

TITLE 52A

FINANCIAL INSTITUTIONS DIVISION

Chapter 705. Administration of Financial Institutions Division

Chapter 705

1985 REPLACEMENT PART

Administration of Financial Institutions Division

- | | | | |
|---------|--|---------|---|
| 705.005 | Definitions | 705.220 | Prohibited interests of Supervisor of Savings and Loan, Credit Union and Consumer Finance Section |
| 705.100 | Financial Institutions Division | 705.230 | Adoption of rules governing interests of division employes in regulated entities |
| 705.110 | Administrator of Financial Institutions Division | 705.240 | Financial Institutions Division Account; record keeping; financing of section activities |
| 705.120 | Seal of Financial Institutions Division; fees | | |
| 705.130 | Banking Section; supervisor of section; duties | | |
| 705.140 | Savings and Loan, Credit Union and Consumer Finance Section; supervisor of section; duties | | |
| 705.150 | Examination Manager; Internal Operations Manager; duties | | |
| 705.160 | Appointment of examiners, other employes | | |
| 705.170 | Authority of administrator to assign employe | | |
| 705.180 | Authority of administrator to require information, reports, documentation; confidentiality | | |
| 705.190 | Prohibited interests of administrator; exceptions | | |
| 705.200 | Adoption of rules | | |
| 705.210 | Prohibited interests of Supervisor of Banking Section; exceptions | | |

CROSS REFERENCES

- Administrative procedures and rules of state agencies, 183 310 to 183.550
- Bank Act, Chs. 706 to 716
- Banking institutions, Ch. 706
- Consumer Finance Act, Ch. 725
- Credit Union Act, Ch. 723
- Pawnbrokers Act, Ch. 726
- Savings Association Act, Ch. 722
- Savings banks, Ch. 716
- Stock savings banks, Ch. 716
- Trust companies, Ch. 706, 709

705.005 Definitions. As used in this chapter:

(1) "Administrator" means the Administrator of the Financial Institutions Division.

(2) "Banking institution" has the meaning given that term in ORS 706.005.

(3) "Credit union" has the meaning given that term in ORS 723.006.

(4) "Division" means the Financial Institutions Division.

(5) "Savings association" has the meaning given that term in ORS 722.004. [1985 c.762 §2]

705.100 Financial Institutions Division. (1) The Financial Institutions Division is established in the Department of Commerce.

(2) The division shall have jurisdiction over and provide for the administration of the Banking Section and the Savings and Loan, Credit Union and Consumer Finance Section. [1985 c 762 §3]

705.110 Administrator of Financial Institutions Division. (1) The Financial Institutions Division shall be under the supervision and control of an administrator, who shall be known as the Administrator of the Financial Institutions Division. The administrator shall be responsible for the performance of the duties, functions and powers of the division.

(2) The Director of Commerce, with the approval of the Governor, shall appoint the administrator, who shall serve at the pleasure of the director.

(3) The administrator shall be in the unclassified service and shall receive such salary as may be provided by law.

(4) Before entering upon the duties of office, the administrator shall subscribe to an oath or affirmation that the administrator will discharge the duties of office faithfully and impartially. The oath shall be filed with the Secretary of State. [1985 c.762 §4]

705.120 Seal of Financial Institutions Division; fees. The Financial Institutions Division may adopt an official seal. The administrator may establish fees for affixing the seal to documents, certifying copies of records of the division and providing copies of any paper filed in the division. [1985 c.762 §5]

705.130 Banking Section; supervisor of section; duties. (1) The Banking Section is established within the Financial Institutions Division. The section shall enforce all laws relating to banking institutions.

(2) The Banking Section is under the supervision of an administrator who shall be known as the Supervisor of the Banking Section. The supervisor is responsible for the performance of the duties imposed upon the section.

(3) The Administrator of the Financial Institutions Division, with the approval of the Director of Commerce, shall appoint the supervisor.

(4) The supervisor shall be in the unclassified service of the state and shall receive such salary as may be provided by law.

(5) Before entering upon the duties of office the supervisor shall subscribe to an oath or affirmation that the supervisor will discharge the duties of office faithfully and impartially. The oath shall be filed with the Secretary of State. [1985 c.762 §6]

705.140 Savings and Loan, Credit Union and Consumer Finance Section; supervisor of section; duties. (1) The Savings and Loan, Credit Union and Consumer Finance Section is established within the Financial Institutions Division of the Department of Commerce. The section shall administer and enforce the laws of this state relating to savings associations, credit unions and licensees under ORS chapter 725.

(2) The Savings and Loan, Credit Union and Consumer Finance Section is under the supervision of an administrator who shall be known as the Supervisor of the Savings and Loan, Credit Union and Consumer Finance Section. The supervisor is responsible for the performance of duties imposed upon the section.

(3) The Administrator of the Financial Institutions Division, with the approval of the Director of Commerce, shall appoint the supervisor.

(4) The supervisor shall be in the unclassified service of the state and shall receive such salary as may be provided by law.

(5) Before entering upon the duties of office, the supervisor shall subscribe to an oath or affirmation that the supervisor will discharge the duties of office faithfully and impartially. The oath shall be filed with the Secretary of State. [1985 c.762 §6a]

705.150 Examination Manager; Internal Operations Manager; duties. (1) The administrator may appoint the following managers:

(a) An Examination Manager, who will be responsible for supervising, scheduling and con-

ducting examinations of entities subject to ORS chapters 706 to 726, and for supervising the examiners.

(b) An Internal Operations Manager, who will be responsible for duties that the administrator designates, which may include but need not be limited to supervising clerical operations, data processing and budgeting of the division and its sections.

(2) The Examination Manager shall supervise and conduct each examination at the direction of and under the control of the supervisor who is responsible for causing the particular examination to be made.

(3) A manager appointed under this section shall serve at the pleasure of the administrator. The managers shall be in the unclassified service and shall receive such salaries as may be provided by law. [1985 c.762 §7]

705.160 Appointment of examiners, other employes. (1) The administrator shall appoint examiners to conduct, as required by law, all examinations of entities subject to ORS chapters 706 to 726.

(2) Subject to any applicable provisions of the State Personnel Relations Law, the administrator may appoint such other employes as the administrator determines necessary for the operation and administration of the division. The administrator shall prescribe the functions of the employes and fix their compensation. [1985 c.762 §8]

705.170 Authority of administrator to assign employe. The administrator at any time may assign any employe of the division from one position to another position in the same class or rank within the division or among its sections. [1985 c 762 §9]

705.180 Authority of administrator to require information, reports, documentation; confidentiality. (1) The administrator shall require from the personnel within the division such information, reports and documentation that the administrator determines will be necessary to enable the administrator to:

(a) Execute official responsibilities.

(b) Develop and report to the Director of Commerce from time to time on legislative, budgetary and administrative programs for accomplishing comprehensive, long range and coordinated planning and policy formulation for the division.

(2) If information, reports or documentation referred to in subsection (1) of this section is

confidential under ORS 192.500, 706.720, 706.730 or 722.419 in the hands of division personnel, it shall be confidential in the hands of the administrator and the Director of Commerce. [1985 c.762 §10, 10a]

705.190 Prohibited interests of administrator; exceptions. (1) The administrator may not:

(a) Be indebted to any banking institution, savings association or credit union, or a licensee under ORS chapter 725 or a pawnbroker licensed under ORS chapter 726, except as provided in subsection (2) of this section.

(b) Engage in or have an interest in the sale of securities to or with any banking institution or savings association.

(c) Engage in or have an interest in the negotiation of loans for others with any entity specified in paragraph (a) of this subsection.

(d) Be employed by or have an interest in any entity specified in paragraph (a) of this subsection or any national banking association, federal savings association or federal credit union doing business in this state.

(2) Notwithstanding subsection (1) of this section, the administrator may be indebted to a banking institution, savings association or credit union under any of the following circumstances:

(a) If the administrator incurred the debt before employment with the division.

(b) If the administrator becomes indebted to the banking institution or savings association, whether before or after employment with the division, because of a transfer of the administrator's indebtedness to the banking institution or savings association, when the transfer results from conversion of a national bank under ORS 711.015 or from a merger of a national bank, foreign institution or a federal association with a banking institution or savings association.

(c) If the administrator becomes indebted to the credit union, whether before or after employment with the division, because of a transfer of the administrator's indebtedness to the credit union, when the transfer results from conversion of a federal credit union or a merger of a federal credit union with a state credit union.

(3) In accordance with ORS 183.310 to 183.550, the Director of Commerce may adopt rules providing for reporting any indebtedness under this section and providing for prevention or resolution of possible conflicts of interest for the administrator because of the indebtedness.

(4) An administrator who wilfully violates subsection (1) of this section shall forfeit office.

[1985 c.762 §13]

705.200 Adoption of rules. In accordance with ORS 183.310 to 183.550, the administrator may adopt rules for the purpose of carrying out the functions of the division. [1985 c 762 §12]

705.210 Prohibited interests of Supervisor of Banking Section; exceptions. (1) The Supervisor of the Banking Section may not:

(a) Be indebted to any banking institution, except as provided in subsection (2) of this section.

(b) Engage in or have an interest in the sale of securities to or with any banking institution.

(c) Engage in or have an interest in the negotiation of loans for others with any banking institution.

(d) Be employed by or have an interest in any banking institution or national banking association doing business in this state.

(2) Notwithstanding subsection (1) of this section, the Supervisor of the Banking Section may be indebted to a banking institution if:

(a) The supervisor incurred the debt before employment with the section; or

(b) The supervisor becomes indebted to the banking institution, whether before or after employment with the section, because of a transfer of the supervisor's indebtedness to a banking institution, when the transfer results from conversion of a savings association under ORS 722.056 or a national bank under ORS 711.015 or from a merger of a national bank, foreign institution or a federal or savings association as defined in ORS 722.004 with a banking institution.

(3) In accordance with ORS 183.310 to 183.550, the Administrator of the Financial Institutions Division may adopt rules for reporting any indebtedness under this section and providing for prevention or resolution of possible conflicts of interest for the supervisor because of the indebtedness.

(4) If the supervisor wilfully violates subsection (1) of this section, the supervisor shall forfeit office. [1985 c 762 §13a]

705.220 Prohibited interests of Supervisor of Savings and Loan, Credit Union and Consumer Finance Section. (1) The Supervisor of the Savings and Loan, Credit Union and Consumer Finance Section may not:

(a) Be indebted to any savings association or credit union or any licensee under ORS chapter 725, except as provided in subsection (2) of this section.

(b) Engage in or have an interest in the sale of securities to or with any savings association or credit union or any licensee under ORS chapter 725.

(c) Engage in or have an interest in the negotiation of loans for others with any savings association or credit union or any licensee under ORS chapter 725.

(d) Be employed by or have an interest in any savings association or any federal association doing business in this state or any licensee under ORS chapter 725.

(e) Be employed by any credit union or federal credit union doing business in this state.

(f) Be a director of any savings association, federal savings association, credit union or federal credit union or any licensee under ORS chapter 725.

(2) Notwithstanding subsection (1) of this section, the Supervisor of the Savings and Loan, Credit Union and Consumer Finance Section may be indebted to a savings association or credit union or a licensee under ORS chapter 725 if:

(a) The supervisor incurred the debt before employment with the section;

(b) In the case of a savings association, the supervisor becomes indebted to the savings association, whether before or after employment with the section, because of a transfer of the supervisor's indebtedness to the savings association, when the transfer results from conversion of a bank, savings bank or stock savings bank as defined in ORS 706.005, or conversion of a federal association, or from a merger of a federal association, or a national bank or foreign institution as defined in ORS 706.005, with a savings association; or

(c) In the case of a credit union, the supervisor becomes indebted to the credit union, whether before or after employment with the section, because of a transfer of the supervisor's indebtedness to a credit union, when the transfer results from conversion of a federal credit union to a credit union or from merger of a federal credit union with a credit union.

(3) In accordance with ORS 183.310 to 183.550, the Administrator of the Financial Institutions Division may adopt rules for reporting any indebtedness under this section and providing for prevention or resolution of possible conflicts of interest for the supervisor because of the indebtedness.

(4) If the supervisor wilfully violates subsection (1) of this section, the supervisor shall forfeit office. [1985 c.762 §13b]

705.230 Adoption of rules governing interests of division employes in regulated entities. Subject to ORS 705.210 and 705.220, the administrator shall adopt rules governing circumstances under which employes or any category of employes of the division may become indebted to or hold any interest in any entity subject to regulation by the division. The rules shall provide for reporting any such indebtedness and for prevention or resolution of possible conflicts of interest for the employe because of the indebtedness. [1985 c.762 §14]

705.240 Financial Institutions Division Account; record keeping; financing of section activities. (1) The Financial Institutions Division Account is established in the General Fund of the State Treasury. All fees, charges, civil penalties and miscellaneous receipts collected or received by the division, the Banking Section and the Savings and Loan, Credit Union and Consumer Finance Section shall be paid into the State Treasury and credited to the account.

(2) The moneys in the Financial Institutions Division Account are continuously appropriated

to the division for payment of the expenses of the division and its sections.

(3) The division shall keep a record of all moneys deposited in the Financial Institutions Division Account. The record shall indicate by separate cumulative accounts the source from which the moneys are derived and the individual activity or program against which each withdrawal is charged.

(4) All necessary expenses of the division and each section in the division shall be paid from the account in the same manner as other claims against the state are paid.

(5) It is the intention of the Legislative Assembly that the performance of the duties and functions of each section and each program in the division be financed to the greatest extent possible by the fees and other charges that each section or the division establishes and collects. [1985 c.762 §15]