



# Dora

Department of Regulatory Agencies

## Division of Banking

Fred J. Joseph

State Bank Commissioner

John W. Hickenlooper  
Governor

Barbara J. Kelley  
Executive Director

**July 19, 2013**

### **BEFORE THE COLORADO STATE BANKING BOARD**

**IN THE MATTER OF**

**RULE REPEAL**

)  
)  
)

**NOTICE OF PROPOSED RULEMAKING**

#### **I. Notice of hearing**

PLEASE BE ADVISED THAT, as required by Section 24-4-103, C.R.S., of the State Administrative Procedures Act, the Colorado State Banking Board (Banking Board) hereby gives notice of proposed rulemaking. A hearing is scheduled for September 19, 2013, commencing at 10:00 a.m., at 1560 Broadway, Suite 975, Denver, Colorado, DORA Conference Room 975, which facility is accessible in compliance with the Americans with Disabilities Act (ADA) guidelines.

#### **II. Purpose of the proposed rulemaking**

The purpose of the hearing is to hear comments concerning the proposed repeal of the Banking Board Rules governing Industrial Banks. These rules are being repealed due to the legislature's repeal of article 108 of title 11 in Section 4 of Senate Bill 13-154. A detailed Statement of Basis, Specific Purpose, and Authority follows this notice and is incorporated by reference.

- IB2 Purpose
- IB3 Papers Filed with Commissioner
- IB4 Application for Charter
- IB6 Application Documents Confidential
- IB9 Economic Feasibility Studies
- IB14 Decision and Order
- IB17 Application for Conversion to State Banks
- IB26 Fidelity Bonds
- IB29 Procedures for merger of Two or More Industrial Banks
- IB30 Procedures for Industrial Bank Participation in the Colorado Guaranteed Student Loan Program (CGSLP)
- IB35 Generally Accepted Accounting Principles



IB36 Dividends  
IB37 Loans  
IB40 Investment in Stock of a Banker's Bank  
IB42 Transactions With Affiliates and Loans to Executive Officers, Directors, and Principal Shareholders  
IB43 Investment in Federal Home Loan Bank  
IB44 Scope of Directors' Examination  
IB45 Qualifications for Independent Person(s) Assuming Responsibility for Due Care of Directors' Examinations  
IB46 Minimum Capital Ratios  
IB47 Risk-Based Capital Definitions and Adequacy  
IB48 Loan Production Office  
IB49 Loans Secured by Corporate Stock  
IB50 Branching Practices  
IB51 Contractual Acceptance of Deposits  
IB52 Investment in Tax Lien Sale Certificates of Purchase  
IB54 Reporting Criminal Referrals  
IB55 Investment in Subsidiary  
IB56 Investment Powers  
IB57 Investment in Community Development Projects  
IB58 Appraisal of Other Real Estate  
IB59 Lease Financing  
IB60 Messenger Service  
IB61 Pledging Assets  
IB64 Lending Limits  
IB65 Marketing Nontraditional Mortgage Loans

### **III. Statutory authority for proposed rulemaking**

The proposed repeal of the rules is being undertaken with the authority given the Banking Board by (i) the Colorado Banking Code in Section 11-102-104(1), C.R.S., which states "the banking board is the policy-making and rule-making authority for the division of banking and has the power to: (a) make, modify, reverse, and vacate rules for the proper enforcement and administration of this code..."; and (ii) Section 4 of Senate Bill 13-154 repealing article 108 of title 11.

### **IV. Opportunity to testify and submit written comments**

Any interested person(s) has the right to submit written comments or data, view, or argument. It is requested that written information be filed with the Division no later than September 9, 2013. To submit written comments, please contact Diana Gutierrez, Banking Board Secretary, at [diana.gutierrez@state.co.us](mailto:diana.gutierrez@state.co.us). In addition, any interested person(s) has the right to make an oral presentation at the Hearing, unless the Banking Board deems any oral presentation unnecessary.

SUBMITTED ON BEHALF OF THE  
COLORADO STATE BANKING BOARD

  
\_\_\_\_\_  
Fred J. Joseph  
State Bank Commissioner



John W. Hickenlooper  
Governor

Barbara J. Kelley  
Executive Director

**July 18, 2013**

## **STATE BANKING BOARD**

**RULES IB2, IB3, IB4, IB6, IB9, IB14, IB17, IB26, IB29, IB30, IB35, IB36, IB37,  
IB40, IB42, IB43, IB44, IB45, IB46, IB47, IB48, IB49, IB50, IB51, IB52, IB54,  
IB55, IB56, IB57, IB58, IB59, IB60, IB61, IB64, AND IB65  
PERTAINING TO TITLE 11, ARTICLE 108, SECTION 101 – 803  
COLORADO REVISED STATUTES**

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

#### Statement of Basis

Effective July 1, 2013, the Industrial Bank provision of the Colorado Banking code have been repealed in their entirety. Section 4 of Senate Bill 13-154 – Concerning Continuation of the Division of Banking, and, in Connection Therewith, Implementing the Recommendations of the 2012 Sunset Report by the Department of Regulatory Agencies repealed Title 11, Article 108 of the Colorado Revised Statutes.

#### Specific Purpose of this Rulemaking

The purpose of this rulemaking is to repeal Banking Board Industrial Bank Rules IB2 through IB65 inclusive, due to the repeal of Title 11, Article 108 in Section 4 of Senate Bill 13-154.

#### Rulemaking Authority

**11-101-102, C.R.S. Declaration of policy.** (1) It is hereby declared to be the policy of the state of Colorado that, to protect the public interest, the business of all state banks be supervised and regulated in such manner as to:

- (a) Preserve and promote:
  - (I) Sound and constructive competition among financial services institutions;
  - (II) A dual federal and state banking system;
  - (III) The security of deposits;
  - (IV) The safe and sound conduct of the business of state banks; and
  - (V) A statewide safe and sound banking system;
- (b) Seek:
  - (I) Regulatory coordination and cooperation; and
  - (II) Regulatory parity among financial services institutions; and
- (c) Encourage diversity in financial products and services.

**11-102-104, C.R.S. Powers and duties of banking board.** (1) The banking board is the policy-making and rule-making authority for the division of banking and has the power to:

- (a) Make, modify, reverse, and vacate rules for the proper enforcement and administration of this code and the "Public Deposit Protection Act", article 10.5 of this title;

**Section 4, SB 13-154.** In Colorado Revised Statutes, repeal article 108 of title 11.

