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**SB-1415 Financial Institutions Law: annual report: overdraft.** (2021-2022)

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**Senate Bill No. 1415**

**CHAPTER 847**

An act to add Section 521 to the Financial Code, relating to financial institutions.

[ Approved by Governor September 29, 2022. Filed with Secretary of State September 29, 2022. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1415, Limón. Financial Institutions Law: annual report: overdraft.

Existing law, the Financial Institutions Law, requires the Commissioner of Financial Protection and Innovation to cause every California state bank and every foreign bank to be examined to the extent and whenever and as often as the commissioner shall deem it advisable, but in no case less frequently than once every 12 months, except as prescribed. Existing law, the California Credit Union Law (CCUL), authorizes the commissioner to, at any time, investigate into the affairs and examine the books, accounts, records, files, and any office within or outside of this state used in the business of every credit union, whether it acts or claims to act under, or without authority of, the CCUL.

This bill would require a bank or credit union subject to the examination authority of the commissioner to report annually, on or before March 1, to the commissioner on the amount of revenue earned from overdraft fees and nonsufficient funds fees collected in the most recently completed calendar year and the percentage of that revenue as a proportion of the net income of the bank or credit union. The bill would require the commissioner to publish, as prescribed, in a report the data for each bank or credit union reported pursuant to the bill and make the report available on the department's internet website.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 521 is added to the Financial Code, immediately following Section 520, to read:

**521.** (a) A bank or credit union subject to the examination authority of the commissioner shall report annually, on or before March 1, to the commissioner on the amount of revenue earned from overdraft fees and nonsufficient funds fees collected in the most recently completed calendar year and the percentage of that revenue as a proportion of the net income of the bank or credit union.

(b) (1) The commissioner shall publish, pursuant to paragraph (2), in a report the data for each bank or credit union required by subdivision (a) and make the report available on the department's internet website.

(2) (A) The commissioner shall publish the first report required by this subdivision on or before March 31, 2023, covering data from the 2022 calendar year.

(B) In a calendar year beginning on or after January 1, 2024, the commissioner shall publish the report required by this subdivision on or before March 31 covering data from the most recently completed calendar year.

(c) As used in this section:

(1) "Nonsufficient funds fees" means fees resulting from the initiation of a transaction that exceeds the customer's account balance if the customer's bank or credit union declines to make the payment.

(2) "Overdraft fees" means fees resulting from the processing of a debit transaction that exceeds a customer's account balance.