



Ohio Revised Code

Section 135.032 Active prompt correction directive.

Effective: October 24, 2024

Legislation: Senate Bill 94, House Bill 301

(A) For the purposes of this section:

(1) "Institution" means an institution eligible to become a public depository under section 135.03 or 135.32 of the Revised Code or an eligible credit union, as defined in section 135.62 of the Revised Code.

(2) "Prompt corrective action directive" means a directive issued by a regulatory authority of the United States as authorized under 12 U.S.C. 1790d or 1831o.

(B) An institution designated as a public depository under this chapter shall notify each governing board that made such designation if the institution becomes party to an active prompt corrective action directive.

(C) Except as otherwise provided in division (D) of this section, an institution is ineligible to become a public depository under this chapter or to have active, interim, or inactive deposits awarded, placed, purchased, made, or designated pursuant to this chapter, if the institution is party to an active prompt corrective action directive.

(D) If a governing board receives notice under division (B) of this section, or otherwise becomes aware that an institution the board designated as a public depository is party to an active prompt corrective action directive, the board may do either or both of the following, if the board determines that it is in the public interest:

(1) Allow the public depository to continue to have active, interim, or inactive deposits awarded, placed, purchased, made, or designated for the remainder of the designation period;

(2) Designate the institution as a public depository for additional succeeding designation periods.



(E) If a governing board determines that one or both of the actions permitted by division (D) of this section are in the public interest, and public moneys are lost due to the failure of the public depository subject to the active prompt correction directive, all of the following are relieved from any liability for that loss:

- (1) The governing board's treasurer and deputy treasurer;
- (2) An executive director, director, or other person employed by the governing board, its treasurer, or its deputy treasurer;
- (3) Bondspersons and surety of any person described in divisions (E)(1) and (2) of this section.