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.


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.


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.
(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.