

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 1181
SENATE BILL 975

AN ACT TO AMEND CHAPTER 53, BANKS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 53-117 is rewritten to read:

"§ 53-117. Appointment by Commissioner of Banks; examination of banks. — (a) The Commissioner of Banks, for the purpose of carrying out the provisions of this Chapter, shall appoint from time to time such State bank examiners, assistant State bank examiners, clerks and stenographers as may be necessary to examine the affairs of every bank doing business under this Chapter as often as the Commissioner of Banks shall deem necessary, and at least once every year; but the commissioner may extend this period to 18 months when, in his opinion, an emergency condition exists that necessitates such action. The Commissioner of Banks may, at any time, remove any person appointed by him under this Chapter.

(b) The State Banking Commission shall adopt rules and regulations to implement the provisions of this Chapter, prescribing the nature and scope of examination of banks.

(c) The Commissioner of Banks is authorized to accept, in his discretion, as a part of a bank examination, reports on audits conducted in accordance with generally accepted auditing standards by independent accountants, when such reports contain an opinion by the independent accountant on the fairness of presentation of the financial statements and present information required by the rules and regulations of the State Banking Commission. No report of an audit of any bank shall be acceptable under this subsection if such audit was made by a person, firm or corporation who is a director, officer or employee of a bank or has a financial interest, other than as a depositor or obligor upon a fully collateralized loan, in the bank which is the subject of the audit.

(d) In the case of a bank which is a member of the Federal Reserve System or in the case of a bank whose deposits are insured by the Federal Deposit Insurance Corporation, the Commissioner of Banks is authorized to accept, in his discretion, as a part of the examinations prescribed in subsection (b) of this section, examinations and reports made pursuant to the Federal Reserve Act or the Federal Deposit Insurance Corporation Act."

Sec. 2. G.S. 53-99 is rewritten to read:

"§ 53-99. Official records. — (a) The Commissioner of Banks shall keep a record in his office of his official acts, rulings, and transactions.

(b) Notwithstanding any laws to the contrary, the following records of the Commissioner of Banks shall be confidential and shall not be disclosed or be subject to public inspection:

- (1) Records compiled during an examination, audit or investigation of any bank, banking office or trust department operating under the provisions of this Chapter.
- (2) Records containing information compiled in preparation or anticipation of litigation.
- (3) Records containing the names of any borrowers from a bank or revealing the collateral given by any such borrower.

- (4) Records prepared during or as a result of an examination, audit or investigation of any bank or banking practice by an agency of the United States, or jointly by such agency and the Commissioner of Banks, if such records would be confidential under any federal law or regulation.
- (5) Any letters, reports, memoranda, recordings, charts, or other documents which would disclose any information set forth in any of the confidential records referred to in subdivisions (1) through (4)."

Sec. 3. (a) There is hereby created a Study Commission on Access to and Confidentiality of Banking Records to be composed of nine members appointed by the Governor, provided that not more than four members nor less than two members of the commission shall be officers, directors or employees of a bank.

(b) The commission shall study the matter of access to and confidentiality of the records of the Commissioner of Banks and the State Banking Commission and shall report its recommendations to the General Assembly not later than March 1, 1979.

(c) The members of the commission shall be paid such per diem and travel expenses as are provided for members of the State boards and commissions generally. Reasonable expenses of the commission shall be paid from the Contingency and Emergency Fund under the procedure in G.S. 143-12.

Sec. 4. This act is effective upon ratification and shall expire on June 30, 1979, unless repealed by the General Assembly prior thereto.

In the General Assembly read three times and ratified, this the 16th day of June, 1978.