

Regular Session, 2008

# ACT No. 124

HOUSE BILL NO. 91

BY REPRESENTATIVE ARNOLD

1 AN ACT

2 To amend and reenact R.S. 6:2(16) and 4 and to enact R.S. 6:2(17), relative to financial  
3 institution employment references; to provide that trust companies may release  
4 certain information to other financial institutions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:2(16) and 4 are hereby amended and reenacted and R.S. 6:2(17)  
7 is hereby enacted to read as follows:

8 §2. General definitions

9 As used in this law:

10 \* \* \*

11 (16) "Trust company" means a corporation or a limited liability trust  
12 company organized under this Chapter or organized under the laws of the United  
13 States, including a trust company organized under the laws of this state before June  
14 27, 2003, or an entity chartered to act as a fiduciary that is neither a depository  
15 institution nor a foreign bank.

16 (17) "Unsafe and unsound practice or condition" means the inability of a  
17 financial institution to meet its withdrawal requests, the violation of the institution's  
18 articles of incorporation, or the violation of any law or any regulation governing that  
19 institution.

20 \* \* \*

21 §4. Employment reference; release of certain information

22 A. A bank, savings and loan association, trust company, or credit union may  
23 provide to any other such financial institution a written employment reference which  
24 may include information reported to federal banking regulators pursuant to federal

1 law and regulations involving a theft, embezzlement, misappropriation, or other  
 2 defalcation. Where the written employment reference contains such information and  
 3 where a copy of the written employment reference is sent to the employee in  
 4 question at the last known address of such employee, a bank, savings and loan  
 5 association, trust company, or credit union shall not be liable for providing such an  
 6 employment reference unless the information provided is false and the financial  
 7 institution providing the false information does so with knowledge and malice.

8 B. The provisions in Subsection A of this Section are supplemental to and  
 9 shall not preclude or limit a bank, savings and loan association, trust company, or  
 10 credit union from being governed by the provisions of R.S. 23:291.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_