

**RULES  
OF  
TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS  
BANK DIVISION**

**CHAPTER 0180-31  
LOAN PRODUCTION OFFICES**

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**0180-31-.01 SCOPE.**

This chapter establishes the notification procedures for a Tennessee-chartered bank to establish a loan production office.

**Authority:** T.C.A. §§45-1-107, 45-2-601, and 45-2-614. **Administrative History:** Original rule filed May 7, 2002; effective September 27, 2002.

**0180-31-.02 DEFINITIONS.**

- (1) “Branch” means, with respect to a state bank, any place of business separated from the main office of a bank at which deposits are received, or checks paid or money lent;
- (2) “Commissioner” means the Commissioner of the Department of Financial Institutions;
- (3) “Loan Production Office” means an office established by a bank located at a place other than the principal or branch office for the purpose of soliciting and/or originating loans. The loan production office may not receive deposits, pay checks or lend money as those functions are reserved for branches.
- (4) “Tennessee-chartered bank” means a bank chartered by the Tennessee Department of Financial Institutions pursuant to Title 45, Chapter 2 of the Tennessee Code Annotated.

**Authority:** T.C.A. §§45-1-103(4), 45-1-107; 45-2-601; 45-2-607, and 45-2-1603. **Administrative History:** Original rule filed May 7, 2002; effective September 27, 2002.

**0180-31-.03 ESTABLISHMENT OF LOAN PRODUCTION OFFICE.**

- (1) All Tennessee-chartered banks shall file a notice with the commissioner 14 days prior to establishing a loan production office. The notice shall include:
  - (a) The name of the bank and its address;
  - (b) The name and address of the loan production office;
  - (c) The name and address of the bank officer responsible for loan production office activities;
  - (d) Description of proposed activities to be conducted at the loan production office;
  - (e) The date the loan production office plans to open for business; and,
  - (f) If the loan production office is to be located outside the State of Tennessee, provide a no-objection letter from the state where the loan production office will be located.

(Rule 0180-31-.03, continued)

- (2) The notice required by subsection (1) shall be filed for each loan production office established.
- (3) Each notice shall be accompanied by a non-refundable fee of \$100.00.
- (4) The commissioner may object, based on safety and soundness concerns, to some banks establishing a proposed loan production office;
- (5) Each notice shall be amended when there is a material change in the information provided pursuant to subsection (1). No fee is required for amendments.
- (6) All Tennessee-chartered banks shall notify the commissioner of the closure of a loan production office; the date of closure; the disposition of any records previously maintained at the loan production office subject to closure, and; the names, addresses, and telephone numbers of parties to whom pending loans have been or will be transferred or assigned. No fee is required for a notice of closure.
- (7) If the loan production office will be using an assumed name, the loan production office shall comply with the requirements of Rule 0180-7-.09.
- (8) A loan production office operated by a Tennessee-chartered bank may be subject to periodic inspection by the Department of Financial Institutions. The commissioner may order that an out-of-state loan production office of a Tennessee chartered bank be inspected. All expenses incurred by the Department of Financial Institutions as a result of any such out-of-state inspection shall be paid in full by the bank in accordance with Chapter 0180-20 of these rules.

**Authority:** T.C.A. §§45-1-107, 45-1-118, 45-2-601, 45-2-607, 45-2-614, and 45-2-1603. **Administrative History:** Original rule filed May 7, 2002; effective September 27, 2002.