

**RULES
OF
TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS**

**CHAPTER 0180-20
RECOVERY OF THE COSTS OF EXAMINATION AND SUPERVISION
OF CERTAIN FINANCIAL INSTITUTIONS**

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0180-20-.01 STATEMENT OF PURPOSE. In enacting Public Chapter 628, Acts of 1992, the General Assembly expressed its intent to allow the department to recover the cost of examination and supervision of certain financial institutions and their related entities. The purpose of this rule is to define such costs and establish guidelines to insure the prompt assessment and recovery of such costs.

Authority: T.C.A. §45-1-118; Public Chapter 628, Acts of 1992, Section 1. *Administrative History:* Original rule filed November 30, 1992; effective March 1, 1993.

0180-20-.02 DEFINITIONS. For the purposes of this rule:

- (1) Affiliate means any company that directly or indirectly, through one or more intermediaries, controls or is under common control with another company.
- (2) Commissioner means the Commissioner of the Department of Financial Institutions.
- (3) Company means any corporation (other than a bank), any partnership, business trust, association, joint venture, pool syndicate, or other similar business organization.
- (4) Control means the power to directly or indirectly vote 25 percent or more of the voting stock of a bank or company, the ability to control in any manner the election of a majority of a bank's or company's directors or trustees, or the ability to exercise a controlling influence over the management and policies of a bank or company.
- (5) Costs means the average salary and actual travel expenses directly attributable to the field staff examining or investigating the financial institution and such salary and expenses of any supervisory or other staff required as a result of the findings of an examination or investigation.
- (6) Department means the Department of Financial Institutions.
- (7) Financial Institution means any institution which the commissioner by law or regulation has the authority to examine and/or supervise and any subsidiary or affiliate of such financial institution which the commissioner has reason to believe has or is about to engage in an unsafe, unsound, or illegal practice.

Authority: T.C.A. §45-1-118; Public Chapter 628, Acts of 1992, Section 1. *Administrative History:* Original rule filed November 30, 1992; effective March 1, 1993. Amendment filed November 30, 2001; effective March 30, 2002.

0180-20-.03 SPECIAL ASSESSMENTS.

- (1) In addition to all other costs, fees and assessments imposed under Title 45 of the Tennessee Code Annotated, the commissioner may impose a special assessment upon any financial institution for the purpose of recovering those costs of the department which, as determined by the Commissioner, exceed those costs normally incurred in the supervision of a financial institution in a sound financial condition and operating legally. Provided however that if the department is required to periodically

(Rule 0180-20-.03, continued)

examine the financial institution, the special assessment shall not include the costs of the department's routine periodic examination of the financial institution.

- (2) To impose a special assessment, the commissioner must notify the financial institution in writing and include a statement showing the nature of the costs to be recovered by the department and the dates on which the Department incurred such costs.
- (3) Payment of all special assessments shall be due no later than thirty (30) days from the date of the invoice of such assessment.
- (4) All special assessments collected pursuant to this rule shall be used at the exclusive discretion of the commissioner in the administration of the department.

Authority: T.C.A. §45-1-118; Public Chapter 628, Acts of 1992, Section 1. **Administrative History:** Original rule filed November 30, 1992; effective March 1, 1993. Amendment filed November 30, 2001; effective March 30, 2002.

0180-20-.04 PENALTIES FOR THE FAILURE TO TIMELY PAY SPECIAL ASSESSMENTS. If a financial institution fails to pay a special assessment when due, the commissioner may, in addition to other remedies provided for under Title 45, levy a late payment penalty of up to five hundred dollars (\$500) per day for each day the payment is overdue. All penalties and fines collected pursuant to this rule shall be used at the exclusive discretion of the commissioner in the administration of the department.

Authority: T.C.A. §45-1-118; Public Chapter 628, Acts of 1992, Section 1. **Administrative History:** Original rule filed November 30, 1992; effective March 1, 1993.