

HOUSE BILL NO. 1162

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Banking and Financial Institutions)

1 A BILL for an Act to amend and reenact section 6-01-09 of the North Dakota Century Code,
2 relating to the authority of the banking commissioner to examine bank holding companies.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 6-01-09 of the 1997 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **6-01-09. Supervision and examination by commissioner of banking and financial**
7 **institutions.** The commissioner shall exercise a constant supervision over the business affairs
8 of all financial corporations and institutions, out-of-state branches of financial corporations and
9 institutions, and branches of out-of-state state-chartered banks, savings and loan associations,
10 or savings banks within the jurisdiction of the board. Either the commissioner or one or more
11 examiners shall visit each of the state banking associations and other corporations,
12 associations, and branches under the commissioner's jurisdiction at least once each thirty
13 months to examine their affairs and ascertain their financial condition. The commissioner shall
14 inspect and verify the assets and liabilities of the institution and branches to ascertain with
15 reasonable certainty that the value of the assets and the amounts of the liabilities are correctly
16 carried on its books. The commissioner shall examine the validity of mortgages held by savings
17 institutions, and shall see that all of the mortgages are properly recorded. The commissioner
18 shall investigate the method of operation and conduct of the corporations and institutions and
19 their systems of accounting to ascertain whether the methods conform to the law and sound
20 banking usage and principles. The commissioner shall inquire into and report any infringement
21 of the laws governing those corporations and institutions, and for that purpose the
22 commissioner may examine the officers, agents, and employees of the corporations and
23 institutions and all persons doing business therewith. The commissioner may examine, or
24 cause to be examined, or review the books and records of any subsidiary corporation of a bank

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1 under the commissioner's supervision and may ~~require the bank to provide information on~~
2 examine, or cause to be examined, the holding company that owns the bank. The
3 commissioner shall report the condition of the corporations and institutions, together with the
4 commissioner's recommendations or suggestions in connection therewith, to the state banking
5 board, and the board may take such action as the exigencies may demand.