

For Immediate Release:

Thursday, May 24, 2007

Contact:

Elizabeth Bressler
334-353-5200

State Senate Passes Bill to Strengthen Alabama Banking Code

MONTGOMERY—Following weeks of deadlock, the Alabama Senate today passed a comprehensive update to the state’s Banking Code. The bill now goes to Gov. Bob Riley for his signature.

House Bill 60 is the first overhaul of the code governing state-chartered banks since 1980. One provision of the legislation will make it easier for Alabama-chartered banks to open branches in 23 other states that have similar laws. Banks headquartered in these states will also be permitted to open Alabama branches.

“This is a great day for Alabama’s state-chartered banks and for bank customers,” said Banking Superintendent John Harrison. “Because of this legislation, our banks will be able to expand more easily into other states and Alabama consumers will benefit from greater competition and protections.”

Harrison had high praise for Sen. Bobby Denton (D- Muscle Shoals) and Sen. Bobby Singleton (D-Greensboro) who guided the bill through the Senate and Rep. Mike Hill (R-Columbiana) and Rep. Lesley Vance (D-Phenix City) who pre-filed the bill and secured early passage in the House of Representatives.

“I am grateful to both the majority and minority sides of the Senate for their unwavering support throughout the controversial deadlock. Both sides assured me this crucial banking bill would pass and they were true to their word,” Harrison said.

The bill, which passed the House on March 27, gives the Alabama banking superintendent additional authority to enforce the Banking Code to deal with rogue bankers. The legislation also strengthens the confidentiality of bank customers’ personal information and gives the banking superintendent authority to temporarily suspend Banking Code requirements during natural disasters.

The Alabama Bankers Association and the Community Bankers Association supported the bill. According to Harrison, the legislation makes Alabama state-chartered banks more competitive with nationally-chartered banks.

Alabama’s 128 state-chartered banks employ approximately 44,000 people.