



FUTURE MEETINGS:

To be announced.

DEPARTMENT OF SAVINGS AND LOAN

Commissioner: William J. Crawford

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The Department of Savings and Loan (DSL) is headed by a commissioner who has "general supervision over all associations, savings and loan holding companies, service corporations, and other persons" (Financial Code section 8050). DSL holds no regularly scheduled meetings, except when required by the Administrative Procedure Act. The Savings and Loan Association Law is in sections 5000 through 9001 of the California Financial Code. Departmental regulations are in Title 10, Chapter 2, of the California Administrative Code.

MAJOR PROJECTS:

Department Policies. The Department continues to follow its policy regarding the opening of new savings and loans institutions. (For more information, see CRLR Vol. 7, No. 1 (Winter 1987) pp. 72-73.) Very few applications for new savings and loan institutions are being approved, although applications for branch offices of existing institutions are approved with regularity.

Appraisals of Real Property. Effective September 26, 1986, Financial Code section 7500 was amended to provide that "no investment in real property or a real estate loan shall be made [by a savings association] until a qualified person or persons engaged directly by the association and approved by the board of directors have made a physical inspection and submitted to the association a fully documented appraisal of the real estate that would secure the loan or constitute the investment, or, in the case of a purchased loan, the person or persons have reviewed and approved an appraisal report in support of the loan." On December 10, the Commissioner issued a memorandum to all state savings and loan associations, stating that the amendment has elicited concern as to its effect on the ongoing relationship between associations and mortgage brokers.

The Federal Home Loan Bank Board's new section 563.17-1 of its regulations appear to give federal asso-

ciations an advantage over state associations because the rule specifies that the lender is permitted to request the appraisal through an agent, while new section 7500 does not provide such specific authority. Although section 7500 does not directly refer to the term "agent," the Commissioner stated the Department's position that an agent of the association may be permitted to request an appraisal for the association, provided the appraisal conforms to all requirements of section 7500 and the guidelines set forth in the Federal Home Loan Bank Board's Memorandum R41C.

LEGISLATION:

AB 247 (Bane) would repeal an existing provision which prohibits the sale or offer for sale to the public of any stock of a savings association without a permit from the Savings and Loan Commissioner. Additionally, existing law provides that an application to establish a branch office of a savings association may be denied on the basis of restrictions imposed by the Savings and Loan Commissioner, pursuant to

an agreement with the Federal Home Loan Bank Board. AB 247 would delete this provision. The bill was referred to the Committee on Finance and Insurance on February 9, 1987.

SB 295 (Yuich) would revise an existing provision relating to the filing of merger or consolidation agreements under the Savings Association Law. Under SB 295, the agreement and the respective certificate of each constituent association or any other corporation and of the surviving association would be filed with the Secretary of State, upon which occurrence the merger or consolidation would become effective. The bill would also require that duly appointed and qualified appraisers perform certain functions before a savings association may invest in real property or a real estate loan.

AB 469 (Calderon) would authorize a commercial bank or savings association to own or control any insurer which meets specified conditions and to participate as an underwriting member or as an investor in an underwriting member of any reciprocal or interinsurance exchange meeting specified criteria.



DEPARTMENT OF INDUSTRIAL RELATIONS

CAL-OSHA

Director: Ronald T. Rinaldi
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California's Occupational Safety and Health Administration (Cal-OSHA) is an integral part of the cabinet-level Department of Industrial Relations. It administers California's program ensuring the safety and health of California's wage-earners.

Cal-OSHA was created by statute in October 1973 and its authority is outlined in Labor Code sections 140-49. It is approved by, monitored by and receives some funding from the federal OSHA.

The Occupational Safety and Health Standards Board (OSB) is a quasi-legislative body empowered to adopt, review, amend and repeal health and safety orders which affect California employers and employees. Under section 6 of the Federal Occupational Safety and

Health Act of 1970, California's safety and health standards must be at least as effective as the federal standards within six months of the adoption of a given federal standard. Current procedures require justification for the adoption of standards more strenuous than the federal standards. In addition, OSB may grant interim or permanent variances from occupational safety and health standards to employers who can show that an alternate process would provide equal or superior safety to their employees.

The seven members of the Board are appointed to four-year terms. Labor Code section 140 mandates the composition of the Board as two members from management, two from labor, one from the field of occupational health, one from occupational safety and one from the general public.

The duty to investigate and enforce the safety and health orders rests with