

## HOUSE COMMERCE COMMITTEE

Minutes of Meeting  
1997 Regular Session  
April 15, 1997

### I. CALL TO ORDER

Representative John Travis, Chairman of the House Commerce Committee, called the meeting to order at 9:15 a.m. in Committee Room 1 of the State Capitol in Baton Rouge, Louisiana.

### II. ROLL CALL

#### **MEMBERS PRESENT:**

Representative John Travis,  
Chairman  
Representative Robert Barton  
Representative Dan Flavin  
Representative Mickey Frith  
Representative Butch Gautreaux  
Representative Herman Hill  
Representative Michael Michot  
Representative Edwin Murray  
Representative Gil Pinac  
Representative Tank Powell  
Representative Sharon Weston  
Representative Diane Winston

#### **MEMBERS ABSENT:**

Representative Pete Schneider,  
Vice Chairman  
Representative Arthur Morrell

### III. STAFF MEMBERS PRESENT

T. Michael White, Attorney  
Cindy Mancuso, Attorney  
Sandy Painting, Secretary  
Jim Haas and Ed Cailleateau, Sergeants at Arms

### IV. DISCUSSION

#### **House Bill No. 295 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 295, which adds savings and loan associations and savings banks to the provisions relative to disclosure of financial records by financial institutions. There was no objection and action was deferred on House Bill No. 295 by a vote of 10 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, and Powell.

**House Bill No. 293 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 293, which provides relative to those licensed to make consumer loans.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 293 is a housecleaning bill that changes the word "supervisor" to "consumer". He stated that supervisor is no longer used to describe a licensee who makes consumer loans and that this change is strictly technical.

There was no further discussion on House Bill No. 293.

Representative Flavin made a motion to report House Bill No. 293 favorably. There was no objection and House Bill No. 293 was reported favorably by a vote of 10 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, and Powell.

**House Bill No. 1122 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1122, which provides relative to the Collection Agency Regulation Act. He indicated that House Bill No. 1122 would be offered by substitute.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 1122 would provide for annual or biannual examinations of collection agencies by the Office of Financial Institutions. He also stated that this legislation would require that all trust accounts be maintained in the state of Louisiana which are the accounts into which collection agencies deposit the monies collected before releasing to their clients.

Representative Travis named Mr. Joe Mapes, Louisiana Collectors Association, (504) 343-7667, Mr. Jim Slaughter, Associated Credit Bureaus, P. O. Box 1243, Monroe, Louisiana 71210, (318) 325-7393, and Mr. Jerry Webb, Associated Credit Bureaus, P. O. Box 1808, Alexandria, Louisiana (318) 443-1831, as witnesses who appeared at the meeting in support of House Bill No. 1122 and would provide information if requested.

Representative Pinac asked Mr. Murray if collection agencies were currently being examined.

Mr. Murray stated that collection agencies were not currently being examined but felt that all licensed agencies would be examined within the next two years.

There was no further discussion on House Bill No. 1122.

Representative Michot made a motion to report House Bill No. 1122 by substitute. There was no objection and House Bill No. 1122 was reported by substitute by a vote of 10 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

**House Bill No. 1527 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1527, which provides relative to collection agencies. There was no objection and action was deferred on House Bill No. 1527 by a vote of 10 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

**House Bill No. 1364 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1364, which provides relative to definitions of "cash advance" and "prepaid finance charges" as applicable to consumer loan transactions.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 1364 simply defines "cash advance" and also states that prepaid finance charges shall not be included in the contract rate.

Representative Murray asked for clarification of the contract rate.

Mr. John Breaux, deputy chief examiner, consumer credit division, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, (504) 925-4660, appeared before the committee for informational purposes only. He stated that every contract has two different rates, i.e., a contract rate which is limited at 36% and the annual percentage rate which is a federal disclosure requirement.

Representative Frith made a motion to report House Bill No. 1364 favorably. There was no objection and House Bill No. 1364 was reported favorably by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1528 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1528, which provides relative to the Louisiana Consumer Credit Law. He stated that there was an amendment to House Bill No. 1528.

Mr. Mike White, attorney, House Commerce Committee, explained an amendment to be offered to House Bill No. 1528. He stated that the amendment would provide that the payment of an annual renewal fee for those who make consumer loans must be postmarked by January 16th.

Representative Travis offered the above described amendment to House Bill No. 1528 to which there was no objection. This amendment was adopted by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Michot, Murray, Powell, and Winston.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 1528 strictly deals with the postmarking standard for receipt rather than the actual date of receipt in the office.

There was no further discussion on House Bill No. 1528

Representative Powell made a motion to report House Bill No. 1528 with amendments. There was no objection and House Bill No. 1528 was reported with amendments by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1592 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1592, which provides relative to the regulation of loan brokers.

Mr. Mike White, attorney, House Commerce Committee, explained an amendment to be offered to House Bill No. 1592. He stated that the amendment would repeal the Mortgage Broker and Lender Act.

Representative Travis offered the above described amendment to House Bill No. 1592 to which there was no objection. This amendment was adopted by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Frith, Hill, Michot, Murray, Pinac, Powell, and Winston.

Mr. Mike White, attorney, House Commerce Committee, explained another amendment to be offered to House Bill No. 1592. He stated that the amendment provided an exemption from licensure for certain real estate brokers or salesmen and real estate investment trusts.

Representative Travis offered the above described amendment to House Bill No. 1592 to which there was no objection. This amendment was adopted by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Frith, Hill, Michot, Murray, Pinac, Powell, and Winston.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 1592 combines two different loan brokering statutes.

Ms. Ann B. Lemenager, chief examiner, non-depository division, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, (504) 925-4660, appeared before the committee and stated that there are currently two laws, one dealing with mortgage brokers and one dealing with consumer loan brokers. She stated that this legislation simply combined the two laws into one loan broker bill.

Representative Murray asked for clarification as to whether an attorney could be a loan broker.

Ms. Lemenager stated that an attorney could be a loan broker, but an attorney did not have to be licensed.

Representative Murray made a motion to report House Bill No. 1592 with amendments. There was no objection and House Bill No. 1592 was reported with amendments by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1613 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1613, which provides relative to the confidentiality of the documents and records of the Office of Financial Institutions.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 1613 deals with the confidentiality of records at the Office of Financial Institutions. He stated that there is a very explicit statute that governs depository institutions such as banks, thrifts, and credit unions with respect to what records are confidential and what records can be obtained under the Public Records Law. He stated that there is no standard of confidentiality for some of the other areas of non-depository offices.

Mr. Gary Newport, chief attorney, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that the primary areas to be affected by this legislation would be the consumer loan area, debt collection agencies, pawn brokers, business and industrial development corporations and capital companies.

Representative Murray made a motion to report House Bill No. 1613 favorably. There was no objection and House Bill No. 1613 was reported favorably by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1614 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1614 and asked that this legislation be studied during the interim. House Bill No. 1614 provides relative to the Collection Agency Regulation Act. There was no objection and action was deferred on House Bill No. 1614 by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1923 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1923, which defines "mutual state bank" and provides for what shall constitute the capital of such a bank. There was no objection and action was deferred on House Bill No. 1923 by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1953 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1953, which provides relative to the submission of reports to the commissioner by state banks regarding criminal activity. There was no objection and action was deferred on House Bill No. 1953 by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1954 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1954, which provides relative to refund credits in consumer loan transactions. There was no objection and action was deferred on House Bill No. 1954 by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1955 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1955, which permits the photographic reproduction of records required to be maintained in a consumer loan transaction.

Mr. Mike White, attorney, House Commerce Committee, explained an amendment to be offered to House Bill No. 1955. He stated that the amendment would require persons making consumer credit sales and who did not transfer or assign their agreements to a supervised financial organization within thirty-five days to comply with the Records Retention Rule for licensed lenders. He stated the amendment would also delete the requirement that each licensed lender transferring consumer loans or insurance premium finance contracts to an unlicensed entity with no office in Louisiana retain copies of loan documents for examination.

Representative Travis offered the above described amendment to House Bill No. 1955 to which there was no objection. This amendment was adopted by a vote of 9 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 1955 permits businesses to maintain records by photographic reproduction.

Representative Frith made a motion to report House Bill No. 1955 with amendments. There was no objection and House Bill No. 1955 was reported with amendments by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1962 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1962, which repeals provisions relative to the reservation of a corporate name by a state bank and the transfer of a corporate name.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 1962 repeals a statute that would take the Office of Financial Institutions out of the bank name business.

Representative Gautreaux made a motion to report House Bill No. 1962 favorably. There was no objection and House Bill No. 1962 was reported favorably by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1963 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1963, which provides relative to the commissioner of financial institutions' right to examine records and accounts. There was no objection and action was deferred on House Bill No. 1963 by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1965 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1965, which provides for definitions pertinent to the organization and operation of state banks. There was no objection and action was deferred on House Bill



No. 1965 by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1966 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1966, which provides relative to the membership of the board of directors of a state bank. There was no objection and action was deferred on House Bill No. 1966 by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1967 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1967, which repeals provisions requiring financial institutions to provide the commissioner with a statement of financial condition. There was no objection and action was deferred on House Bill No. 1967 by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1968 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1968, which provides relative to a financial institution's statement of condition required to be submitted to the Office of Financial Institutions.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 1968 makes a technical change in the statutes to delete the requirement that a bank's quarterly report must include the Community Reinvestment Act (CRA) rating.

Representative Murray asked how the public would obtain a CRA rating.

Mr. Murray stated that the federal government requires that all banks display the CRA rating in the lobby area visible to the public.

Representative Murray made a motion to report House Bill No. 1968 favorably. There was no objection and House Bill No. 1968 was reported favorably by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 1980 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 1980, which permits any existing federally insured financial institution to merge with or convert to any other form of federally insured financial institution. There was no objection and action was deferred on House Bill No. 1980 by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Frith, Gautreaux, Hill, Michot, Murray, Powell, and Winston.

**House Bill No. 2052 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 2052, which provides relative to the requirement of share ownership for directors of state banks and stock savings banks.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 2052 deals with the qualifying shares that a person must own in a bank to be a director.

Ms. Doris Gunn, deputy commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that this legislation would clarify that if a husband and wife jointly owned a number of shares in a bank, one half credit would be given to the husband and one half to the wife.

Mr. Gary Newport, attorney, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that the section of this legislation dealing with the directors shall be citizens and domiciliaries of Louisiana was redundant.

Representative Travis offered an amendment to House Bill No. 2052 which deleted the requirement that "not less than a majority of the directors shall be citizens of Louisiana" and changed the language to read that "not less than a majority of the directors shall be domiciliaries of Louisiana". There was no objection and this amendment was adopted by a vote of 10 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

Representative Murray stated that there was a difference between being a citizen of Louisiana and being a domiciliary of Louisiana.

There was no further discussion on House Bill No. 2052.

Representative Gautreaux made a motion to report House Bill No. 2052 with amendments. There was no objection and House Bill No. 2052 was reported with amendments by a vote of 10 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

**House Bill No. 2058 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 2058, which provides that payment of accrued interest on a consumer credit transaction shall not constitute payment of a deferral charge.

Ms. Doris Gunn, deputy commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that this legislation provides that interest to date which has already been earned by the bank would not constitute a deferral fee and therefore a late fee could be charged.

There was no further discussion on House Bill No. 2058.

Representative Pinac made a motion to report House Bill No. 2058 favorably. There was no objection and House Bill No. 2058 was reported favorably by a vote of 10 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

**House Bill No. 2059 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 2059, which allows the commissioner of financial institutions to revoke the license of a financial institution under certain circumstances. There was no objection and action was deferred on House Bill No. 2059 by a vote of 10 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

**House Bill No. 2078 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 2078, which provides that a federally insured depository or wholly owned state-chartered subsidiary of such shall be exempt from consumer loan licensing requirements.

Mr. Mike White, attorney, House Commerce Committee, explained an amendment to be offered to House Bill No. 2078. He stated that the

amendment would provide for an exemption from licensing requirements for certain subsidiaries of state chartered parent entities.

Representative Travis offered the above described amendment to House Bill No. 2078 to which there was no objection. This amendment was adopted by a vote of 10 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 2078 exempts from licensure as a finance company any finance company subsidiary of a state-chartered financial institution.

Representative Murray made a motion to report House Bill No. 2078 with amendments. There was no objection and House Bill No. 2078 was reported with amendments by a vote of 10 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

### **House Bill No. 2156 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 2156, which provides relative to prepayment of a consumer transaction and to the return of unearned insurance premiums.

Mr. Mike White, attorney, House Commerce Committee, explained an amendment to be offered to House Bill No. 2156. He stated that the amendment would delete the reference to the "Sum of the Balances" method for calculating rebates and provide that the method of calculating a rebate upon prepayment is by the "Rule of 78's" or the "Sum of the Digits" method.

Representative Travis offered the above described amendment to House Bill No. 2156 to which there was no objection. This amendment was adopted by a vote of 8 yeas and 0 nays. Those voting yeas were Representatives Travis, Barton, Frith, Hill, Murray, Pinac, Powell, and Winston.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 2156 changes the limit of a rebate to a consumer from \$5 to \$1 or the limit provided by federal law.

Representative Pinac made a motion to report House Bill No. 2156 with amendments. There was no objection and House Bill No. 2156 was reported with amendments by a vote of 10 yeas and 0 nays.

Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

**House Bill No. 2205 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 2205, which provides relative to the purchase of stock by financial institutions.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 2205 allows for financial institutions to purchase treasury stock.

Representative Pinac made a motion to report House Bill No. 2205 favorably. There was no objection and House Bill No. 2205 was reported favorably by a vote of 9 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, and Winston.

**House Bill No. 2060 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 2060, which provides relative to the merger or conversion of federally chartered credit unions.

Representative Travis offered a technical amendment to House Bill No. 2060 to which there was no objection. This amendment was adopted by a vote of 9 yeas and 0 nays.

Those voting yea were Representatives Travis, Barton, Frith, Gautreaux, Hill, Michot, Murray, Pinac, and Winston.

Mr. Larry Murray, commissioner, Office of Financial Institutions, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70809, appeared before the committee for informational purposes only and stated that House Bill No. 2060 relates to groups being added to the field of membership by credit unions. He stated that there are three hundred one credit unions in Louisiana with approximately 3.6 billion dollars in assets and only sixty-six of these are state chartered. He stated that of the two hundred thirty-five federally chartered credit unions, only thirty-five have more than five special employee groups in their field of membership.

Mr. Bob Taylor, Louisiana Bankers Association, (504) 387-3282, appeared before the committee in support of House Bill No. 2060. He stated that credit unions were making approximately the same on their return on assets as banks. He stated that the larger credit unions should have the same rules as banks and not have preferential treatment.

Ms. Anne Cochran, Louisiana Credit Union League, Ste. 200, 824 Elmwood Pk. Blvd., Harahan, Louisiana 70123, (504) 736-3650, appeared before the committee in opposition of House Bill No. 2060.

She provided the committee with some statistical information regarding credit unions. She stated that the majority of credit unions are small in assets. She stated that in the past sixteen years no federal credit unions have applied to become a state-chartered credit union.

Mr. Richard Turnley, Jr., Louisiana Credit Union League, 730 Harding Blvd., Baton Rouge, Louisiana 70807 (504) 775-8597, appeared before the committee in opposition to House Bill No. 2060. He stated that credit unions were not on the same level playing field as banks. He stated that banks would like to see credit unions close down so they could charge whatever interest rates they chose. He stated that credit unions were not in competition with banks.

Representative Travis stated that if House Bill No. 2060 passes, action would be deferred on House Bill No. 296.

Representative Pinac made a motion to report House Bill No. 2060 with amendments. There was no objection and House Bill No. 2060 was reported with amendments by a vote of 12 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, Weston, and Winston.

**House Bill No. 296 by Representative Travis**

Representative Travis appeared before the committee and made a motion to defer action on House Bill No. 296, which provides that the common bond for establishing state-chartered credit unions shall be the same as that for establishing federally chartered credit unions. There was no objection and action was deferred on House Bill No. 296 by a vote of 12 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, Weston, and Winston.

**House Bill No. 1848 by Representative Travis**

Representative Travis appeared before the committee to present House Bill No. 1848, which increases the fee that can be charged when a payment is made with a check that is returned for nonsufficient funds.

Mr. Ken Pinkering, Louisiana Finance Association, Baton Rouge, Louisiana, appeared before the committee for informational purposes only and stated that House Bill No. 1848 would raise the NSF check charge that financial institutions and finance companies can charge from \$15 to \$25.

Representative Flavin made a motion to defer action on House Bill No. 1848.

Representative Pinac made a substitute motion to report House Bill No. 1848 favorably. Objection was raised and a roll call vote was taken. This substitute motion failed by a vote of 4 yeas and 7 nays. Those voting yea were Representatives Travis, Murray, Pinac, and Winston. Those voting nay were Representatives Barton, Flavin, Frith, Gautreaux, Hill, Michot, and Powell.

There was no objection to Representative Flavin's previous motion to defer action on House Bill No. 1848 and action was deferred by a vote of 11 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Winston.

**V. OTHER BUSINESS**

There was no other business discussed.

**VI. ANNOUNCEMENTS**

There were no announcements.

**VII. ADJOURNMENT**

There being no further business, the meeting was adjourned at 12:00 noon.

Respectfully submitted,

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John Travis, Chairman

Date Approved: \_\_\_\_\_