

IB48**Loan Production Office** [Section 11-108-305(4), C.R.S.]

- A. A Loan Production Office (LPO) is defined as a location other than the bank's main office where only the solicitation and origination of loans by employees or agents of an industrial bank or of a subsidiary corporation are conducted, provided that the loans are approved and made at the main office of the bank or at an office of the subsidiary located on the premises of or contiguous to the main office of the bank, and which location is subject to notification and the fee provisions of this Rule.
- B. Approval of loans at the main office is not intended to be perfunctory, i.e. merely final execution of the loan documents. Approval at the main office shall be in accordance with safe and sound banking practice, including a review of the credit quality of the loan and a determination that it meets the bank's credit standards. In making an independent credit decision, the employee at the main office may consider recommendations made by the LPO as a factor when assessing the credit quality of the loan.
- C. Application to Operate a LPO or Application to Change Location of a LPO shall be filed with the Banking Board on a form provided by the Division of Banking. A completed application shall be filed at least thirty (30) days prior to the anticipated first day of operating at a location. The application shall be accompanied by a fee as set by the Banking Board pursuant to Section 11-102-104(11), C.R.S.

Amended Effective December 30, 2004

To reduce the application notice period for opening a loan production office from sixty days to thirty days.

Amended Effective March 1, 2004

Statutory reference amendment to conform Rule to recodified statutes; update terminology to conform to recodified statutes; formatting changes to comply with Colorado Secretary of State guidelines.

Amended Effective June 30, 1998

Technical corrections.