



VIEWSVISIONS

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Two Years of Positive Banking Change for West Virginia

The Honorable Ronald N. Walters Sr., Delegate
West Virginia House of Delegates

Ronald "Ron" N. Walters Sr. is a member of the West Virginia House of Delegates, where he has represented District 39 (Kanawha) since January 2013. Prior to 2012 redistricting, he served consecutively from 2001 to 2013 and non-consecutively from 1993 to 1999 in a District 32 seat. He currently serves as chair of the House Banking Committee.

He is president of R.N. Walters and Associates LLC, and has more than 35 years of experience in the insurance and financial services industry, including 22 years as a structured settlement specialist.

Mr. Walters earned a bachelor's degree in economics from the University of Michigan and holds a master's degree in medical economics from the Michigan School of Economics. He has continued studies in the field of economics at Stanford University, Willets Institute of Finance and the University of Pennsylvania's Wharton School of Business.

He is a past president of the Independent Insurance Agents of West Virginia, and formerly served as an economics instructor at Fairmont State College.

As the chairman of the West Virginia House of Delegates' Banking Committee over the past two years, I went into the job asking, "How can I make it easier for banks to do business in West Virginia?" and "What is needed to move regulations out of the way and make it easier for banks to make loans to small business and all borrowers?"

To that end, before the 2015 Legislative Session began, I approached the banking community's government relations team at the Capitol with one question: What regulations are in your way and how can we improve banking in West Virginia for everyone concerned?

The banking community responded, and I accepted the challenge. There were six bills they wanted to move forward. At the end of the 2015 Session, all six had passed – plus a seventh for good measure.



The West Virginia Capitol Complex
Photo Credit: Perry Bennett, WV Legislative Photography

Among the bills introduced in 2015:

House Bill 2879 changed the amount of collateral needed to accept state, county and city deposits, from 111 percent to 102 percent. This opened the way for banks to accept more state deposits without tying up valuable assets and even pay a little interest on these deposits. A win-win for all concerned.

House Bill 2926 involved deferral charges in connection with consumer loans. The bill provided parties, before or after a default, to enter into a written agreement to a modification or amendment of the loan. It also allows the collection of a modification charge equal to the greater of \$250 or one percent of the outstanding balance.

Senate Bill 283 simplified the process by which banks may adjust the hours of operation for branches and reduced the time the West Virginia Division of Financial Institutions has to act upon an expedited branch application, from 35 days to 21 days.

House Bill 2223 included consumer credit sales that are secured by a mortgage, deed of trust or other security interest on a dwelling or residential real estate in the definitions of "primary mortgage loan" and "subordinate mortgage loan."

The bill also amended Chapter 31-17-8 to remove the prohibition of loans by licenses that contain balloon payments. This will allow West Virginians to participate in federal loans made by licenses under this act, and permit mortgage modifications and refinancing.

All of this happened in 2015, with the cooperation of the Senate and House Banking Committees, which shares our determination to improve the banking industry in West Virginia.



The West Virginia House Chamber
Photo Credit: Perry Bennett, WV Legislative Photography

During the 2016 Legislative Session, we accomplished even more, with the help of the banking community and their lobbying team at the Capitol. Among the highlights:

The passage of **Senate Bill 614** was particularly important to bankers. It expands the expenses recoverable from a consumer borrower upon default, when a pending foreclosure sale is cancelled and conforms a present statute with court interpretations requiring a higher threshold to prove inducement by unconscionable conduct. SB 614 also expands the list of charges and expenses that can be recovered from a consumer borrower upon a default, and amends provisions of the Consumer Credit and Protection Act relating to alleged unconscionable conduct and alleged unconscionable agreements reached with consumers.

By a vote of 99-0, the House passed **Senate Bill 468**, allowing a lender to accrue interest on a consumer loan during a rescission period, all as permitted by Federal Regulation Z.

House Bill 4448 will close a loophole in the West Virginia Code relating to when a lender may communicate with a consumer



Delegate Ronald Walters addressing the House floor
Photo Credit: Perry Bennett, WV Legislative Photography

borrower regarding a past due obligation, which complies with the Consumer Credit and Protection Act.

Senate Bill 613, which provides that state chartered banks will use the same “total capital” that they report quarterly to the Division of Financial Institutions to calculate their legal lending limit. For most banks in West Virginia, this will result in an increase in the legal lending limit.

In addition, two bills proposed for passage by Acting Commissioner of the Division of Financial Institutions Dawn Holstein also passed the Legislature in 2016. **House Bill 4244** streamlines the application process for an out-of-state credit union to establish a branch in West Virginia, and **House Bill 4245** eliminates the need for an audit examining committee, and requires simply the more customary annual outside, independent audit.

Looking ahead, we are determined to continue our efforts to improve banking in West Virginia and remove unnecessary regulations.

I look forward to working with banks and other interested parties to continue to remove unnecessary regulation and

burdens, and help banks do what they do best: provide capital and resources to our businesses and citizens, and promote prosperity and growth across West Virginia. Keep those good ideas and suggestions coming! ▶