



COLORADO

Department of
Regulatory Agencies

Division of Banking

1560 Broadway, Suite 975
Denver, CO 80202

March 24, 2015

**BEFORE THE
COLORADO STATE BANKING BOARD**

**IN THE MATTER OF

RULE AMENDMENT**

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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 May 21, 2015, commencing at 10:00 a.m., at the Division of Banking (Division), DORA 975 Conference Room, 1560 Broadway, Suite 975, Denver, Colorado.

II. Purpose of the proposed rulemaking

The purpose of the hearing is to hear comments concerning the proposed amendment of Banking Board Rule **CB101.53 – Loan Production Office (LPO)**, to update the definition of a LPO, and clarify: 1) when an application is required, 2) the standard used to evaluate the name(s) of LPOs, and 3) the application processing procedures.

III. Statutory authority for proposed rulemaking

The proposed amendment of the rule is being held under the authority given the Banking Board by the Colorado Banking Code in accordance with 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..."

IV. Opportunity to testify and submit written comments

Any interested person(s) has the right to submit written comments or data, view, or argument. Written information should be filed with the Division no later than May 11, 2015. To submit written comments, please contact Diana Gutierrez, Banking Board Secretary, at 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**

Kenneth Boldt
Acting State Bank Commissioner





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**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 procedures provide the applicant and objector with the opportunity to work out an agreement before a hearing is scheduled. 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 or operate a LPO under a name which differs in any way from the name approved by the Banking Board.

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; and, 3) the application processing procedures.

Rulemaking Authority

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

