

## **Key Points of Legislative Bill 836 (LB836) with Amendments**

### **Overview:**

LB836 modifies and updates laws relating to banking and finance in Nebraska, specifically focusing on assessments, fees, and examinations of financial institutions and related entities. The bill amends several sections of Nebraska statutes to expand, clarify, and update the mechanisms for levying fees, conducting examinations, and administrating the Financial Institution Assessment Cash Fund.

---

### **1) Expanded Authority for Examinations**

- a) The Director of Banking and Finance (and designated deputies or examiners) gains clarified and expanded authority to examine all books and affairs of any bank, financial institution, or associated holding company.
  - b) They may now also conduct electronic examinations and share/accept reports with/from federal agencies (like FDIC, Federal Reserve, OCC, CFPB) or foreign state agencies.
  - c) Examination or supervisory reports from these agencies, when accepted by the director, remain confidential and are the property of the originating agency.
- 

### **2) Examination Charges and Rate Setting**

- a) The Department can charge electronic data processing centers (that contract with banks/financial institutions) examination fees at rates set by the Director—updating previous language that tied the rate to section 8-606.
- 

### **3) Annual Assessments Expanded**

- a) The Director may levy assessments, not only on banks and credit unions, but now also on any entity chartered, licensed, or registered under relevant finance laws—broadening the base.
- b) Assessments can now be based on factors including but not limited to: asset size, origination volume, servicing volume, or transmission volume, depending on the nature of the institution/entity.
- c) The basis for assessments is clarified for both financial institutions and other licensed/registered entities (e.g., money transmitters, mortgage lenders).

## Key Points of Legislative Bill 836 (LB836) with Amendments

---

### 4) Financial Institution Assessment Cash Fund Changes

- a) The Cash Fund is strictly for administering banking/finance enforcement—explicit language removing provisions for transfers to the General Fund except for investment earnings.
- b) As of October 1, 2024, investment earnings from the Fund are credited to the General Fund.

---

### 5) Basis and Collection of Assessments

- a) The Director must estimate the total funding needs and expected collections, and levy assessments based on the difference.
- b) For financial institutions, assessments are primarily based on total assets, with potential inclusion of fiduciary assets and off-balance-sheet receivables.
- c) For licensed/registered non-bank entities, the basis is transaction volume or similar activity measures.
- d) Provides explicit proration rules for institutions/entities that gain or surrender charters/licenses within an assessment period.

---

### 6) Billing of Examination and Investigation Costs

- a) Removes previous requirements for a set annual examiner hourly fee and instead allows direct billing for extra or out-of-state examinations and investigations.
- b) Costs (including travel) for extra examinations/investigations are billed to the subject institution or entity.

---

### 7) Enforcement for Nonpayment

- a) If an institution/entity fails to pay assessments or fees, the Department may:
- b) Impose daily fines (with notice and hearing rights).
- c) Suspend or revoke charters, licenses, or registrations if delinquency exceeds 60 days.
- d) Permit installment payments of assessed charges or fines for good cause.

## Key Points of Legislative Bill 836 (LB836) with Amendments

---

### 8) Repeal and Harmonization

- a) Repeals and replaces previous versions of the amended statutes to ensure provisions are current and consistent across sections.
- 

#### Summary Table: Major Amendments – At a Glance

Section	Change Highlight	Effect
8-108	Expanded examination authority	More flexibility, sharing/accepting federal/state exams
8-601	Broadened assessment authority	Encompasses all chartered, licensed, or registered entities
8-603	All collections to Assessment Cash Fund	Clarifies destination of various fees and assessments
8-604	Limits transfers from Fund, credits investment earnings	More defined fiscal boundaries for the Fund
8-605	Assessment bases for nontrads and prorating	Modernizes how and to whom assessments are applied
8-606	Streamlined examination/investigation billing	Direct billing; removes set hourly fee requirement
8-607	Tougher nonpayment consequences	Adds “registration” to potential suspensions/revocations
8-601/604/Repealer	Harmonization of citations and terms	Consistent application across all affected statutes

---

#### In summary:

LB836 modernizes Nebraska’s regulation of financial institutions, expanding fee/assessment authority, clarifying examination practices, and tightening fiscal and enforcement procedures. It applies to a wider range of financial entities and aims for greater administrative consistency and adaptability in response to industry developments.