House Banking & Investments Subcommittee Am. #1

Amendment No._____

FILED
Date _____
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Clerk _____
Comm. Amdt. _____
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Signature of Sponsor

AMEND Senate Bill No. 2866 House Bill No. 1905*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 45-5-403(b), is amended by adding the following as a new subdivision:

(7)

(A) In addition to any other charges permitted for the making of an installment loan under this part, a registrant may collect a closing fee at the time of the making of the loan for the purpose of preparing and executing the documents for, and verifying compliance with, the federal Truth in Lending Act (15 U.S.C. § 1601 et seq.), this section, and all other applicable statutes. The closing fee may be for an amount up to four percent (4%) of the amount financed, but must not be more than fifty dollars ($50.00). The closing fee may be paid from the proceeds of the amount borrowed or added to the amount financed. This subdivision (b)(7) must not increase or otherwise change the loan amounts described in subdivisions (b)(1)(A)-(H).

(B) If a loan, upon which a closing fee has been charged, is prepaid in full by any means within ninety (90) days of the date of the loan, then the registrant must refund or credit the borrower with a pro rata portion of the closing fee. However, the registrant may retain up to twenty-five dollars ($25.00) of the closing fee regardless of when the loan is prepaid.

SECTION 2. This act shall take effect July 1, 2020, the public welfare requiring it, and shall apply to contracts or agreements entered into, amended, or renewed on or after that date.

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AMEND Senate Bill No. 2112* **House Bill No. 2175**

by deleting SECTION 3 and substituting instead the following:

SECTION 3. Tennessee Code Annotated, Section 45-2-401(a), is amended by deleting the subsection and substituting the following:

(a)

(1) The affairs of a state bank must be managed by a board of directors, which shall exercise its powers and be responsible for the discharge of its duties.

(2) The charter or bylaws may establish a variable range for the size of the board of directors by fixing a minimum of not less than five (5) members and a maximum of not more than twenty-five (25) members. If a variable range is established, then the number of directors may be fixed or changed from time to time, within the minimum and maximum, by the shareholders or the board of directors; however, unless the charter or bylaws provide otherwise, only the shareholders may change the range for the size of the board or change from a fixed to a variable-range size board or vice versa.

(3) Each bank director must, during each director's whole term of service, be a citizen of the United States.

(4) A majority of the directors must reside in a state in which the bank has a branch location or within one hundred (100) miles of the location of any branch, for at least one (1) year immediately preceding their election and during their term of service as a director. However, the commissioner may waive the residency requirement of this subdivision (a)(4) if the commissioner finds that:

(A) The business experience and ability of each proposed director is relevant to the bank, its market, and the type of services the bank provides or intends to provide; and

(B) The waiver of the residency requirement will support the safety and soundness of the bank.

(5) The bylaws of the bank may specify other qualifications for directors.

(6) Any director who becomes disqualified shall resign the office, but, upon removal of the disqualification, is eligible for election. The board of directors or the commissioner may remove a director who is disqualified. An action taken by a director prior to resignation or removal is not subject to attack on the ground of the director's disqualification.

AND FURTHER AMEND by deleting SECTION 4 and substituting instead the following:

SECTION 4. Tennessee Code Annotated, Section 45-2-218, is amended by adding the following language as a new subsection:

(g) Notwithstanding any law to the contrary, the name, address, and zip code of each incorporator does not need to be set forth in a restated charter.