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## HOUSE BILL NO. 1629

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the House Committee on Commerce and Labor  
on January 20, 2015)

(Patron Prior to Substitute—Delegate Byron)

A BILL to amend and reenact §§ 6.2-832 and 6.2-1326 of the Code of Virginia, relating to financial institutions; terminals; service facilities.

Be it enacted by the General Assembly of Virginia:

1. That §§ 6.2-832 and 6.2-1326 of the Code of Virginia are amended and reenacted as follows:

§ 6.2-832. Establishment of electronic terminals.

A. A bank may establish and operate *automated teller machines* and electronic, computer, or similar terminals ~~and may otherwise at which deposits are received or recorded and loan proceeds are disbursed, and that~~ provide for electronic fund transfers by ~~its~~ the bank's customers, provided (i) the bank complies with the Electronic Fund Transfer Act (15 U.S.C. § 1693 et seq.) and Regulation E of the Federal Reserve Board and (ii) in the case of any proposed terminal at which deposits are received or recorded or loan proceeds disbursed, the bank files prior written notice of the proposal with the Commission on forms prescribed by the Commission and pays a fee not to exceed \$350 per terminal.

B. The Commission shall have 25 days from receipt of the notice to review the proposal. The Commission may deny the proposal on grounds that the bank has failed to comply with federal electronic fund transfer laws or regulations, the bank lacks the resources to operate the proposed facilities successfully, or the proposal is not in the public interest. If the Commission does not issue a denial within 25 days, the bank may establish the terminal or terminals.

C. The notice required by clause (ii) of subsection A need not be given if (i) the terminal is on bank premises or premises properly considered part of an authorized office of the bank or (ii) the terminal does not receive or record deposits or disburse loan proceeds.

D. B. An out-of-state bank, as defined in § 6.2-836, may establish and operate electronic terminals in the Commonwealth, provided (i) the bank complies with all home state and federal laws applicable to such terminals and (ii) in the case of any proposed terminal at which deposits are received or recorded or loan proceeds disbursed, the bank furnishes to the Commission a copy of any notice or application filed with the bank's home state supervisor or responsible federal banking agency, at the time such notice or application is filed.

C. The Commission may adopt regulations affecting electronic fund transfers by banks if it finds such regulations necessary for the protection of the public interest.

§ 6.2-1326. Establishing, moving, and closing offices.

A. As used in this section, "service facility" means a physical facility at a location other than its main office that is wholly owned by the credit union establishing it. "Service facility" does not include any automated teller machine, cash-dispensing machine, or similar electronic or computer terminal, regardless of whether it (i) is located on credit union premises or premises properly considered part of an authorized office of the credit union or (ii) receives or records deposits or disburses loan proceeds.

B. A credit union may maintain service facilities at locations other than its main office if the maintenance of such offices is reasonably necessary to serve its members, subject to the approval of the Commission. An application to establish such a service facility, accompanied by a fee of \$200, shall be made on a form prescribed by the Commission. The Commission shall approve the establishment of the proposed service facility if it appears that the interest of the members of the applicant will be served thereby and that such establishment will not impair the financial condition of the applicant or any other credit union.

C. A credit union may (i) contract with one or more other credit unions subject to this chapter or organized under the laws of the United States or any other state to provide for the operation of one or more shared service facilities or (ii) provide for its members to have the use of one or more shared service facilities by contracting with a credit union service organization approved by the Commissioner for such purpose. A participating credit union may also invest in the credit union service organization. A credit union shall give prior written notice to the Commissioner of its participation in each shared service facility or credit union service organization. Notice to the Commissioner of a credit union's participation in a credit union service organization shall satisfy the requirement of subsection E that the Commissioner be notified of the establishment of an office, if the credit union service organization has notified the Commissioner of the establishment of the shared service facility.

D. The authority of the Commission and the Commissioner to supervise and regulate credit unions, as set forth in Article 2 (§ 6.2-1308 et seq.) of this chapter, shall extend to any shared service facility and any credit union service organization that is involved in the operation of a shared service facility

60 that provides service to credit unions organized under this chapter, except that such authority shall not  
61 extend to the assets, records, books, and accounts of any federal credit union or credit union organized  
62 under the laws of another state.  
63 E. A credit union may change the location of its main office, a service facility, or office, and may  
64 close any such office, provided it gives at least 30 days' prior written notice thereof to the  
65 Commissioner in such form as he may prescribe. A credit union shall notify the Commissioner in  
66 writing within 10 days after it establishes, relocates, or closes any office. A credit union shall notify the  
67 Commissioner of its withdrawal from participation in any shared service facility within 10 days of such  
68 withdrawal.