



Legislative Concepts/Proposals
Department of Administration
Division of Banking and Financial Institutions
May 7, 2026

DEPARTMENT OF ADMINISTRATION

WHAT WE DO

We provide essential enterprise services to MT state agencies and support initiatives that cultivate expertise and enhance cooperative partnerships across State government.

MISSION

Serving state government by providing effective, efficient, and customer driven solutions to benefit Montanans.

DIVISIONS

- Architecture and Engineering
- Banking and Financial Institutions
- General Services
- Health Care and Benefits
- Risk Management and Tort Defense
- State Financial Services
- State Human Resources
- State Information Technology Services
- State Procurement Services

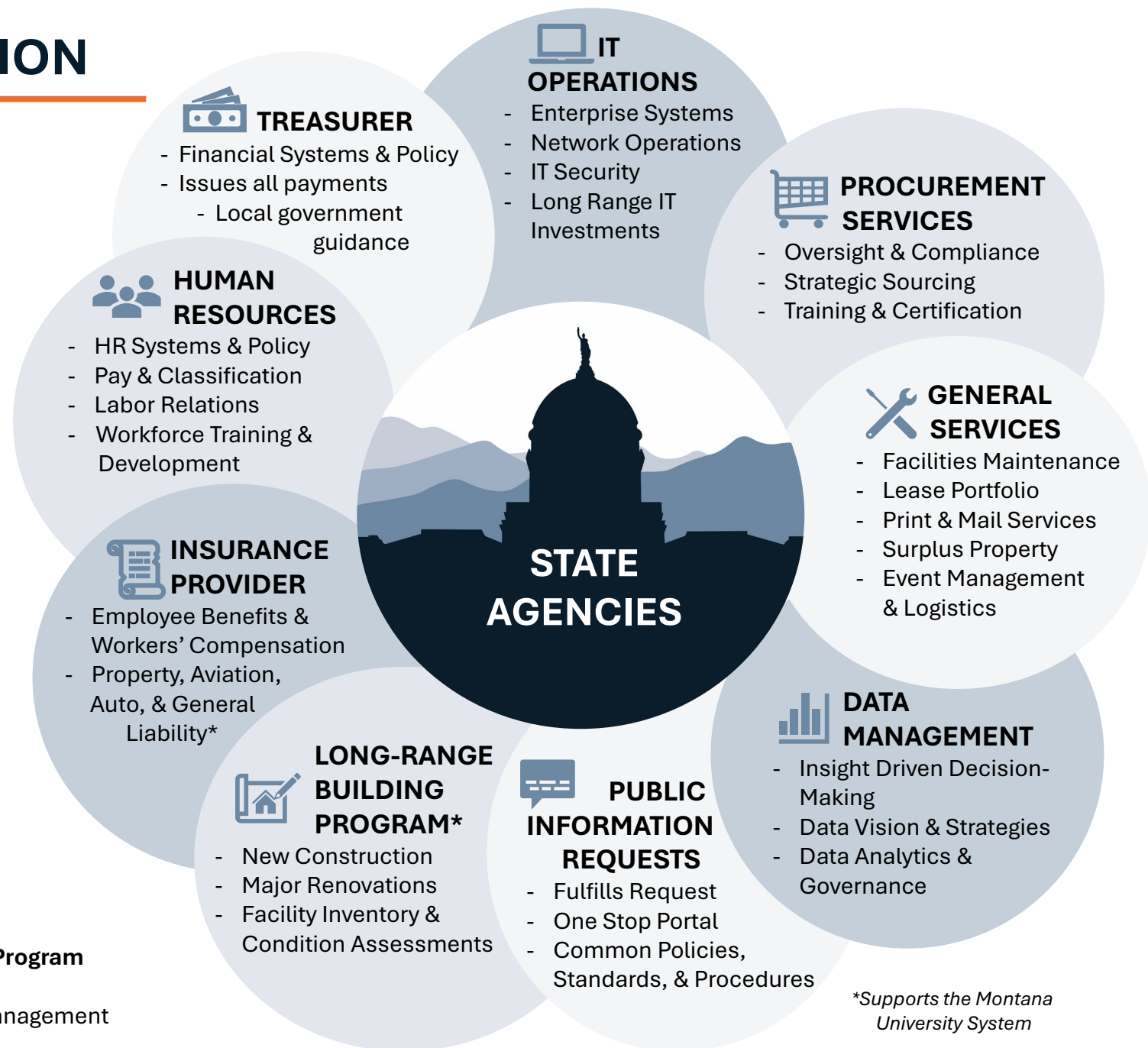
EXTERNAL FACING SERVICES & FUNCTIONS



**Financial Services
Regulation & Licensing**



MT Broadband Program
- ConnectMT
- IIJA / Grant Management



**Supports the Montana University System*

Revise the Montana Bank Act

32-6-104(2), MCA, requires a “bank officer” to countersign EFT customer statements. Most financial institutions rely on trained staff, such as new accounts employees, for routine customer onboarding activities.

The Division recently received an inquiry from a Montana state-chartered bank regarding whether it would be permissible to use other employees in this role, instead of a “bank officer.” This question underscored the need to modernize the statute to remove unnecessary formalities and provide clear authority to reflect how banks operate today.

PROPOSAL

DOA is proposing to amend Section 32-6-104(2), MCA, which would allow bank employees—not just bank officers—to countersign customer statements acknowledging acceptance of electronic funds transfer terms and conditions.



Revise the Montana Bank Act

A regulator's examination report of a bank is confidential by law.

Dissemination of these reports is strictly prohibited under both state and federal law. As written, the Bank Act limits dissemination to the examined bank, Division employees, other regulators, legislative auditors, and prosecutors pursuant to a court order.

This targeted proposal modifies the restriction in current law and would allow banks to share pertinent portions of Division reports with the bank's external auditors. This would provide transparency regarding Division findings to auditors who play an important role in safeguarding the bank's safety and soundness.

PROPOSAL

DOA is proposing to amend Section 32-1-234, MCA, which would allow portions of confidential Division reports with a bank's auditors.

Examinations would remain confidential by law. This amendment simply adds a carefully controlled, professional use of reports in order to strengthen oversight and reduce unnecessary regulatory friction.



Revise the Montana Bank Act

Businesses seeking to use a term like “bank” must receive regulatory approval before advertising themselves as such.

The proposed amendment is a straightforward update to Montana’s business naming laws that closes a clear gap in current statute and better protects Montana consumers in today’s more global business environment.

It eliminates a loophole that currently allows a business to imply it is a financial institution by using a foreign-language equivalent term, like “banco.” It would also expand a waiver exception for certain for-profit entities that are clearly not financial institutions, such as businesses using “bank” as a geographic location (Cut Bank), surname (Fairbank), or well-known brands.

PROPOSAL

DOA is proposing to amend Section 32-1-402, MCA, to update the restricted name list and expand the waiver exceptions in limited circumstances.



Revise the Montana Consumer Loan Act

Modernize the Consumer Loan Act to reflect that some lenders accept cryptocurrency as collateral by expressly authorizing a collateral liquidation fee when cryptocurrency must be sold following borrower default or a decline in collateral value that triggers liquidation under the loan agreement.

This fee would allow a lender to recover reasonable costs associated with liquidating cryptocurrency collateral.

PROPOSAL

DOA proposes to amend Section 32-5-301, MCA, to authorize collateral liquidation fees for loans secured by cryptocurrency.



Revise the Montana Consumer Loan Act

Revise the Consumer Loan Act to require lenders to provide a ten-day grace period for installment payments.

This change would protect Montana consumers from payment-timing issues and align the Consumer Loan Act with the Montana Retail Installment Act, Section 31-1-235, MCA.

PROPOSAL

DOA proposes amending Section 32-5-301, MCA, to require a ten-day grace period for installment payments under the Consumer Loan Act.



Revise the Montana Consumer Loan Act

Third party insurance products are permitted under Section 32-5-306, MCA.

DOA would require a “life-of-loan” total cost comparison disclosure to be provided to the borrower before consummation of the loan.

The format and content of the disclosure would be specified in administrative rule.

PROPOSAL

DOA proposes amending Section 32-5-306, MCA, to require lenders to provide insurance disclosures in the form and manner prescribed by administrative rule.



Revise the Montana Mortgage Act

The Division collects civil money penalties from supervised non-depository financial services companies for violations of Montana law.

The penalties may result from legal action taken directly by the Division or as part of multi-state examinations and investigations.

All civil money penalties are deposited into the state special revenue fund for the Division; however, the Division does not currently have authority to use those funds.

PROPOSAL

DOA is proposing to create a new statute in the Montana Mortgage Act, Title 32, Chapter 9, Part 1, which would give the Division authority to use civil money penalties, when they are available, for consumer and examiner education programs. The proposal would amend the corresponding statutory appropriations statute in Title 17 and the penalty statute in Title 32.





QUESTIONS?