

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the adoption of) NOTICE OF ADOPTION OF
Temporary Emergency Rule I) TEMPORARY EMERGENCY RULE
pertaining to semiannual assessments)
of banks and supervisory fees of credit)
unions related to the COVID-19)
pandemic)

TO: All Concerned Persons

1. The Department of Administration is adopting Temporary Emergency Rule I for the following reasons:

A. On March 12, 2020, Governor Steve Bullock declared an emergency in the State of Montana regarding the COVID-19 pandemic in Executive Order 2-2020.

B. On March 13, 2020, President Donald J. Trump declared a national emergency due to the COVID-19 pandemic.

C. On March 13, 2020, Governor Bullock extended the emergency in the State of Montana regarding the COVID-19 pandemic in Executive Order 3-2020.

D. In addition, Governor Bullock has issued various emergency directives ordering Montanans to stay at home and schools and nonessential businesses to close, limiting evictions and foreclosures, and implementing other measures to limit the spread of COVID-19 and reduce its economic impact.

E. On April 22, 2020, Governor Bullock issued a directive regarding Executive Orders 2-2020 and 3-2020 and providing guidance and conditions for reopening Montana businesses.

F. The director of the Department of Administration finds that under the emergency circumstances of the COVID-19 pandemic and the continuing threat to the public health, safety, and welfare, adoption of a rule as described herein upon fewer than 30 days' notice is appropriate and necessary. The department knows state-chartered banks and credit unions have been asked to work with borrowers, recognizing that the economic consequences of the COVID-19 pandemic have been both wide and deep. Because of the vital services banks and credit unions provide to their customers and Montana businesses and because banks and credit unions have themselves made sacrifices during difficult economic times, the department concluded it should waive the June assessment or fee for banks and credit unions. The department can adequately fulfill its mission without funding from the first semiannual assessments for banks and credit unions, so it has chosen to forgo them under the present emergency circumstances. This will allow institutions on the front lines of the economic crisis caused by the COVID-19 pandemic to retain the fees

and use the funds as the management and the board of the institution deem appropriate under the circumstances to best assist their customers.

The department usually invoices banks and credit unions for assessments and fees annually in June. There is not sufficient time before the invoice date to complete the normal rulemaking process. The department is therefore adopting this temporary emergency rule to waive the June assessment for all state-chartered banks and credit unions.

G. There is a reasonable necessity to immediately adopt a temporary emergency rule pursuant to 2-4-303, MCA, for banks and credit unions to protect the public health, safety, and welfare due to the emergency conditions of the COVID-19 pandemic, because there is not sufficient time to complete the normal rulemaking process before June, and to ensure banks and credit unions have all available resources to work with their borrowers.

2. The Department of Administration will make reasonable accommodations for persons with disabilities who need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Administration to advise us of the nature of the accommodation that you need. Please contact Heather Hardman, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2922; TDD (406) 841-2974; facsimile (406) 841-2930; or e-mail to banking@mt.gov.

3. The temporary emergency rule is effective April 24, 2020, when this rule notice is filed with the Secretary of State.

4. The text of the temporary emergency rule provides:

NEW RULE I WAIVER OF FIRST SEMIANNUAL ASSESSMENT FOR BANKS AND SUPERVISORY FEE FOR CREDIT UNIONS DUE TO THE DECLARED EMERGENCY DERIVED FROM THE COVID-19 PANDEMIC

(1) The semiannual bank assessment that would normally be billed in June 2020 and collected in July 2020 pursuant to ARM 2.59.104 is waived.

(2) The semiannual credit union assessment that would normally be billed in June 2020 and collected in July 2020 pursuant to ARM 2.59.401 is waived.

AUTH: 32-1-213, 32-1-218, 32-3-201, MCA

IMP: 32-1-213, 32-1-218, 32-3-201, MCA

REASON: In addition to the rationale stated in paragraph 1, the intent of this temporary emergency rule is to reduce the assessments that the department will receive from banks for the first half of 2020 from approximately \$1,726,000 to zero and to reduce the fees the department will receive from credit unions for the first half of 2020 from approximately \$144,000 to zero. Because this rule is temporary, the rule will expire on August 22, 2020. The rule will affect only fees for the first half of 2020. The rule will not affect fees for the second half of 2020 or any fee thereafter.

The department cannot know what economic conditions may exist in January 2021 when the second semiannual assessments are due. Therefore, the department will defer the issue of future fee waivers until the economic impacts of the COVID-19 pandemic are clearer.

5. The rationale for the temporary emergency rule is set forth in paragraph 1 and in the statement of reasonable necessity following the rule.

6. The Division of Banking and Financial Institutions maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this division. Persons who wish to have their name added to the mailing list shall make a written request that includes the name, mailing address, and e-mail address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written requests may be mailed or delivered to Heather Hardman, Division of Banking and Financial Institutions, 301 S. Park, Ste. 316, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to banking@mt.gov; or may be made by completing a request form at any rules hearing held by the department.

7. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

By: /s/ John Lewis
John Lewis, Director
Department of Administration

By: /s/ Don Harris
Don Harris, Rule Reviewer
Department of Administration

Certified to the Secretary of State April 24, 2020.