

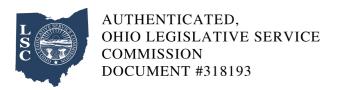
Ohio Revised Code

Section 1121.52 Undercapitalization; capital restoration plan.

Effective: January 1, 2018

Legislation: House Bill 49 - 132nd General Assembly

- (A) If a state bank is undercapitalized, the superintendent of financial institutions shall notify the bank of the fact of the undercapitalization. The superintendent may require the bank to submit a written capital restoration plan to the superintendent within forty-five days after the bank receives that notice, unless the superintendent authorizes in writing a longer period of time.
- (B) A capital restoration plan required under this section shall specify all of the following:
- (1) The steps the state bank will take to become adequately capitalized;
- (2) The levels of capital to be attained during the time frame in which the plan will be in effect;
- (3) The types and levels of activities in which the bank will engage;
- (4) Any other information the superintendent may require.
- (C) The superintendent shall approve a capital restoration plan submitted under this section if the superintendent determines that the plan meets both of the following conditions:
- (1) It is based on realistic assumptions and is likely to succeed in restoring the bank's capital.
- (2) It would not appreciably increase the risk, including credit risk and interest rate risk, to which the bank is exposed.
- (D) If the superintendent fails to approve a state bank's capital restoration plan, the superintendent shall notify the bank and require it to submit a revised plan within a time period specified by the superintendent. Upon serving that notice, the superintendent may immediately appoint a conservator for the bank or take any other action authorized under section 1121.32, 1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the Revised Code or any other law or rule.



- (E) Both of the following apply to any state bank that has submitted and is operating under a capital restoration plan approved under this section:
- (1) The bank shall not be be required to submit an additional capital restoration plan based on a revised calculation of its capital measures unless specifically required to do so by the superintendent. A state bank that is notified that it must submit a new or revised plan shall file a written plan with the superintendent within thirty days after the bank receives the notice, unless the superintendent authorizes in writing a different period of time.
- (2) The bank may, after prior written notice to and approval by the superintendent, amend its capital restoration plan to reflect a change in circumstance. Until such time as a proposed amendment is approved by the superintendent, the bank shall implement the plan in its current form.
- (F)(1) If an undercapitalized bank fails to submit a capital restoration plan required under this section within the designated period of time, upon expiration of that period, the superintendent may immediately appoint a conservator for the bank or take any other action authorized under section 1121.32, 1121.33, 1121.34, 1121.35, 1121.41, or 1121.46 of the Revised Code or any other law or rule.
- (2) If an undercapitalized bank fails, in any material respect, to implement a capital restoration plan required under this section, the superintendent may immediately appoint a conservator for the bank or take any other action authorized under section 1121.32, 1121.33, 1121.34, 1121.35, or 1121.41 of the Revised Code or any other law or rule.
- (G) Nothing in this section prohibits the superintendent from requiring a state bank to submit a capital restoration plan at any other time the superintendent considers necessary.