
DIGEST

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HB 500 Original

2016 Regular Session

Shadoin

Abstract: Creates a privilege in favor of financial institutions for the purpose of preventing the disclosure of certain records.

Within the La. Code of Civil Procedure, proposed law establishes that, in civil proceedings, all documents and records prepared by or for a financial institution, which is insured by the Federal Deposit Insurance Corporation, its holding company, affiliates, or subsidiaries authorized to do business in this state, in connection with its evaluation, analysis, or review of any loan, extension of credit, collateral security therefor, or reserve therefor shall be subject to a privilege in favor of the financial institution and shall not be subject to discovery by a customer of the financial institution or any other person.

Proposed law defines "financial institution" within the La. Code of Evidence. Proposed law states that a financial institution who is a party to a civil proceeding has a privilege to refuse to disclose and to prevent another person from disclosing all documents and records prepared by or for a financial institution in connection with its evaluation, analysis, or review of any loan, extension of credit, collateral security therefor, or reserve therefor.

Proposed law defines "financial institution" for the purposes of proposed law (R.S.6:339). Proposed law provides that, notwithstanding any law to the contrary, all documents and records prepared by or for a financial institution, in connection with its evaluation, analysis, or review of any loan, extension of credit, collateral security therefor, or reserve therefor shall be deemed the sole and exclusive property of the financial institution and subject to a privilege in favor of the financial institution.

Proposed law states that the documents described in proposed law shall not be subject to any of the following except when the financial institution has consented:

- (1) Discovery by a customer of the financial institution or any other person in a civil action.
- (2) Evidentiary requirements otherwise making them admissible as evidence in any civil action, including any action to which a customer is a party.

Proposed law declares that no financial institution or any of its employees or agents shall be required or compelled, either directly or indirectly, to disclose the existence or content of any such documents or records referred to in proposed law by way of discovery, subpoena, summons, order, notice of deposition, interrogatories, request for production of documents, request, request for admissions, any

other discovery request, or any other method.

(Adds C.C.P. Art. 1422.2, C.E. Art. 520, and R.S. 6:339; Repeals R.S. 6:333(I)(2))