

FINANCE CODE

TITLE 3. FINANCIAL INSTITUTIONS AND BUSINESSES

SUBTITLE C. SAVINGS BANKS

CHAPTER 91. GENERAL PROVISIONS

Sec. 91.001. SHORT TITLE. This subtitle may be cited as the Texas Savings Bank Act.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 91.002. DEFINITIONS. In this subtitle:

(1) "Appropriate banking agency":

(A) means:

(i) with respect to a savings bank chartered by this state, the Department of Savings and Mortgage Lending;

(ii) with respect to a federal savings bank, the Office of the Comptroller of the Currency;

(iii) with respect to a savings and loan association chartered by this state, the Department of Savings and Mortgage Lending;

(iv) with respect to a federal savings and loan association, the Office of the Comptroller of the Currency;

(v) with respect to a bank chartered by this state, the Texas Department of Banking;

(vi) with respect to a national bank, the Office of the Comptroller of the Currency; and

(vii) with respect to a bank, savings bank, or savings and loan association chartered by another state, the chartering agency; and

(B) includes:

(i) in each case in which a state bank is a member of the Federal Reserve System, the board of governors of the Federal Reserve System;

(ii) in each case where required by the Federal Deposit Insurance Act (12 U.S.C. Section 1811 et seq.), the Federal Deposit Insurance Corporation; and

(iii) any successor of a state or federal

agency specified by this subdivision.

(2) "Board" means the board of directors of a savings bank or the managers of a savings bank organized as a limited savings bank.

(3) "Capital stock" means the units into which the proprietary interest in a capital stock savings bank is divided.

(4) "Capital stock savings bank" means a savings bank authorized to issue capital stock.

(5) "Commissioner" means the savings and mortgage lending commissioner.

(6) "Company" means a corporation, partnership, trust, joint-stock company, association, unincorporated organization, or other legal entity, or a combination of any of those entities acting together.

(7) "Deposit account" means a savings account, certificate of deposit, withdrawable deposit, demand deposit account, checking account, or any other term referring to the amount of money a savings bank owes an account holder as the result of the deposit of money in the savings bank.

(8) "Deposit liability" means the aggregate amount of money shown by the books of the savings bank to be owed the savings bank's deposit account holders after applying any legal or contractual reduction.

(9) "Domestic savings bank" means a savings bank organized under the laws of this state.

(10) "Earnings on account" means interest contractually payable or dividends declared payable to holders of deposit accounts in a savings bank.

(11) "Federal Deposit Insurance Corporation" includes any successor.

(12) "Federal savings bank" means a savings bank incorporated under the laws of the United States.

(13) "Finance commission" means the Finance Commission of Texas.

(14) "Financial institution" has the meaning assigned by Section [201.101](#).

(15) "Foreign savings bank" means a savings bank:

(A) organized under the laws of:

- (i) a state of the United States other than this state; or
- (ii) the United States; and

(B) the principal office of which is located outside this state.

(16) "Holding company" means a company that directly or indirectly controls a savings bank or controls another company that directly or indirectly controls a savings bank.

(16-a) "Limited savings bank" means a savings bank electing to be organized as a limited liability company under this subtitle.

(17) "Loss reserves" means the aggregate amount of the reserves allocated by a savings bank solely to absorb losses.

(18) "Member" means:

(A) with respect to a mutual savings bank, a person:

- (i) holding an account with the mutual savings bank;

- (ii) assuming or obligated on a loan in which the mutual savings bank has an interest; or

- (iii) owning property that secures a loan in which the mutual savings bank has an interest; or

(B) with respect to a savings bank organized as a limited savings bank, a person who owns a membership interest in the limited savings bank.

(19) "Mutual savings bank" means a savings bank not authorized to issue capital stock.

(20) "Regulatory capital" means a common stockholders' equity, including retained earnings, noncumulative perpetual preferred stock and related earnings, minority interests in the equity accounts of fully consolidated subsidiaries, and other elements established by rules of the finance commission.

(21) "Savings bank" means an institution organized under or subject to this subtitle.

(22) "Shareholder" means the owner of capital stock.

(23) "Surplus" means the aggregate amount of:

(A) the undistributed earnings of a savings bank held as undivided profits or unallocated reserves for general corporate purposes; and

(B) paid-in surplus held by the savings bank.

(24) "Unsafe and unsound practice" means an action or inaction in the operation of a savings bank that is likely to:

(A) cause insolvency or substantial dissipation of assets or earnings; or

(B) reduce the ability of the savings bank to timely satisfy withdrawal requests of deposit account holders.

(25) "Withdrawal value of deposit account" means the net amount of money that may be withdrawn by an account holder from a deposit account after applying any legal or contractual reduction.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 62, Sec. 7.32(a), eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 867, Sec. 33, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 172, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1018 (H.B. 955), Sec. 5.02, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 6.037, eff. September 1, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 464 (S.B. 1008), Sec. 9, eff. September 1, 2013.

Sec. 91.003. CONTROL; SUBSIDIARY. (a) For purposes of this subtitle, a person controls a savings bank if the person has the power to direct or cause the direction of the management and policies of the savings bank directly or indirectly. A person is considered to control a savings bank if the person, individually or acting with others, directly or indirectly holds with the power to vote, owns, or controls, or holds proxies representing, at least 25 percent of the voting stock or voting rights of a savings bank.

(b) For purposes of this subtitle, a company is a subsidiary of a savings bank if the savings bank or another company directly or indirectly controlled by the savings bank controls the company. A

savings bank is considered to control a company if the savings bank, directly or indirectly or acting with one or more other persons or through one or more subsidiaries:

(1) holds with the power to vote, owns, or controls, or holds proxies representing, more than 25 percent of the voting stock or voting rights of the company;

(2) controls in any manner the election of a majority of the directors of the company;

(3) is a general partner in the company; or

(4) has contributed more than 25 percent of the equity capital of the company.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 91.004. NOTICE OF HEARING; RIGHT TO RESPOND. (a) Notice of a hearing under this subtitle shall be given to each domestic and federal savings bank in the county in which the subject matter of the hearing is or will be located, except that notice of a hearing under an order under Chapter 96 shall be given to each party affected by the order.

(b) Each interested party is entitled to an opportunity to respond and present evidence and argument on each issue involved in a hearing under this subtitle.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 91.005. RECORD OF PROCEEDING. On written request by an interested party, the commissioner shall keep a formal record of the proceedings of a hearing under this subtitle.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 91.006. DECISION OR ORDER. (a) A decision or order adverse to a party who appeared and participated in a hearing must be in writing and include separately stated findings of fact and conclusions of law on the issues material to the decision or order. Findings of fact that are stated in statutory language must be accompanied by a concise and explicit statement of the underlying facts supporting the findings.

(b) A decision or order entered after a hearing is final and

appealable on the 15th day after the date it is entered unless a party files a motion for rehearing before that date. If the motion for rehearing is overruled, a decision or order is appealable after the date an order overruling a motion for rehearing is entered.

(c) Each party to a hearing shall be promptly notified personally or by mail of a decision, order, or other action taken in respect to the subject matter of the hearing.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 91.007. FEES. The finance commission by rule shall:

(1) set the amount of fees the commissioner charges for:

(A) supervision and examination of savings banks;

(B) filing an application or other documents;

(C) conducting a hearing; and

(D) other services the commissioner performs; and

(2) specify the time and manner of payment of the fees.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 867, Sec. 34, eff. Sept. 1, 2001.