

House File 539 - Introduced

HOUSE FILE _____
BY FORD

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to minimum ratings required for financial
2 institution eligibility to receive deposits of state public
3 funds.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2618HH 83
6 rn/nh/5

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1 1 Section 1. Section 12C.6A, subsection 2, Code 2009, is
1 2 amended to read as follows:
1 3 2. In addition to establishing a minimum interest rate for
1 4 public funds pursuant to section 12C.6, the committee composed
1 5 of the superintendent of banking, the superintendent of credit
1 6 unions, the auditor of state or a designee, and the treasurer
1 7 of state shall develop a list of financial institutions
1 8 eligible to accept state public funds. The committee shall
1 9 require that a financial institution seeking to qualify for
1 10 the list shall annually provide the committee a written
~~1 11 statement that the financial institution has complied with the~~
~~1 12 requirements of this chapter and has a commitment to community~~
~~1 13 reinvestment consistent with the safe and sound operation of a~~
~~1 14 financial institution, unless the financial institution has~~
1 15 received a rating of satisfactory or higher pursuant to the
1 16 federal Community Reinvestment Act, 12 U.S.C. } 2901 et seq.,
1 17 and ~~such shall require certification of the rating is~~
~~1 18 certified~~ to the committee by the superintendent of banking.
1 19 To qualify for the list, a financial institution must
1 20 demonstrate a continuing commitment to meet the credit needs
1 21 of the local community in which it is chartered.

EXPLANATION

1 22 This bill relates to eligibility requirements applicable to
1 23 financial institutions in order to receive deposits of state
1 24 public funds.

1 25 Currently, a financial institution shall be eligible to be
1 26 added to a list of financial institutions eligible to accept
1 27 state public funds compiled by a committee consisting of the
1 28 superintendent of banking, the superintendent of credit
1 29 unions, the auditor of state or a designee, and the treasurer
1 30 of state. Code section 12C.6A provides that the committee
1 31 shall require that a financial institution seeking to qualify
1 32 for the list must annually provide a written statement that
1 33 the financial institution has complied with the requirements
1 34 of the Code chapter and has a commitment to community
2 1 reinvestment consistent with the safe and sound operation of a
2 2 financial institution. This requirement is waived, however,
2 3 if the financial institution has received a rating of
2 4 satisfactory or higher pursuant to the federal Community
2 5 Reinvestment Act and the rating is certified to the committee
2 6 by the superintendent of banking.

2 7 The bill deletes the provision permitting a financial
2 8 institution that has not received a rating of satisfactory or
2 9 higher to qualify for the list pursuant to the written
2 10 statement of compliance and commitment.

2 11 LSB 2618HH 83
2 12 rn/nh/5