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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- DEFINITIONS AND ESTABLISHMENT OF  
FINANCIAL INSTITUTIONS

Introduced By: Senators DiPalma, Lawson, Tikoian, and Gu

Date Introduced: February 26, 2025

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 19-1-1 of the General Laws in Chapter 19-1 entitled "Definitions and  
2 Establishment of Financial Institutions" is hereby amended to read as follows:

3 **19-1-1. Definitions.**

4 Unless otherwise specified, the following terms shall have the following meanings  
5 throughout this title:

6 (1) "Agreement to form" means the agreement to form a financial institution or the  
7 agreement to form a credit union, as applicable, pursuant to this title, and includes, for financial  
8 institutions organized before December 31, 1995, the articles of incorporation or the agreement of  
9 association of the financial institution, where applicable.

10 (2) "Branch" means any office or place of business, other than the main office or customer-  
11 bank-communication-terminal outlets as provided for in this title, at which deposits are received,  
12 or checks paid or money lent, or at which any trust powers are exercised. Any financial institution  
13 that had, on or before June 30, 2003, established an office or place of business, other than its main  
14 office, at which trust powers are exercised, shall not be required to obtain the approval of the  
15 director, or the director's designee, pursuant to § 19-2-11 for any such offices established as of that  
16 date.

17 (3) "Credit union" means a credit union duly organized under the laws of this state.

18 (4) "Director" means the director of the department of business regulation, or the director's

1 designee.

2 (5) "Division of banking" means the division within the department of business regulation  
3 responsible for the supervision and examination of regulated institutions and/or licensees under  
4 chapter 14 of this title.

5 (6) "Federal credit union" means a credit union duly organized under the laws of the United  
6 States.

7 (7) "Financial institution" means any entity, other than a credit union, duly organized under  
8 the laws of this state that has the statutory authority to accept money on deposit pursuant to title  
9 19, including an entity that is prohibited from accepting deposits by its own bylaws or agreement  
10 to form; the term includes, but is not limited to banks, trust companies, savings banks, loan and  
11 investment banks, and savings and loan associations.

12 (8) "Main office" means, in the case of financial institutions or credit unions, the location  
13 stated in the agreement to form, as amended, and, otherwise, the location recognized by the  
14 institution's primary banking regulator as its main office.

15 (9) "Person" means individuals, partnerships, corporations, limited liability companies, or  
16 any other entity however organized.

17 (10) "Regulated institution" means any financial institution, credit union, or other insured-  
18 deposit-taking institution, that is authorized to do business in this state, including one authorized  
19 by operation of an interstate banking statute that allowed its original entry [or any non-depository](#)  
20 [trust company, organized under the laws of any state or the United States.](#)

21 (11) "Retail installment contract" means any security agreement negotiated or executed in  
22 this state, or under the laws of this state, including, but not limited to, any agreement in the nature  
23 of a mortgage, conditional sale contract, or any other agreement whether or not evidenced by any  
24 written instrument to pay the retail purchase price of goods, or any part thereof, in installments over  
25 any period of time and pursuant to which any security interest is retained or taken by the retail seller  
26 for the payment of the purchase price, or any part thereof, of the retail installment contract.

27 (12) "Retail seller" means any person who sells or contracts to sell any goods under a retail  
28 installment contract to a retail buyer.

29 (13) "Superintendent" means the deputy director designated by the director as  
30 superintendent of banking in the department of business regulation.

31 (14) "Unimpaired capital" means the sum of all capital and allowance accounts minus  
32 estimated losses on assets, calculated in accordance with generally accepted accounting principles.

33 (15) "Writing" means hard copy writing or electronic writing that meets the requirements  
34 of § 42-127.1-2(7).

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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FINANCIAL INSTITUTIONS

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- 1           This act would amend the definition of "regulated institution", to include non-depository
- 2 trust companies organized under the law of any state or the United States Government.
- 3           This act would take effect upon passage.

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