

COLORADO DIVISION OF BANKING

Proposed Amendment of Rules and Regulations

Fact Sheet

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LEGISLATION: **TITLE 11, Sections 11-102-104(2) (b) and 11-105-101(1) of the
COLORADO REVISED STATUTES**

RECOMMENDATION DATE:

RULE TO BE AMENDED: **3 CCR 701-1, CB 101.53, Loan Production Office**

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SUMMARY

The amendment to rule 3 CCR 701-1 CB 101.53 is to ensure the Colorado State Banking Board (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 rule 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 the Colorado Division of Banking's (Division) practices, and outlines steps taken by the Banking Board, the Division and the applicant bank entering the Colorado market when a state-chartered bank that currently operates in Colorado objects to the proposed name(s).

ANALYSIS

The proposed rule will establish the same name approval criteria for banks entering the Colorado banking market by opening an LPO. The current LPO name approval process is inconsistent with the name approval process for banks opening branches in Colorado. The proposed amendments will eliminate this inconsistency and the process for both activities will be more transparent to the industry.

RECOMMENDATION

1. Amend 3 CCR 701-1 CB 101.53 (C) to require 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.
2. Amend 3 CCR 701-1 CB 101.53 (E) to update the processes conducted by Division staff.

3. Amend 3 CCR 701-1 CB 101.53 (E) (2) (a) to clarify that the name or names will be submitted to the Banking Board for approval.
4. Amend 3 CCR 701-1 CB 101.53 (E) (2) (b) to clarify the process that all objections to a proposed name received by the Division will be provided to the Banking Board.
5. Amend 3 CCR 701-1 CB 101.53 (E) (2) (c) to clarify that an objector may withdraw its objection in writing.
6. Amend 3 CCR 701-1 CB 101.53 (E) (3) to clarify 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 name or names.
7. Amend 3 CCR 701-1 CB 101.53 (E)(4) to clarify that in the event that the Banking Board denies the use of the submitted name, the applicant must submit alternate name or names which the Division and the Banking Board will review under the established process in the rule.
8. The rule changes also removes language regarding credit approvals that is the responsibility of the home state bank supervisor and includes technical updates.

Approving and implementing the proposed amendments will eliminate the inconsistency of the name approval process for banks entering the Colorado market by opening a LPO versus a branch. The process is also more clearly defined for the industry going forward. The Division recommends the outlined amendments be approved.

REFERENCES

None.

STATUTORY 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.

INCORPORATION BY REFERENCE

None.

I concur:

Commissioner's Name
State Bank Commissioner

Date

PROPOSED PUBLIC HEARING DATE: July 16, 2020