

**May 27, 2020**

**STATE BANKING BOARD  
3 CCR 701-1 CB 101.53 Loan Production Office  
PERTAINING TO TITLE 11, 11-102-104(2)(b) and Section 11-105-101(1) of the  
COLORADO REVISED STATUTES**

**STATEMENT OF BASIS, PURPOSE AND SPECIFIC AUTHORITY**

Statutory Basis

The statutory basis for Banking Board rule 3 CCR 701-1, CB 101.53 is found in Section 11-102-104(1)(a) and Section 11-105-101(1) of the Colorado Revised Statutes (C.R.S.). The purpose of this rule is to clarify Loan Production Office (LPO) establishment and practices pursuant to current law.

Purpose of this Rulemaking

The amendment to rule 3 CCR 701-1 CB 101.53 is to ensure the Colorado State Banking Board approves all names and DBAs for state-chartered banks entering the Colorado market by opening a loan production office (LPO). Under the current statutes the Banking Board only approves names when banks enter the Colorado market by opening a branch. The proposed amendment will establish the same criteria for banks entering the Colorado banking market by opening an LPO. The proposed rule also outlines changes in the Banking Board and Division's practices and outlines steps taken by the Division of Banking and the bank entering the Colorado market when a state-chartered bank that currently operates in Colorado objects to the proposed name(s).

**Specific Proposed Changes**

Amendment to 3 CCR 701-1 CB 101.53 (C) requires banks or bank holding companies entering the Colorado market by opening a loan production office (LPO) to provide the names or names under which they will do business. The section also describes the basic criteria used by the Banking Board to approve the name.

Amendment to 3 CCR 701-1 CB 101.53 (E) updates the processes conducted by Division staff.

Amendment to 3 CCR 701-1 CB 101.53 (E)(2)(a) clarifies that the name or names will be submitted to the Banking Board for approval.

Amendment to 3 CCR 701-1 CB 101.53 (E)(2)(b) clarifies the process that all objections to a proposed name received by the Division will be provided to the Banking Board.

Amendment to 3 CCR 701-1 CB 101.53 (E)(2)(c) clarifies that an objector may withdraw its objection in writing.

Amendment to 3 CCR 701-1 CB 101.53 (E)(3) clarifies that the Banking Board will evaluate both the name submitted and the objection(s), if any, during its approval process. The amendment also clarifies that the Board will either approve or deny the submitted names or names.

Amendment to 3 CCR 701-1 CB 101.53 (E)(4) clarifies that in the event that the Banking Board denies the use of the submitted name, the applicant must submit alternate name(s) which the Division and the Banking will review under the established process in the rule.

The proposed rule changes also removes language regarding credit approvals that is the responsibility of the home state bank supervisor and includes technical wording updates.

#### Rulemaking Authority

11-101-102.	Declaration of policy.
11-102-104 (2)(b).	Powers and duties of the banking board.
11-105-101(1).	Branch banks and practices prohibited.