



COLORADO

**Department of
Regulatory Agencies**

Division of Banking

1560 Broadway, Suite 975
Denver, CO 80202

November 19, 2015

**STATE BANKING BOARD
RULE CB 101.53
PERTAINING TO TITLE 11, ARTICLE 105, SECTION 101
COLORADO REVISED STATUTES**

STATEMENT OF BASIS, PURPOSE AND SPECIFIC AUTHORITY

Statement of Basis

With the economic recovery of financial institutions and the Colorado economy, an increasing number of loan production offices (LPO) have been established in Colorado in the past eighteen months. To prevent the use of names that are either deceptively similar to the name of an existing Colorado financial institution or likely to cause public confusion, Banking Board Rule CB101.53, Loan Production Office, is being amended to parallel Colorado's interstate branching provision. With this amendment, the names of bank branches and LPOs will be evaluated under the same standard.

In addition, the amendments clarify when an application is required and revise the LPO application processing procedures to explicitly parallel branch application procedures. The amendments establish a ten (10) calendar day comment period, and if an objection to the use of a proposed name is received, the applicant will have to choose a different name unless express written consent is obtained for the objector to use the disputed name. Under the rule as amended, a new LPO application must be filed whenever a Colorado state-chartered bank or state banks chartered in another jurisdiction proposes to open an LPO or operate a LPO under a name which differs in any way from the name approved by the Banking Board. The rule also establishes a one year time frame for the applicant to open its approved LPO.

Finally, due to technological advances in communications and the automation of loan underwriting, the definition of a LPO has been updated so that approval only at the main office is no longer required.

Specific Purpose of this Rulemaking

The specific purpose of this rulemaking is to amend the definition of a LPO to clarify 1) when an application is required; 2) the standard used to evaluate the name(s) of LPOs; 3) the application processing procedures and timeframe; and 4) the timeframe in which the applicant must open the approved LPO.

Rulemaking Authority

Sections 11-101-102, 11-102-104(1)(a), and 11-105-101(1), C.R.S.

