

REFERENCE TITLE: state-chartered financial institutions; growth

State of Arizona
Senate
Fifty-second Legislature
First Regular Session
2015

SB 1337

Introduced by
Senators Farnsworth D, Burges, Farley: Ableser, Allen, Dial, Smith

AN ACT

AMENDING SECTION 6-122, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT
OF FINANCIAL INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-122, Arizona Revised Statutes, is amended to
3 read:

4 6-122. Superintendent; authority; duties; exemption

5 A. The superintendent has the authority and responsibility for the
6 discharge of all duties imposed by law on the department.

7 B. The superintendent shall:

8 1. Examine or cause to be examined each financial institution
9 annually, except financial institution holding companies, banks, savings and
10 loan associations, credit unions and consumer lenders, and more frequently if
11 the superintendent considers it necessary.

12 2. Examine or cause to be examined each bank, credit union and savings
13 and loan association at the superintendent's discretion but at least once in
14 every twenty-four month period.

15 3. Examine or cause to be examined the business and affairs of any
16 enterprise and any consumer lender for the purpose of administering and
17 enforcing this title at the superintendent's discretion but at least once in
18 a five-year period.

19 4. Examine or cause to be examined financial institution holding
20 companies as frequently as the superintendent considers necessary to
21 administer and enforce this title.

22 5. Notwithstanding paragraph 3 OF THIS SUBSECTION, examine or cause to
23 be examined the accounts held in trust by each escrow agent at least once in
24 every two-year period ~~in accordance with~~ PURSUANT TO section 20-1593 and
25 examine or cause to be examined each escrow agent at least once in every
26 four-year period or more frequently if the superintendent considers it
27 necessary.

28 6. Notwithstanding paragraph 3 OF THIS SUBSECTION, examine or cause to
29 be examined each premium finance company at least once in every three-year
30 period and more frequently if the superintendent considers it necessary.

31 7. Publish a consumer information brochure that includes:

32 (a) The finance charges permitted by this state.

33 (b) The types of insurance that may be offered but that are not
34 required by law to be purchased with the granting of a loan.

35 (c) Interest rate limitations on all lenders including amounts that
36 may not be charged to borrowers.

37 (d) Consumer rights and means of recourse from unfair practitioners.

38 8. MAKE IT A PRIORITY TO ENCOURAGE THE GROWTH OF STATE-CHARTERED
39 FINANCIAL INSTITUTIONS IN THIS STATE AND BY FEBRUARY 1 OF EACH CALENDAR YEAR
40 NOTIFY THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
41 OF REPRESENTATIVES IF THE TOTAL NUMBER OF STATE-CHARTERED BANKS OR
42 STATE-CHARTERED CREDIT UNIONS DECREASES DURING THE PRIOR CALENDAR YEAR.

1 C. Notwithstanding subsection B, paragraph 5 of this section, an
2 escrow agent shall be examined within twelve months when an escrow agent's
3 license is transferred or assigned pursuant to section 6-813 or when control
4 of the license is otherwise acquired.

5 D. Subsection B, paragraph 3 of this section does not apply to motor
6 vehicle dealers, sales finance companies or persons licensed under chapter 12
7 of this title.