

HOUSE BILL NO. 1168

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Financial Institutions)

1 A BILL for an Act to amend and reenact section 6-01-07.1 of the North Dakota Century Code,
2 relating to confidentiality of department of financial institutions records.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 6-01-07.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **6-01-07.1. Records - Confidential.**

- 7 1. All facts and information obtained by the commissioner or the department in the
8 following ways are confidential, except as provided in subsections 2 through 7:
- 9 a. In the course of examining financial institutions and other licensed entities
10 under the supervision of the commissioner, or in the course of receiving audit
11 reports, reports of examining committee and reports of annual meetings of
12 stockholders and directors of such institutions and licensees. The reports of
13 examination may be made available to the financial institution's or licensee's
14 board of directors, or the board's specifically authorized agents or
15 representatives, but the reports remain the property of the department.
- 16 b. From the federal reserve system, federal deposit insurance corporation,
17 federal home loan bank board, national credit union administration, or any
18 state bank or credit union supervisors or supervisors of other licensed entities
19 of other states.
- 20 c. In the course of investigating an institution under the supervision of, or
21 licensed by, the commissioner, until such investigation is complete.
- 22 d. In the course of a special investigation being carried out at the request of the
23 governor or any court.

e. In the form or nature of an application for a charter, license, or permission which meets any of the following criteria:

- (1) Trade secrets and commercial or financial information.
- (2) Personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.
- (3) Information contained in the application form which is in the nature of examination report information.

Determination of what required application information falls within each category must be made by the body before which the application is brought.

2. When the commissioner is required or permitted by law to report upon or take special action regarding the affairs of any institution or licensed entity under the commissioner's supervision, the commissioner shall divulge only such information specified in subsection 1 as is necessary and sufficient for the action taken or to be taken.
3. The commissioner may furnish information to the attorney general, other state agencies, any prosecuting officials requiring the information for use in pursuit of official duties, and legislative investigations under chapter 54-03.2. Information furnished by the commissioner to any third party which is confidential in the commissioner's possession remains confidential in the possession of the third party. Information received by the commissioner from any third party which is confidential in the third party's possession remains confidential in the commissioner's possession.
4. The commissioner may furnish information and enter into sharing agreements as to matters of mutual interest to an official or examiner of the federal reserve system, federal deposit insurance corporation, federal home loan bank board, national credit union administration, office of thrift supervision, comptroller of the currency, insurance commissioner, office of the securities commissioner, or any state bank or credit union supervisors or supervisors of other licensed entities of other states.
5. The commissioner shall not be required to disclose the name of any debtor of any financial institution or licensed entity reporting to or under the supervision of the commissioner or anything relative to the private accounts, ownership, or

- 1 transactions of any such institution, or any fact obtained in the course of any
2 examination thereof, except as herein provided.
- 3 6. This section does not limit the right of access of stockholders, shareholders,
4 depositors, creditors, and sureties on bonds to specified department records as,
5 and to the extent, provided by section 6-01-07.
- 6 7. The standards for confidentiality and disclosure by the commissioner set forth in
7 this section, except the standard of the exercise of discretion, which shall only be
8 exercised by the commissioner, apply equally to the state banking board, the state
9 credit union board, and all department employees.