ~~prior to~~ the
730 merger, consolidation, conversion, or acquisition, pursuant to
731 subsection (4).

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

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

743 Section 12. Section 655.4185, Florida Statutes, is amended
744 to read:

745 655.4185 Emergency action.—

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

597-02570-11

20111332c1

755 ~~institution, which in this subsection may be referred to as a~~
756 ~~"failing financial entity,"~~ the office may, ~~with the concurrence~~
757 ~~of the appropriate federal regulatory agency in the case of any~~
758 ~~financial institution the deposits of which are insured by the~~
759 ~~Federal Deposit Insurance Corporation or the National Credit~~
760 ~~Union Administration,~~ issue an emergency order authorizing:

761 (a) The merger of any such failing institution financial
762 entity with an appropriate state financial institution entity;

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

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

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

780 (e) The direct or indirect acquisition of control of the
781 failing institution;

782 (f) The appointment of provisional directors, executive
783 officers, or other employees for the failing institution

597-02570-11

20111332c1

784 pursuant to s. 655.03855; or

785 (g) Any other capital or liquidity restoration plan or
786 action deemed prudent by the office.

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

809 (3) The office may provide prior approval of business
810 entities or individuals who, pursuant to this section, may
811 charter a new state financial institution or acquire control of,
812 purchase, merge with, or become directors and executive officers

597-02570-11

20111332c1

813 of, a failing financial institution. The application for prior
814 approval must be in the form prescribed by the commission by
815 rule and be accompanied by a nonrefundable filing fee of \$7,500.

816 Section 13. Section 655.419, Florida Statutes, is amended
817 to read:

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

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

833 655.947 Debt cancellation products.—

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

597-02570-11

20111332c1

842 Section 15. Present subsections (8) through (16) of section
843 657.038, Florida Statutes, are redesignated as subsections (7)
844 through (15), respectively, and subsections (6) and (7) of that
845 section are amended, to read:

846 657.038 Loan powers.—

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

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

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

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

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

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

597-02570-11

20111332c1

871 657.042 Investment powers and limitations.—A credit union
872 may invest its funds subject to the following definitions,
873 restrictions, and limitations:

874 (7) SPECIAL PROVISIONS.—

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

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

896 (c) ~~(b)~~ With prior office approval of the office, any
897 investment permitted in this section may also be made indirectly
898 by investment in a trust or mutual fund, the investments of
899 which are limited as set forth in this section. ~~, provided that~~

597-02570-11

20111332c1

900 The credit union must maintain a current file on each investment
901 which contains sufficient information to determine whether the
902 investment complies with the requirements of this section. If
903 the investment fails to comply ~~with the requirements of this~~
904 ~~section~~, the credit union must divest itself of its investment,
905 unless otherwise approved by the office.

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

908 657.063 Involuntary liquidation.—

909 (5) When the liquidating agent of the credit union has been
910 appointed, the office may waive or deem inapplicable the fees
911 required by this chapter and the examination required by s.
912 655.045(1) ~~(a) if, provided~~ the liquidating agent submits
913 periodic reports to the office on the status of the liquidation.

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

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

919 (8) When the liquidating agent of the credit union has been
920 appointed, the office may waive or hold inapplicable the fees
921 required by this chapter and the examination required by s.
922 655.045(1) ~~(a) if, provided~~ the liquidating agent submits
923 periodic reports to the office on the status of the liquidation.

924 Section 19. Subsections (3), (4), and (25) of section
925 658.12, Florida Statutes, are amended to read:

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

597-02570-11

20111332c1

929 (3) "Banker's bank" means a bank insured by the Federal
930 Deposit Insurance Corporation, or a holding company which owns
931 or controls such ~~an~~ insured bank, if a minimum of 75 percent of
932 ~~when~~ the stock of such bank or holding company is owned
933 exclusively by other banks, the bank is organized solely to do
934 business with other financial institutions, and the bank does
935 not do business with the general public and such bank or holding
936 company and all subsidiaries thereof are engaged exclusively in
937 providing services for other financial institutions and their
938 officers, directors, and employees.

939 (4) "Branch" or "branch office" of a bank means any office
940 or place of business of a bank, other than its main office and
941 the facilities and operations authorized by ss. 658.26(4),
942 ~~658.65,~~ and 660.33, at which deposits are received, checks are
943 paid, or money is lent. With respect to a bank that ~~which~~ has a
944 trust department, the terms "~~branch~~" and "~~branch office~~" have
945 the meanings herein ascribed to a branch or a branch office of a
946 trust company and mean. "~~Branch~~" or "~~branch office~~" of a trust
947 ~~company means~~ any office or place of business of a trust
948 company, other than its main office and its trust service
949 offices established pursuant to s. 660.33, where trust business
950 is transacted with its customers.

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

956 Section 20. Section 658.165, Florida Statutes, is amended
957 to read:

597-02570-11

20111332c1

958 658.165 Banker's banks; formation; ~~applicability of~~
959 ~~financial institutions codes; exceptions.~~-

960 (1) ~~If~~ When authorized by the office, a corporation may be
961 formed under the laws of this state for the purpose of becoming
962 a banker's bank. An application for authority to organize a
963 banker's bank is subject to ~~the provisions of~~ ss. 658.19,
964 658.20, and 658.21, except that s. the provisions of ss.
965 658.20(1)(b) and (c) and the minimum stock ownership
966 requirements for the organizing directors provided in s.
967 658.21(2) do not apply.

968 (2) A banker's bank chartered pursuant to subsection (1) is
969 ~~shall be~~ subject to the ~~provisions of the~~ financial institutions
970 codes and rules adopted thereunder; and, except as otherwise
971 specifically provided herein or by rule or order of the
972 commission or office, a banker's bank is ~~shall be~~ vested with or
973 subject to the same rights, privileges, duties, restrictions,
974 penalties, liabilities, conditions, and limitations that would
975 apply to a state bank. A banker's bank is organized solely to do
976 business with other financial institutions, and is not deemed to
977 be doing business with the general public even if, as an
978 incidental part of its activities, it does business to a limited
979 extent with entities and persons other than financial
980 institutions as follows:

981 (a) The range of customers with which the banker's bank
982 does business is limited to financial institutions, including
983 subsidiaries or organizations owned by financial institutions;
984 directors, officers, or employees of the same or other financial
985 institutions; individuals whose accounts are acquired at the
986 request of a financial institution's supervisory authority due

597-02570-11

20111332c1

987 to the actual or impending failure of a financial institution;
988 and financial institution trade associations; and

989 (b) The banker's bank does not make loans to, or
990 investments in, entities and persons other than financial
991 institutions which exceed 10 percent of the banker's bank's
992 total assets, and the banker's bank does not receive deposits
993 from, or issue other liabilities to, entities and persons other
994 than financial institutions which exceed 10 percent of the
995 banker's bank total liabilities.

996 (3) Notwithstanding any other provision of this chapter, a
997 banker's bank may repurchase, for its own account, shares of its
998 own capital stock; however, the outstanding capital stock may
999 not be reduced below the minimum required by this chapter
1000 without the prior approval of the office.

1001 (4) A banker's bank may provide services at the request of
1002 financial institutions in organization ~~organizations~~ that have:

1003 (a) Received conditional regulatory approval from the
1004 office in the case of a state bank or trust company, or from the
1005 appropriate state regulatory agency in the case of an out-of-
1006 state bank or trust company, or received preliminary approval
1007 from the Office of the Comptroller of the Currency in the case
1008 of a national bank.

1009 (b) Filed articles of incorporation or organization
1010 pursuant to s. 658.23 in the case of a state bank or trust
1011 company, or pursuant to applicable state law in the case of an
1012 out-of-state bank or trust company, or filed acceptable articles
1013 of incorporation and an organization certificate in the case of
1014 a national bank.

1015 (c) Received capital funds in an amount not less than the

597-02570-11

20111332c1

1016 minimum capitalization required in any notice of or order
 1017 granting conditional regulatory approval.

1018 (5) A banker's bank may provide services to the organizers
 1019 of a ~~proposed~~ financial institution in organization which ~~that~~
 1020 has not received conditional regulatory approval if ~~provided~~
 1021 ~~that~~ such services are limited to the financing of the expenses
 1022 of organizing such proposed financial institution and expenses
 1023 relating to the acquisition or construction of the institution's
 1024 proposed operating facilities and associated fixtures and
 1025 equipment.

1026 (6) If the commission or office finds that any provision of
 1027 this chapter is inconsistent with the purpose for which a
 1028 banker's bank is organized and that the welfare of the public or
 1029 any financial institution would not be jeopardized thereby, the
 1030 commission, by rule, or the office, by order, may exempt a
 1031 banker's bank from such provision or limit the application
 1032 thereof.

1033 Section 21. Subsection (3) of section 658.20, Florida
 1034 Statutes, is repealed.

1035 Section 22. Subsection (1) of section 658.28, Florida
 1036 Statutes, is amended to read:

1037 658.28 Acquisition of control of a bank or trust company.—

1038 (1) If ~~In any case in which~~ a person or a group of persons,
 1039 directly or indirectly or acting by or through one or more
 1040 persons, proposes to purchase or acquire a controlling interest
 1041 in a ~~any~~ state bank or state trust company, and ~~thereby to~~
 1042 change the control of that bank or trust company, such each
 1043 ~~person or group of persons~~ must ~~shall~~ first submit an ~~make~~
 1044 application to the office for a certificate of approval of such

597-02570-11

20111332c1

1045 proposed change ~~of control of the bank or trust company.~~

1046 (a) The application must ~~shall~~ contain the name and
1047 address, and such other relevant information as the commission
1048 or office requires, including information relating to other and
1049 former addresses and the reputation, character, responsibility,
1050 and business affiliations, ~~of the proposed new owner or each of~~
1051 ~~the proposed~~ new owners of the controlling interest.

1052 (b) The office shall issue a certificate of approval only
1053 after it has made an investigation and determined that the
1054 proposed new ~~owner or~~ owners of the interest are qualified by
1055 reputation, character, experience, and financial responsibility
1056 to control and operate the bank or trust company in a legal and
1057 proper manner and that the interests of the other stockholders,
1058 if any, ~~and~~ the depositors and creditors of the bank or trust
1059 company, and the interests of the public generally will not be
1060 jeopardized by the proposed change in ownership, controlling
1061 interest, or management.

1062 (c) A ~~No~~ person who has been convicted of, or pled guilty
1063 or nolo contendere to, a violation of s. 655.50, relating to ~~the~~
1064 ~~Florida Control of money laundering in financial institutions~~
1065 ~~Act~~; chapter 896, relating to offenses related to financial
1066 transactions; or any similar state or federal law may not
1067 receive ~~shall be given~~ a certificate of approval ~~by the office.~~

1068 (d) A business organization that is not a bank holding
1069 company authorized by the office or the federal Bank Holding
1070 Company Act of 1956, as amended, 12 U.S.C. ss. 1841 et seq., may
1071 not control a bank.

1072 Section 23. Section 658.295, Florida Statutes, is repealed.

1073 Section 24. Section 658.2953, Florida Statutes, is amended

597-02570-11

20111332c1

1074 to read:

1075 658.2953 Interstate branching.—

1076 (1) SHORT TITLE.—This section may be cited as the “Florida
1077 Interstate Branching Act.”1078 (2) PURPOSE.—The purpose of this section is to provide for
1079 the regulation of ~~permit~~ interstate branching, ~~effective May 31,~~
1080 ~~1997, by a merger transaction under s. 102 of the Riegle-Neal~~
1081 ~~Interstate Banking and Branching Efficiency Act of 1994, Pub. L.~~
1082 ~~No. 103-328,~~ in accordance with this section and consistent with
1083 the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.
1084 1811 et seq.; the Bank Holding Company Act of 1956, as amended,
1085 12 U.S.C. ss. 1841 et seq., and 12 U.S.C. s. 5451; and the Dodd-
1086 Frank Wall Street Reform and Consumer Protection Act, Pub. L.
1087 No. 111-203.1088 ~~(3) LEGISLATIVE INTENT.—The Legislature finds it is in the~~
1089 ~~interest of the citizens of this state, and declares it to be~~
1090 ~~the intent of this section, to:~~1091 ~~(a) Supervise, regulate, and examine persons, firms,~~
1092 ~~corporations, associations, and other business entities~~
1093 ~~furnishing depository, lending, and associated financial~~
1094 ~~services in this state.~~1095 ~~(b) Protect the interests of shareholders, members,~~
1096 ~~depositors, and other customers of financial institutions~~
1097 ~~operating in this state.~~1098 ~~(c) Preserve the competitive equality of state financial~~
1099 ~~institutions as compared with federal financial institutions.~~1100 ~~(d) Promote the availability, efficiency, and profitability~~
1101 ~~of financial services in the communities of this state.~~1102 ~~(e) Preserve the advantages of the dual banking system.~~

597-02570-11

20111332c1

1103 ~~(f) Cooperate with federal regulators and regulators from~~
1104 ~~other states in regulating financial institutions, in improving~~
1105 ~~the quality of regulation, and in promoting the interests of~~
1106 ~~this state in interstate matters.~~

1107 ~~(g) Provide the commission and office sufficient powers and~~
1108 ~~responsibilities to carry out such purposes.~~

1109 ~~(3)~~(4) DEFINITIONS.—As used in this section, the term
1110 ~~unless a different meaning is required by the context:~~

1111 ~~(a) "Bank" has the meaning set forth in 12 U.S.C. s.~~
1112 ~~1813(h), provided the term "bank" does not include any "foreign~~
1113 ~~bank" as defined in 12 U.S.C. s. 3101(7), except such term~~
1114 ~~includes any foreign bank organized under the laws of a~~
1115 ~~territory of the United States, Puerto Rico, Guam, American~~
1116 ~~Samoa, or the Virgin Islands, the deposits of which are insured~~
1117 ~~by the Federal Deposit Insurance Corporation.~~

1118 ~~(b) "Bank holding company" has the meaning set forth in 12~~
1119 ~~U.S.C. s. 1841(a)(1).~~

1120 ~~(c) "Bank regulatory agency" means:~~

1121 ~~1. Any agency of another state with primary responsibility~~
1122 ~~for chartering and regulating banks.~~

1123 ~~2. The Office of the Comptroller of the Currency, the~~
1124 ~~Federal Deposit Insurance Corporation, the Board of Governors of~~
1125 ~~the Federal Reserve System, and any successor to such agencies.~~

1126 ~~(d) "Branch" has the meaning set forth in s. 658.12.~~

1127 ~~(e) "De novo branch" means a branch of a bank located in a~~
1128 ~~host state which:~~

1129 ~~1. Is originally established by the bank as a branch.~~

1130 ~~2. Does not become a branch of the bank as a result of:~~

1131 ~~a. The acquisition of another bank or a branch of another~~

597-02570-11

20111332c1

1132 ~~bank; or~~

1133 ~~b. The merger, consolidation, or conversion involving any~~
1134 ~~such bank or branch.~~

1135 ~~(f) "Control" shall be construed consistently with the~~
1136 ~~provisions of 12 U.S.C. s. 1841(a)(2).~~

1137 ~~(g) "Failing financial entity" means an out-of-state state~~
1138 ~~bank that has been determined by its home state regulator or the~~
1139 ~~appropriate federal regulatory agency to be imminently insolvent~~
1140 ~~or to require immediate action to prevent its probable failure.~~

1141 ~~(h) "Home state" means:~~

1142 ~~1. With respect to a state bank, the state by which the~~
1143 ~~bank is chartered.~~

1144 ~~2. With respect to a national bank, the state in which the~~
1145 ~~main office of the bank is located.~~

1146 ~~3. With respect to a foreign bank, the state determined to~~
1147 ~~be the home state of such foreign bank under 12 U.S.C. s.~~
1148 ~~3103(e).~~

1149 ~~(i) "Home state regulator" means, with respect to an out-~~
1150 ~~of-state state bank, the bank's regulatory agency of the state~~
1151 ~~in which such bank is chartered.~~

1152 ~~(j) "Host state" means a state, other than the home state~~
1153 ~~of a bank, in which the bank maintains or seeks to establish and~~
1154 ~~maintain a branch.~~

1155 ~~(k) "Insured depository institution" has the meaning set~~
1156 ~~forth in 12 U.S.C. s. 1813(c)(2) and (3).~~

1157 (a)(1) "Interstate merger transaction" means the merger or
1158 consolidation of banks with different home states, and the
1159 conversion of branches of any bank involved in the merger or
1160 consolidation into branches of the resulting bank.

597-02570-11

20111332c1

1161 ~~(m) "Out-of-state bank" means a bank whose home state is a~~
1162 ~~state other than this state.~~

1163 ~~(n) "Out-of-state state bank" means a bank chartered under~~
1164 ~~the laws of any state other than this state.~~

1165 (b) ~~(e)~~ "Resulting bank" means a bank that results ~~has~~
1166 ~~resulted~~ from an interstate merger transaction under this
1167 section.

1168 ~~(p) "State" means any state of the United States, the~~
1169 ~~District of Columbia, any territory of the United States, Puerto~~
1170 ~~Rico, Guam, American Samoa, the Trust Territory of the Pacific~~
1171 ~~Islands, the Virgin Islands, and the Northern Mariana Islands.~~

1172 (c) ~~(q)~~ "Florida bank" means a bank whose home state is this
1173 state.

1174 ~~(r) "State bank" means a bank chartered under the laws of~~
1175 ~~this state.~~

1176 ~~(5) INTERSTATE BRANCHING BY DE NOVO ENTRY PROHIBITED.—An~~
1177 ~~out-of-state bank that does not operate a branch in this state~~
1178 ~~is prohibited from establishing a de novo branch in this state.~~

1179 (4) ~~(6)~~ AUTHORITY OF STATE BANKS TO ESTABLISH INTERSTATE
1180 BRANCHES BY MERGER.—With the prior written approval of the
1181 office, a state bank may establish, maintain, and operate one or
1182 more branches in a state other than this state pursuant to an
1183 interstate merger transaction in which the state bank is the
1184 resulting bank. No later than the date on which the required
1185 application for the interstate merger transaction is filed with
1186 the appropriate ~~responsible~~ federal bank regulatory agency, the
1187 applicant state bank shall file an application on a form
1188 prescribed by the commission accompanied by the required fee
1189 pursuant to s. 658.73. The applicant must ~~shall~~ also comply with

597-02570-11

20111332c1

1190 the provisions of ss. 658.40-658.45.

1191 (5)~~(7)~~ INTERSTATE MERGER TRANSACTIONS AND BRANCHING
1192 PERMITTED.—

1193 (a) One or more Florida banks may enter into an interstate
1194 merger transaction with one or more out-of-state banks. An out-
1195 of-state bank resulting from such transaction may maintain and
1196 operate the branches of a Florida bank that participated in such
1197 transaction if, ~~provided that~~ the conditions and filing
1198 requirements of this section are met.

1199 (b) Except as otherwise expressly provided in this section,
1200 an interstate merger transaction is ~~shall~~ not be permitted if,
1201 upon consummation of such transaction, the resulting bank,
1202 including all insured depository institutions that would be
1203 "affiliates," as defined in 12 U.S.C. s. 1841(k), of the
1204 resulting bank, would control 30 percent or more of the total
1205 amount of deposits held by all insured depository institutions
1206 in this state. However, this paragraph does not apply to initial
1207 entry into this state by an out-of-state bank or bank holding
1208 company.

1209 ~~(c) An interstate merger transaction resulting in the~~
1210 ~~acquisition by an out-of-state bank of a Florida bank shall not~~
1211 ~~be permitted under this section unless such Florida bank has~~
1212 ~~been in existence and continuously operating, on the date of~~
1213 ~~such acquisition, for more than 3 years.~~

1214 (6)~~(8)~~ NOTICE AND FILING REQUIREMENTS.—An ~~Any~~ out-of-state
1215 bank that will be the resulting bank pursuant to an interstate
1216 merger transaction involving a Florida bank must ~~shall~~ notify
1217 the office of the proposed merger within 15 days after the date
1218 ~~on which~~ it files an application for an interstate merger

597-02570-11

20111332c1

1219 transaction with the appropriate federal regulatory agency and
1220 the home state regulatory agency, if applicable. Thereafter, the
1221 out-of-state bank and the Florida bank must, upon request of the
1222 office, submit status updates with such information as the
1223 office specifies until the merger transaction is completed or
1224 the merger application is withdrawn or denied.

1225 (7)~~(9)~~ EXAMINATIONS; PERIODIC REPORTS; COOPERATIVE
1226 AGREEMENTS; ASSESSMENT OF FEES.—

1227 (a) The office may examine any Florida branch of an out-of-
1228 state state bank which the office deems necessary for the
1229 purpose of determining whether the branch is being operated in
1230 compliance with the laws of this state and in accordance with
1231 safe and sound banking practices.

1232 (b) The office may enter into cooperative, coordinating, or
1233 information-sharing agreements with other bank regulatory
1234 agencies or any organization affiliated with or representing one
1235 or more bank regulatory agencies to facilitate the regulation of
1236 out-of-state state branches doing business in this state.

1237 (c) The office may accept reports of examinations or
1238 investigations, or other records from other regulatory agencies
1239 having concurrent jurisdiction over a state bank or a bank
1240 holding company that controls out-of-state state banks that
1241 operate branches in this state in lieu of conducting its own
1242 examinations or investigations.

1243 (d) The office may assess supervisory and examination fees
1244 that are ~~shall be~~ payable by state banks and out-of-state state
1245 bank holding companies doing business in this state in
1246 connection with the office's performance of its duties under
1247 this section and as prescribed by the commission. Such fees may

597-02570-11

20111332c1

1248 be shared with other bank regulatory agencies or ~~any~~
 1249 organizations affiliated with or representing one or more bank
 1250 regulatory agencies in accordance with agreements between them
 1251 and the office.

1252 (8) ~~(10)~~ LAWS APPLICABLE TO INTERSTATE BRANCHING
 1253 OPERATIONS.—Laws of this state regarding consumer protection,
 1254 fair lending, and establishment of intrastate branches apply to
 1255 any out-of-state bank branch doing business in this state to the
 1256 same extent as the laws of this state apply to a state bank,
 1257 unless ~~except~~:

1258 (a) ~~When~~ Federal law preempts the application of the laws
 1259 of this state.

1260 (b) ~~When~~ The Comptroller of the Currency determines that
 1261 the application of the ~~such~~ laws of this state would have a
 1262 discriminatory effect on the branch of a national bank in
 1263 comparison with the effect the application of such state laws
 1264 would have with respect to branches of a state bank.

1265 (9) ~~(11)~~ ENFORCEMENT.—

1266 (a) If the office determines that a branch maintained by an
 1267 out-of-state state bank in this state is being operated in
 1268 violation of any ~~provision of~~ law of this state, or that such
 1269 branch is being operated in an unsafe and unsound manner, the
 1270 office may take all such enforcement actions as it would be
 1271 empowered to take if the branch were a state bank if, ~~provided~~
 1272 ~~that~~ the office ~~shall~~ promptly gives ~~give~~ notice to the home
 1273 state regulator of each enforcement action taken against the ~~an~~
 1274 out-of-state state bank and, to the extent practicable, consults
 1275 and cooperates ~~shall consult and cooperate~~ with the home state
 1276 regulator in pursuing and resolving the ~~said~~ enforcement action.

597-02570-11

20111332c1

1277 (b) The office may take any action jointly with other
1278 regulatory agencies having concurrent jurisdiction over out-of-
1279 state banks and bank holding companies that operate branches in
1280 this state, or take such action independently, to carry out its
1281 responsibilities.

1282 ~~(10)-(12)~~ NOTICE OF SUBSEQUENT MERGER.—

1283 (a) Each out-of-state state bank that has established and
1284 maintains a branch in this state must ~~pursuant to this section~~
1285 ~~shall~~ give at least 30 days' prior written notice to the office
1286 of any merger, consolidation, or other transaction that would
1287 cause a change of control pursuant to home state or federal law
1288 with respect to such bank or any bank holding company that
1289 controls such bank.

1290 (b) ~~Notwithstanding any other provisions of the financial~~
1291 ~~institutions codes or of chapter 120,~~ In the case of a failing
1292 financial institution ~~entity~~, the office ~~shall have the power,~~
1293 with the concurrence of the appropriate regulatory agencies
1294 ~~agency,~~ may ~~to~~ issue an emergency order authorizing any
1295 necessary interstate banking or branching transaction pursuant
1296 to s. 655.4185.÷

1297 ~~1. The merger or interstate merger transaction of any such~~
1298 ~~failing financial entity with a state bank or bank holding~~
1299 ~~company that controls a state bank;~~

1300 ~~2. Any bank to acquire assets and assume liabilities of the~~
1301 ~~Florida branches of any such failing financial entity;~~

1302 ~~3. The conversion of any such failing financial entity into~~
1303 ~~a state bank or trust company;~~

1304 ~~4. The chartering of a new state bank to acquire the~~
1305 ~~Florida branches of any such failing financial entity; or~~

597-02570-11

20111332c1

1306 ~~5. The chartering of a new state trust company to acquire~~
1307 ~~assets and assume liabilities and rights, powers, and~~
1308 ~~responsibilities as fiduciary of such failing financial entity.~~

1309 ~~(11)-(13)~~ DE NOVO INTERSTATE BRANCHING BY STATE BANKS.-

1310 (a) With the prior approval of the office, a any state bank
1311 may establish and maintain a de novo branch or acquire a branch
1312 in a state other than this state by submitting an application
1313 with the office pursuant to s. 658.26.

1314 (b) A state bank desiring to establish and maintain a
1315 branch in another state ~~pursuant to s. 658.26~~ shall pay the
1316 branch application fee set forth in s. 658.73. In acting on the
1317 application, the office shall consider the views of the
1318 appropriate bank regulatory agencies.

1319 (c) An out-of-state bank may establish and maintain a de
1320 novo branch or acquire a branch in this state upon compliance
1321 with chapter 607 or chapter 608 relating to doing business in
1322 this state as a foreign business entity, including maintaining a
1323 registered agent for service of process and other legal notice
1324 pursuant to s. 655.0201.

1325 ~~(12)-(14)~~ ADDITIONAL BRANCHES; POWERS.-

1326 (a) An out-of-state bank that has lawfully acquired or
1327 established a branch in this state ~~or bank holding company that~~
1328 ~~has acquired a bank in this state pursuant to s. 658.295, or by~~
1329 ~~interstate merger pursuant to this section,~~ may establish an
1330 ~~additional branch or~~ additional branches in this state to the
1331 same extent that any Florida bank may establish ~~a branch or~~
1332 branches in this state.

1333 (b) An out-of-state bank may conduct only those activities
1334 at its Florida branch or branches which ~~that~~ are authorized

597-02570-11

20111332c1

1335 under the laws of this state or of the United States. However,
1336 an out-of-state bank with trust powers ~~resulting from an~~
1337 ~~interstate merger transaction with one or more Florida banks~~
1338 ~~with trust powers shall be entitled to and~~ may exercise all
1339 trust powers in this state as a Florida bank with trust powers
1340 ~~that participated in the transaction.~~

1341 Section 25. Section 658.296, Florida Statutes, is repealed.

1342 Section 26. Section 658.36, Florida Statutes, is amended to
1343 read:

1344 658.36 Changes in capital.—

1345 (1) A ~~No~~ state bank or trust company may not ~~shall~~ reduce
1346 the number of shares of its outstanding capital stock without
1347 first obtaining the approval of the office, ~~and such~~ Approval
1348 shall be withheld if the reduction will cause ~~the outstanding~~
1349 capital accounts ~~stock~~ to be less than the minimum required
1350 pursuant to the financial institutions codes.

1351 (2) A ~~Any~~ state bank or trust company may provide for an
1352 increase in its number of outstanding shares of capital stock
1353 after filing a written notice with the office at least 15 days
1354 before ~~prior to~~ making such increase. The office may waive the
1355 time requirement upon a demonstration of good cause.

1356 (3) If a bank or trust company's capital accounts have been
1357 diminished by losses to less than the minimum required pursuant
1358 to the financial institutions codes, the market value of its
1359 shares of capital stock is less than the present par value, and
1360 the bank or trust company cannot reasonably issue and sell new
1361 shares of stock to restore its capital accounts at a share price
1362 of par value or greater of the previously issued capital stock,
1363 the office, notwithstanding any other provisions of chapter 607

597-02570-11

20111332c1

1364 or the financial institutions codes, may approve special stock
1365 offering plans.

1366 (a) Such plans may include, but are not limited to,
1367 mechanisms for stock splits including reverse splits;
1368 revaluations of par value of outstanding stock; changes in
1369 voting rights, dividends, or other preferences; and creation of
1370 new classes of stock.

1371 (b) The plan must be approved by majority vote of the bank
1372 or trust company's entire board of directors and by holders of
1373 two-thirds of the outstanding shares of stock.

1374 (c) The office shall disapprove a plan that provides unfair
1375 or disproportionate benefits to existing shareholders,
1376 directors, executive officers, or their related interests. The
1377 office shall also disapprove any plan that is not likely to
1378 restore the capital accounts to sufficient levels to achieve a
1379 sustainable, safe, and sound financial institution.

1380 (d) For any bank or trust company that the office
1381 determines to be a failing financial institution pursuant to s.
1382 655.4185, the office may approve special stock offering plans
1383 without a vote of the shareholders.

1384 Section 27. Subsection (2) of section 658.41, Florida
1385 Statutes, is amended to read:

1386 658.41 Merger; resulting state or national bank.—

1387 (2) ~~Nothing in~~ The laws ~~law~~ of this state do not shall
1388 restrict the right of a state bank or state trust company to
1389 merge with a resulting national bank or out-of-state bank. In
1390 such case the action to be taken by a constituent state bank or
1391 state trust company, and its rights and liabilities and those of
1392 its shareholders, are shall be the same as those prescribed for

597-02570-11

20111332c1

1393 constituent national banks at the time of the action by the
1394 applicable federal law ~~of the United States~~ and not ~~by~~ the law
1395 of this state.

1396 Section 28. Subsections (3) through (11) of section 658.48,
1397 Florida Statutes, are amended to read:

1398 658.48 Loans.—A state bank may make loans and extensions of
1399 credit, with or without security, subject to the following
1400 limitations and provisions:

1401 (3) LOANS TO OTHER PERSONS.—A ~~No~~ bank may not ~~shall~~ extend
1402 credit, including the granting of a line of credit, to any ~~other~~
1403 person ~~not included in subsection (2)~~, including a any related
1404 interest of that person, which ~~that~~, if ~~when~~ aggregated with the
1405 amount of all other extensions of credit to that person and any
1406 related interest of that person, exceeds 15 percent of the
1407 capital accounts of the lending bank, unless the extension of
1408 credit has been approved in advance by a majority of the entire
1409 board of directors or by all members of an authorized committee
1410 thereof within not more than 1 year ~~before~~ ~~prior to~~ the time
1411 ~~when~~ such credit is extended.

1412 ~~(4) RELATED INTERESTS. As used in this section, the term~~
1413 ~~"related interest" means, with respect to any person, any~~
1414 ~~partnership, corporation, or other business organization~~
1415 ~~controlled by that person. A corporation is controlled by a~~
1416 ~~person who:~~

1417 ~~(a) Owns, controls, or has the power to vote 25 percent or~~
1418 ~~more of any class of voting securities of the corporation;~~

1419 ~~(b) Controls in any manner the election of a majority of~~
1420 ~~the directors of the corporation; or~~

1421 ~~(c) Has the power to exercise a controlling influence over~~

597-02570-11

20111332c1

1422 ~~the management or policies of the corporation.~~

1423 ~~(4)-(5)~~ SPECIAL PROVISIONS.—

1424 (a) A limitation of 25 percent of the capital accounts of
1425 the lending bank applies to the aggregate of all loans made to a
1426 corporation, together with all loans secured by shares of stock,
1427 bonds, or other obligations of the same corporation, unless the
1428 stocks or bonds are listed and traded on a recognized stock
1429 exchange, or ~~are~~ registered under the Securities Exchange Act of
1430 1934, or ~~are~~ registered with the Board of Governors of the
1431 Federal Reserve System, ~~with~~ the Federal Deposit Insurance
1432 Corporation, or ~~with~~ the Comptroller of the Currency, in which
1433 case no aggregate loan limit applies.

1434 (b) A limitation of 15 percent of the capital accounts of
1435 the lending bank applies to loans made to any one borrower on
1436 the security of shares of capital stock listed and traded on a
1437 recognized exchange. A limitation of 10 percent of the capital
1438 accounts of the lending bank applies to loans made to any one
1439 borrower on the security of shares of capital stock not listed
1440 on a recognized exchange or the obligations subordinate to
1441 deposits of another bank. A limitation of 25 percent of the
1442 capital accounts of the lending state bank applies to the
1443 aggregate of all loans secured by the shares of capital stock or
1444 the obligations subordinate to deposits of any one bank.

1445 (c) A ~~No~~ loan may not ~~shall~~ be made by a bank:

1446 1. On the security of the shares of its own capital stock
1447 or of its obligations subordinate to deposits.

1448 2. On an unsecured basis for the purpose of purchasing ~~the~~
1449 ~~purchase of~~ shares of its own capital stock or its obligations
1450 subordinate to deposits.

597-02570-11

20111332c1

1451 3. On a secured or unsecured basis for the purpose of
1452 purchasing ~~the purchase of~~ shares of the stock of its one-bank
1453 holding company.

1454 (d) A one-bank holding company bank may make loans on its
1455 own one-bank holding company stock. For capital stock that is
1456 listed and traded on a recognized exchange, the stock may not be
1457 valued at more than 70 percent of its current market value, and
1458 for capital stock that is not listed and traded on a recognized
1459 exchange, the stock may not be valued at more than 70 percent of
1460 its current book value.

1461 ~~(e) Loans based upon the security of real estate mortgages
1462 shall be documented as first liens, except that liens other than
1463 first liens may be taken:~~

1464 ~~1. To protect a loan previously made in good faith;~~

1465 ~~2. To further secure a loan otherwise amply and entirely
1466 secured;~~

1467 ~~3. As additional security for Federal Housing
1468 Administration Title 1 loans or loans made with participation or
1469 guaranty by the Small Business Administration;~~

1470 ~~4. To secure a loan not in excess of 15 percent of the
1471 capital accounts of the bank; or~~

1472 ~~5. As provided by rules of the commission.~~

1473 (e) ~~(f)~~ In computing the total liabilities of any person,
1474 ~~there shall be included~~ all loans or lines of credit endorsed or
1475 guaranteed as to repayment by such person and ~~by~~ any related
1476 interest of such person must be included. Purchased
1477 participations in pools of loans which are carried as loans
1478 subject to the limits of this section must be aggregated when
1479 computing the total liabilities of a person who is a borrower,

597-02570-11

20111332c1

1480 originator, seller, broker, or guarantor, or has a repurchase
1481 agreement obligation for the individual and pooled loans. The
1482 computation of total liabilities must also include all potential
1483 liabilities and obligations of the person, and any related
1484 interest, resulting from the person's derivatives transactions,
1485 repurchase agreements, securities lending and borrowing
1486 transactions, credit default swaps, and similar contracts.

1487 (f)~~(g)~~ All loan documentation must ~~shall~~ be written in ~~the~~
1488 English ~~language~~ or contain an English translation of foreign
1489 language provisions.

1490 (5)~~(6)~~ APPLICABILITY OF LOAN LIMITATIONS.—The loan
1491 limitations ~~otherwise~~ provided in this section do not apply to:

1492 (a) Loans that ~~which~~ are fully secured by assignment of a
1493 savings account or certificate of deposit of the lending bank;

1494 (b) Loans that ~~which~~ are fully secured by notes, bonds, or
1495 other evidences of indebtedness issued by the United States
1496 Government or fully guaranteed as to repayment by the United
1497 States Government or its agencies, bureaus, boards, or
1498 commissions; ~~or~~

1499 (c) Loans made to district school boards if ~~when~~ such loans
1500 are secured by the assignment of revenues reasonably expected to
1501 be received from the state and are otherwise made in compliance
1502 with statutes governing borrowings by such boards; or~~—~~

1503 (d) Purchased participations in pools of loans which are
1504 carried as investments subject to the limitations of s. 658.67.

1505 (6)~~(7)~~ APPROVAL BY BOARD.—The requirements of this section
1506 concerning approval of lending activities by the board of
1507 directors or an authorized committee therefrom are ~~have been~~ met
1508 only if ~~when~~ such approvals are recorded in the formal minutes

597-02570-11

20111332c1

1509 of the actions of the board and its committees by name of
1510 borrower, amount of loan, maturity of loan, and general type of
1511 collateral. If, at the time of approval of a line of credit,
1512 such information is not available, the name of the borrower and
1513 the amount of the approved line of credit must ~~shall~~ be recorded
1514 in the minutes. Any action required by this section ~~to be taken~~
1515 ~~by the board of directors or an authorized committee therefrom~~
1516 may be taken pursuant to s. 607.0820(4) if the minutes of the
1517 proceedings of the board or of the committee reflect such action
1518 and each director taking such action signs the minutes
1519 reflecting such action at the next regular meeting of the board
1520 or committee attended by such director.

1521 (7) ~~(8)~~ LIABILITY OF OFFICERS AND DIRECTORS.—Officers and
1522 directors are personally liable, jointly and severally, for any
1523 loss that may be occasioned by a ~~any~~ willful violation of this
1524 section.

1525 (8) ~~(9)~~ If ~~When~~ a bank's capital has been diminished by
1526 losses so that its ability to honor legally binding written loan
1527 commitments is impaired, the office may approve limited
1528 expansion of the lending limitations set forth in this section.

1529 ~~(10) IMMINENTLY INSOLVENT BANK. When the office has~~
1530 ~~determined that a state bank is imminently insolvent, the bank~~
1531 ~~may not make any new loans or discounts other than by~~
1532 ~~discounting or purchasing bills of exchange payable at sight.~~

1533 (9) ~~(11)~~ FEDERAL RESTRICTIONS AND LIMITATIONS. ~~Nothing in~~
1534 This section does not expand, enlarge ~~shall be construed as~~
1535 ~~expanding, enlarging,~~ or otherwise affect ~~affecting~~ any lending
1536 limits, restrictions, or procedures now provided by federal law
1537 applicable to state banks in conjunction with any loan or loans

597-02570-11

20111332c1

1538 to any borrower or class of borrowers.

1539 Section 29. Subsection (4) of section 658.53, Florida
1540 Statutes, is amended to read:

1541 658.53 Borrowing; limits of indebtedness.—

1542 (4) Unrepaid proceeds of sales of capital notes and capital
1543 debentures ~~are, as provided herein, shall be considered as a~~
1544 part of the aggregate amount of capital and surplus in computing
1545 loan and investment limitations ~~and in evaluating adequacy of~~
1546 ~~capital of the issuing bank~~ if the issuing bank is not in
1547 default ~~thereunder~~.

1548 Section 30. Section 658.65, subsection (33) of section
1549 665.013, and subsection (35) of section 667.003, Florida
1550 Statutes, are repealed.

1551 Section 31. Paragraph (c) of subsection (5) and subsections
1552 (6) and (10) of section 658.67, Florida Statutes, are amended to
1553 read:

1554 658.67 Investment powers and limitations.—A bank may invest
1555 its funds, and a trust company may invest its corporate funds,
1556 subject to the following definitions, restrictions, and
1557 limitations:

1558 (5) INVESTMENTS IN RELATED COMPANIES.—A bank or trust
1559 company may invest in the stock of incorporated companies to the
1560 extent hereinafter defined:

1561 (c) Up to 10 percent of the capital accounts of a bank may
1562 be invested in a clearing corporation as defined in s. 678.1021
1563 ~~678.102(3)~~.

1564 (6) INVESTMENTS IN CORPORATIONS.—Up to an aggregate of 10
1565 percent of the total assets of a bank may be invested in the
1566 stock, obligations, or other securities of subsidiary

597-02570-11

20111332c1

1567 corporations or other corporations or entities, except as
1568 limited or prohibited by federal law, and except that during the
1569 first 3 years of existence of a bank, such investments are
1570 limited to 5 percent of the total assets. ~~Any bank whose~~
1571 ~~aggregate investment on June 30, 1992, exceeds the limitation in~~
1572 ~~this subsection has 5 years within which to achieve compliance;~~
1573 ~~additional time may be approved by the office if the office~~
1574 ~~finds that compliance with this subsection will result in more~~
1575 ~~than a minimal loss to the bank.~~ The commission ~~may,~~ by rule, or
1576 the office by order, may further limit any type of investment
1577 made pursuant to this subsection if it finds that such
1578 investment would constitute an unsafe or unsound practice.

1579 (10) SPECIAL PROVISIONS.—

1580 (a) ~~None of~~ The bonds or other obligations described in
1581 this section are not shall be eligible for investment ~~in any~~
1582 ~~amount~~ unless current as to all payments of principal and
1583 interest and ~~unless rated in one of the four highest~~
1584 ~~classifications, or, in the case of commercial paper, unless it~~
1585 ~~is of prime quality and of the highest letter and numerical~~
1586 ~~rating, as established by a nationally recognized rating service~~
1587 ~~or any comparable rating as determined by the office.~~ Bonds or
1588 other obligations which are unrated shall not be eligible for
1589 investment unless otherwise supported as to investment quality
1590 and marketability by a credit rating file compiled and
1591 maintained in current status by the purchasing bank or trust
1592 company. Banks and trust companies shall establish written
1593 policies and procedures to evaluate the systemic and specific
1594 risks and benefits associated with all investments authorized in
1595 this section before making such investments and must provide for

597-02570-11

20111332c1

1596 appropriate risk management and monitoring for the duration of
1597 the investment. An investment decision may not be based solely
1598 on the rating of the bond or other obligation by an investment
1599 rating service. The office may require a bank or trust company
1600 to divest itself of any investment that the office determines
1601 creates excessive risk or that has an associated risk that
1602 exceeds the ability of the bank or trust company to properly
1603 evaluate and manage.

1604 (b) Investment securities shall be entered on the books of
1605 the bank or trust company at the fair market value on the date
1606 of acquisition. Premiums paid in excess of par value shall be
1607 amortized ~~either~~ over the life of the security or to the first
1608 call date at its call price and thereafter to subsequent call
1609 dates at their respective call prices until maturity. Discount
1610 may be accredited over the life of the security.

1611 Section 32. Subsection (5) of section 288.772, Florida
1612 Statutes, is amended to read:

1613 288.772 Definitions.—For purposes of ss. 288.771–288.778:

1614 (5) “Financial institution” shall have the same meaning as
1615 that term is defined in s. 655.005~~(1)(h)~~.

1616 Section 33. Paragraph (b) of subsection (5) of section
1617 288.99, Florida Statutes, is amended to read:

1618 288.99 Certified Capital Company Act.—

1619 (5) INVESTMENTS BY CERTIFIED CAPITAL COMPANIES.—

1620 (b) All capital not invested in qualified investments by
1621 the certified capital company:

1622 1. Must be held in a financial institution as defined in ~~by~~
1623 s. 655.005~~(1)(h)~~ or held by a broker-dealer registered under s.
1624 517.12, except as set forth in sub-subparagraph 3.g.

597-02570-11

20111332c1

1625 2. Must not be invested in a certified investor of the
1626 certified capital company or any affiliate of the certified
1627 investor of the certified capital company, except for an
1628 investment permitted by sub-subparagraph 3.g. if, ~~provided~~
1629 repayment terms do not permit the obligor to directly or
1630 indirectly manage or control the investment decisions of the
1631 certified capital company.

1632 3. Must be invested only in:

1633 a. ~~Any~~ United States Treasury obligations;

1634 b. Certificates of deposit or other obligations, maturing
1635 within 3 years after acquisition of such certificates or
1636 obligations, issued by any financial institution or trust
1637 company incorporated under the laws of the United States;

1638 c. Marketable obligations, maturing within 10 years or less
1639 after the acquisition of such obligations, which are rated "A"
1640 or better by any nationally recognized credit rating agency;

1641 d. Mortgage-backed securities that have, ~~with~~ an average
1642 life of 5 years or less, after the acquisition of such
1643 securities, which are rated "A" or better by a any nationally
1644 recognized credit rating agency;

1645 e. Collateralized mortgage obligations and real estate
1646 mortgage investment conduits that are direct obligations of an
1647 agency of the United States Government; are not private-label
1648 issues; are in book-entry form; and do not include the classes
1649 of interest only, principal only, residual, or zero;

1650 f. Interests in money market funds, the portfolio of which
1651 is limited to cash and obligations described in sub-
1652 subparagraphs a.-d.; or

1653 g. Obligations that are issued by an insurance company that

597-02570-11

20111332c1

1654 is not a certified investor of the certified capital company
1655 making the investment, that has provided a guarantee indemnity
1656 bond, insurance policy, or other payment undertaking in favor of
1657 the certified capital company's certified investors as permitted
1658 by subparagraph (3)(l)1. or an affiliate of such insurance
1659 company as defined by subparagraph (3)(a)3. that is not a
1660 certified investor of the certified capital company making the
1661 investment, provided that such obligations are:

1662 (I) Issued or guaranteed as to principal by an entity whose
1663 senior debt is rated "AA" or better by Standard & Poor's Ratings
1664 Group or such other nationally recognized credit rating agency
1665 as the commission may determine by rule ~~determine~~.

1666 (II) Not subordinated to other unsecured indebtedness of
1667 the issuer or the guarantor.

1668 (III) Invested by such issuing entity in accordance with
1669 sub-subparagraphs 3.a.-f.

1670 (IV) Readily convertible into cash within 5 business days
1671 for the purpose of making a qualified investment unless such
1672 obligations are held to provide a guarantee, indemnity bond,
1673 insurance policy, or other payment undertaking in favor of the
1674 certified capital company's certified investors as permitted by
1675 subparagraph (3)(l)1.

1676 Section 34. Subsection (1) of section 440.12, Florida
1677 Statutes, is amended to read:

1678 440.12 Time for commencement and limits on weekly rate of
1679 compensation.—

1680 (1) ~~No~~ Compensation is not ~~shall be~~ allowed for the first 7
1681 days of the disability, except for benefits provided for in s.
1682 440.13. However, if the injury results in ~~disability of~~ more

597-02570-11

20111332c1

1683 than 21 days of disability, compensation is ~~shall be~~ allowed
1684 from the commencement of the disability. All weekly compensation
1685 payments, except for the first payment, must ~~shall~~ be paid by
1686 check or, if authorized by the employee, deposited directly into
1687 the employee's account at a financial institution. ~~As used in~~
1688 ~~this subsection, the term "financial institution" means a~~
1689 ~~financial institution~~ as defined in s. 655.005(1)(h).

1690 Section 35. Paragraph (a) of subsection (1) of section
1691 440.20, Florida Statutes, is amended to read:

1692 440.20 Time for payment of compensation and medical bills;
1693 penalties for late payment.—

1694 (1) (a) Unless the carrier ~~it~~ denies compensability or
1695 entitlement to benefits, the carrier shall pay compensation
1696 directly to the employee as required by ss. 440.14, 440.15, and
1697 440.16, in accordance with those ~~the obligations set forth in~~
1698 ~~such~~ sections. If authorized by the employee, the carrier's
1699 obligation to pay compensation directly to the employee is
1700 satisfied when the carrier directly deposits, by electronic
1701 transfer or other means, compensation into the employee's
1702 account at a financial institution. ~~As used in this paragraph,~~
1703 ~~the term "financial institution" means a financial institution~~
1704 as defined in s. 655.005(1)(h). Compensation by direct deposit
1705 is considered paid on the date the funds become available for
1706 withdrawal by the employee.

1707 Section 36. Paragraph (c) of subsection (2) of section
1708 445.051, Florida Statutes, is amended to read:

1709 445.051 Individual development accounts.—

1710 (2) As used in this section, the term:

1711 (c) "Financial institution" has the same meaning ~~means a~~

597-02570-11

20111332c1

1712 ~~financial institution as defined in s. 655.005(1)(h).~~

1713 Section 37. Subsection (18) of section 489.503, Florida
1714 Statutes, is amended to read:

1715 489.503 Exemptions.—This part does not apply to:

1716 (18) The monitoring of an alarm system by a direct employee
1717 of any state or federally chartered financial institution, as
1718 defined in s. 655.005(1)(h), or any parent, affiliate, or
1719 subsidiary thereof, so long as:

1720 (a) The institution is subject to, and in compliance with,
1721 s. 3 of the Federal Bank Protection Act of 1968, 12 U.S.C. s.
1722 1882;

1723 (b) The alarm system is in compliance with all applicable
1724 firesafety standards as set forth in chapter 633; and

1725 (c) The monitoring is limited to an alarm system associated
1726 with:

1727 1. The commercial property where banking operations are
1728 housed or ~~where~~ other operations are conducted by a state or
1729 federally chartered financial institution, ~~as defined in s.~~
1730 ~~655.005(1)(h)~~, or any parent, affiliate, or subsidiary thereof;
1731 or

1732 2. The private property occupied by the institution's
1733 executive officers, as defined in s. 655.005(1)(f),
1734
1735 and does not otherwise extend to the monitoring of residential
1736 systems.

1737 Section 38. Paragraph (b) of subsection (15) of section
1738 501.005, Florida Statutes, is amended to read:

1739 501.005 Consumer report security freeze.—

1740 (15) The provisions of this section do not apply to the

597-02570-11

20111332c1

1741 following entities:

1742 (b) A deposit account information service company that,
1743 ~~which~~ issues reports regarding account closures due to fraud,
1744 substantial overdrafts, automatic teller machine abuse, or
1745 similar negative information regarding a consumer to an
1746 inquiring ~~banks or other~~ financial institution as defined in s.
1747 655.005 institutions for use only in reviewing a consumer
1748 request for a deposit account at the inquiring ~~bank or~~ financial
1749 institution, as defined in s. 655.005 ~~(1) (g) or (h)~~, or in
1750 federal law.

1751 Section 39. Paragraph (d) of subsection (2) of section
1752 501.165, Florida Statutes, is amended to read:

1753 501.165 Automatic renewal of service contracts.—

1754 (2) SERVICE CONTRACTS WITH AUTOMATIC RENEWAL PROVISIONS.—

1755 (d) This subsection does not apply to:

1756 1. A financial institution as defined in s. 655.005 ~~(1) (h)~~
1757 or any depository institution as defined in 12 U.S.C. s.
1758 1813(c) (2).

1759 2. A foreign bank maintaining a branch or agency licensed
1760 under the laws of any state of the United States.

1761 3. Any subsidiary or affiliate of an entity described in
1762 subparagraph 1. or subparagraph 2.

1763 4. A health studio as defined in s. 501.0125 ~~(1)~~.

1764 5. Any entity licensed under chapter 624, chapter 627,
1765 chapter 634, chapter 636, or chapter 641.

1766 6. Any electric utility as defined in s. 366.02 ~~(2)~~.

1767 7. Any private company as defined in s. 180.05 providing
1768 services described in chapter 180 which ~~that~~ is competing
1769 against a governmental entity or has a governmental entity

597-02570-11

20111332c1

1770 providing billing services on its behalf.

1771 Section 40. Paragraph (r) of subsection (1) of section
1772 624.605, Florida Statutes, is amended to read:

1773 624.605 "Casualty insurance" defined.—

1774 (1) "Casualty insurance" includes:

1775 (r) *Insurance for debt cancellation products.*—Insurance
1776 that a creditor may purchase against the risk of financial loss
1777 from the use of debt cancellation products with consumer loans
1778 or leases or retail installment contracts. Insurance for debt
1779 cancellation products is not liability insurance but is ~~shall be~~
1780 considered credit insurance only for the purposes of s.
1781 631.52(4).

1782 1. For purposes of this paragraph, the term "debt
1783 cancellation products" means loan, lease, or retail installment
1784 contract terms, or modifications to loan, lease, or retail
1785 installment contracts, under which a creditor agrees to cancel
1786 or suspend all or part of a customer's obligation to make
1787 payments upon the occurrence of specified events and includes,
1788 but is not limited to, debt cancellation contracts, debt
1789 suspension agreements, and guaranteed asset protection
1790 contracts. However, the term "~~debt cancellation products~~" does
1791 not include title insurance as defined in s. 624.608.

1792 2. Debt cancellation products may be offered by financial
1793 institutions, ~~as defined in s. 655.005(1)(h)~~, insured depository
1794 institutions as defined in 12 U.S.C. s. 1813(c), and
1795 subsidiaries of such institutions, as provided in the financial
1796 institutions codes; by sellers as defined in s. 721.05, or by
1797 the parents, subsidiaries, or affiliated entities of sellers, in
1798 connection with the sale of timeshare interests; or by other

597-02570-11

20111332c1

1799 business entities as ~~may be~~ specifically authorized by law, and
1800 such products are ~~shall not constitute~~ insurance for purposes of
1801 the Florida Insurance Code.

1802 Section 41. Paragraph (g) of subsection (1) of section
1803 626.321, Florida Statutes, is amended to read:

1804 626.321 Limited licenses.—

1805 (1) The department shall issue to a qualified individual,
1806 or a qualified individual or entity under paragraphs (c), (d),
1807 (e), and (i), a license as agent authorized to transact a
1808 limited class of business in any of the following categories:

1809 (g) *Credit property insurance.*—A license covering only
1810 credit property insurance may be issued to any individual except
1811 an individual employed by or associated with a ~~lending or~~
1812 financial institution as defined in s. 655.005(1)(g), ~~(h), or~~
1813 ~~(p)~~ and authorized to sell such insurance only with respect to a
1814 borrower or debtor, not to exceed the amount of the loan.

1815 Section 42. Subsection (4) of section 626.730, Florida
1816 Statutes, is amended to read:

1817 626.730 Purpose of license.—

1818 (4) This section does not ~~shall not be deemed to~~ prohibit
1819 the licensing under a limited license as to motor vehicle
1820 physical damage and mechanical breakdown insurance or ~~the~~
1821 ~~licensing under a limited license for~~ credit property insurance
1822 of any person employed by or associated with a motor vehicle
1823 sales or financing agency, a retail sales establishment, or a
1824 consumer loan office, other than a consumer loan office owned by
1825 or affiliated with a financial institution as defined in s.
1826 655.005(1)(g), ~~(h), or (p)~~, with respect to insurance of the
1827 interest of such agency in a motor vehicle sold or financed by

597-02570-11

20111332c1

1828 it or in personal property if ~~when~~ used as collateral for a
1829 loan. This section does not apply with respect to the interest
1830 of a real estate mortgagee in or as to insurance covering such
1831 interest or in the real estate subject to such mortgage.

1832 Section 43. Section 626.9885, Florida Statutes, is amended
1833 to read:

1834 626.9885 Financial institutions conducting insurance
1835 transactions.-A financial institution, as defined in s.
1836 655.005(1) ~~(g), (h), or (p)~~, may conduct insurance transactions
1837 only through Florida-licensed insurance agents representing
1838 Florida-authorized insurers or representing Florida-eligible
1839 surplus lines insurers.

1840 Section 44. This act shall take effect July 1, 2011.