

State Corporation Commission 2013 Fiscal Impact Statement

1. Bill Number: HB2104

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Kilgore

3. Committee: Commerce and Labor

4. Title: Banks; derivative transactions.

5. Summary: Banks; derivative transactions. Provides for the treatment of derivative transactions with regard to the requirement that the total obligations of any person to any bank shall at no time exceed 15 percent of the sum of the capital, surplus, and loan loss reserve of a bank. An "obligation" is defined in this measure as including any credit exposure to a person arising from a derivative transaction between the bank and the person. "Derivative transaction" is defined as including any transaction that is a contract, agreement, swap, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets. The Commission is authorized to adopt regulations to further define the term "derivative transaction" and to set forth the rules for calculating credit exposures arising from derivative transactions.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission.

8. Fiscal Implications: None on the State Corporation Commission.

9. Specific Agency or Political Subdivisions Affected: Virginia State Corporation Commission and the Commission's Bureau of Financial Institutions.

10. Technical Amendment Necessary: No.

11. Other Comments: Same bill as SB1034

Date: 1/14/13 **E. J. Face, Jr.**