

Senate File 2279 - Enrolled

Senate File 2279

AN ACT

RELATING TO THE CREDIT UNION DIVISION AND ITS REGULATORY  
MATTERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 7A.4, Code 2016, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Superintendent of credit unions.

Sec. 2. Section 533.113, subsection 1, paragraph d, Code 2016, is amended to read as follows:

d. Make or cause to be made an examination of any person having business transactions or a relationship with any state credit union, ~~upon application to and order of the district court of Polk county,~~ when such examination is deemed necessary and advisable in order to determine whether the capital of the state credit union is impaired or whether the safety of its deposits, its financial information or accounts, or its computer systems or computer networks, is imperiled.

Sec. 3. Section 533.114, subsection 2, paragraphs b and c, Code 2016, are amended to read as follows:

b. A summary of the assets, liabilities, and capital structures of all state credit unions, ~~and a summary of the volume of consumer installment credit outstanding per state credit union,~~ as of December 31 of the year for which the report is made.

c. A statement of the receipts and disbursements of funds of the superintendent during the ~~calendar~~ fiscal year ending

~~on the preceding December 31~~ June 30 of the year for which the report is made and of the funds on hand on that ~~December 31,~~ including an estimate of the disbursements of credit union division funds for consumer credit protection during the year for which the report is made June 30.

Sec. 4. NEW SECTION. 533.115A **Conducting business outside of state.**

If a state credit union has an office and conducts business in another state having laws or regulations allowing credit unions to exercise additional powers, the state credit union may request permission from the superintendent to exercise such additional powers while operating in the other state with only the resident members of that other state.

Sec. 5. NEW SECTION. 533.201A **Change in place of business.**

1. A state credit union shall notify the superintendent of any change in its principal place of business within ten days of the change. A state credit union shall also file an application to relocate an office as provided by rule.

2. A state credit union changing its principal place of business shall review and amend its articles of incorporation, if necessary.

Sec. 6. Section 533.205, Code 2016, is amended by adding the following new subsection:

NEW SUBSECTION. 9. *Penalties*. The superintendent may impose a penalty, after notice in writing and opportunity for a hearing, for a violation of this section. If a state credit union fails to satisfactorily resolve the matter within sixty days from receipt of such notice, the superintendent may impose a penalty against the state credit union in an amount not to exceed one hundred dollars per day per violation for each day that the violation remains unresolved.

Sec. 7. NEW SECTION. 533.331 **Data breach — duty to notify.**

1. In accordance with 12 C.F.R. pt. 748, Appendix B, a state credit union shall maintain an information security response program that includes procedures for notifying the credit union division as soon as possible after the credit union becomes aware of an incident involving unauthorized access to or use of sensitive member information that would permit access to the member's account, as further detailed in 12 C.F.R. pt. 748.

2. State credit unions that experience an information security breach may be subject to chapter 715C.

Sec. 8. Section 533.401, subsection 1, Code 2016, is amended to read as follows:

1. With the approval of the superintendent and the national credit union administration, a state credit union may merge with another credit union under the existing certificate of approval of the other credit union if the merger is pursuant to a plan agreed upon by a majority of the board of directors of each credit union joining in the merger and the merger is approved by the affirmative vote of a majority of the members of the merging credit union according to the provisions of [section 533.203](#). At least twenty days' notice shall be provided between the sending of notice and the scheduled conclusion of the vote.

Sec. 9. REPEAL. Sections 533.327 and 533.328, Code 2016, are repealed.

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PAM JOCHUM  
President of the Senate

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LINDA UPMEYER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2279, Eighty-sixth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2016

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TERRY E. BRANSTAD  
Governor