

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON BUSINESS

March 1, 1993 Hearing Room 50 8:30 a.m. Tapes 42 - 43

MEMBERS PRESENT: Rep. Bob Repine, Chair Rep. Lisa Naito Rep. Liz
VanLeeuwen Rep. Cynthia Wooten

MEMBER EXCUSED: Rep. Hedy Rijken

STAFF PRESENT: Janet McComb, Committee Administrator Debbie
Schieno, Committee Clerk

MEASURES CONSIDERED: HB 2727 - Public Hearing HB 2728 - Public
Hearing HB 2730 - Public Hearing HB 2729 - Public Hearing HB 2034 -
Public Hearing

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These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in
quotation marks report a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes. [--- Unable To Translate
Graphic ---]

TAPE 41, SIDE A

002 CHAIR REPINE: Calls the meeting to order at 8:45 a.m.

PUBLIC HEARING ON HB 2727

014 JANET McCOMB, COMMITTEE ADMINISTRATOR: Outlines Preliminary
Staff Measure Summary (EXHIBIT A).

027 FRANK BRAUNER, REPRESENTING OREGON BANKERS ASSOCIATION:
Submits and reviews testimony in favor of HB 2727 (EXHIBIT B).

040 REP. WOOTEN: What is the most negative implication of this bill?

MR. BRAUNER: There is no negative. We must make the banking industry
more efficient if we are to reduce costs to the consumer.

PUBLIC HEARING ON HB 2729

114 FRANK BRAUNER, OREGON BANKERS ASSOCIATION: Submits and
reviews testimony in favor of HB 2729 (EXHIBIT C).

129 JANET McCOMB, COMMITTEE ADMINISTRATOR: Outlines Preliminary
Staff Measure Summary (EXHIBIT D).

164 MR. BRAUNER: The regulator will still require unimpaired capitol,
more than \$1 million in some instances, but the approval process
is

maintained.

195 STEVE RODEMAN, REPRESENTING OREGON CREDIT UNIONS:
Testifies in opposition to HB 2729. There is no demonstrated need to
change why

credit unions branch the way that they do, or the regulation on what
happens with the branching requirements. -The law as it exists still
requires approval process with the regulator in order to establish a
branch. This bill would add other restrictions
on that ability.

243 CHAIR REPINE: Do you support the 2729-1 amendments.

MR. RODEMAN: We do not see a need for the bill at all.

274 REP. WOOTEN: What is the negative impact to credit unions
having to commence business within one year of the time of
approval of
application?

MR. RODEMAN: We do not object to a penalty for opening a branch without
permission. This creates a complication that we can live with, but is
it a complication that needs to be added?

290 REP. NAITO: How long does it take to get approval for a branch
office?

309 CECIL MONROE, ADMINISTRATOR, CORPORATE SECURITIES,
DEPARTMENT OF INSURANCE AND FINANCE: Responds to committee questions.
-Outlines the process of opening a credit union branch office.

374 CHAIR REPINE: Are there circumstances where people have come to
the one year deadline.

MR. MONROE: No. We have granted extensions because of weather
problems.

392 REP. WOOTEN: What are the distinctions/regulatory requirements
between the operation of a credit union vs. a bank?

MR. MONROE: The differences are subtle. Our role is safety and
soundness, insuring that Oregon citizens have an unfettered access to
the widest range of financial products and services possible. Our roll
is not to take a side.

TAPE 43, SIDE A

001 MR. MONROE: Continues to respond to committee questions.

017 REP. WOOTEN: Do you think credit unions need to be brought up
on a regulatory level to the same oversight as the financial
institutions?

MR. MONROE: The safety and soundness regulations treat the institutions equally.

038 CHAIR REPINE: What is the process of approval today?

MR. MONROE: There are no restraints on opening or closing branches, this can be done at will without notification. This unsafe and unsound.

055 CHAIR REPINE: Can credit unions choose their placement and location?

MR. MONROE: There are some requirements. When a credit union applies for a branch vs. a bank applying for a branch, a credit union must give the percentage of current members living in the area of the proposed branch office and how many other unserved members live in that area.

078 MR. BRAUNER: Expresses concern with the testimony regarding the credit union industry. Applying for a branch should be identical for the two

institutions.

PUBLIC HEARING ON HB 2728

103 JANET McCOMB, COMMITTEE ADMINISTRATOR: Outlines Preliminary Staff Measure Summary (EXHIBIT E).

112 FRANK BRAUNER, OREGON BANKERS ASSOCIATION: Submits and reviews testimony in favor of HB 2728 (EXHIBIT F).

147 MS. McCOMB: Will the monthly bank statement reflect a late charge which as been assessed?

MR. BRAUNER: This will reflect on the checking account monthly statement.

PUBLIC HEARING ON HB 2730

177 JANET McCOMB, COMMITTEE ADMINISTRATOR: Outlines Preliminary Staff Measure Summary (EXHIBIT G).

185 FRANK BRAUNER, OREGON BANKERS ASSOCIATION: Submits and reviews testimony in favor of HB 2730 (EXHIBIT H).

250 STEVE RODEMAN, OREGON CREDIT UNIONS: Submits and reviews testimony in favor of HB 2730 (EXHIBIT I).

PUBLIC HEARING ON HB 2034

277 JANET McCOMB, COMMITTEE ADMINISTRATOR: Outlines Preliminary Staff Measure Summary (EXHIBIT J).

303 CECIL MONROE, DEPARTMENT OF INSURANCE AND FINANCE: Submits and reviews testimony in favor of HB 2034 (EXHIBIT K).

374 REP. WOOTEN: Are their different standards for the officers of credit unions, commercial banks and financial institutions?

MR. MONROE: No. Essentially they are the same.

TAPE 42, SIDE B

003 REP. WOOTEN: Do you have written specifications or standards of qualifications which must be conformed?

MR. MONROE: We will develop a rule outlining those qualifications.

091 STEVE RODEMAN, OREGON CREDIT UNIONS: Testifies in favor of HB 2034.

115 CHAIR REPINE: Adjourns the meeting at 9:50 a.m.

Submitted by:

Reviewed by:

Debbie Schieno
Administrator

Janet McComb Clerk

EXHIBIT LOG:

A - Preliminary Staff Measure Summary HB 2727 - 7 pages B - Testimony on HB 2727 - Brawner - 1 page C - Testimony on HB 2729 - Brawner - 2 pages D - Preliminary Staff Measure Summary HB 2729 - 5 pages E - Preliminary Staff Measure Summary HB 2728 - 2 pages F - Testimony on HB 2728 - Brawner - 1 page G - Preliminary Staff Measure Summary HB 2730 - 2 pages H - Testimony on HB 2730 - Brawner - 2 pages I - Testimony on HB 2730 - Rodeman - 1 page J - Preliminary Staff Measure Summary HB 2034 - 5 pages K - Testimony on HB 2034 - Monroe - 1 page