

CB101.53 Loan Production Office [Section 11-105-101(1) and 11-102-104(1)(a)]

A. Definitions:

1. A Loan Production Office (LPO) is any location in Colorado that is not a branch and where the only activities conducted are the solicitation and origination of loans by employees or agents of a bank or a subsidiary. Loan approvals must be made at the main office or branch location of a bank or its subsidiary.
2. A Branch means any branch bank, branch office, branch agency, additional office, or branch place of business situated in Colorado or another state of a financial institution located in this or another state at which deposits are received, checks are paid, and money is lent and trust powers may be exercised, if approved by its chartering authority.

B. A Colorado state bank or a state bank chartered in another jurisdiction that intends to open a LPO in Colorado, or operate a LPO under a name which differs in any way from the name approved by the Banking Board, shall file an application on the appropriate form provided by the Division of Banking (Division).

C. A bank or bank holding company that intends to open a LPO in Colorado shall provide the banking board with the name or names under which it proposes to conduct the business of such bank, or bank holding company. The bank or bank holding company shall not be eligible to open a LPO if the proposed name is either:

1. Identical to or deceptively similar to the name of any existing Colorado financial institution or LPO previously approved to operate in Colorado; except that this paragraph (a) shall not apply if the bank or bank holding company obtains express written consent of the affected existing Colorado financial institution or LPO; or
2. Likely to cause the public to be confused, deceived, or mistaken.

~~C.A. Approval of loans at the main office or branch is not intended to be perfunctory, i.e. merely final execution of the loan documents. Approval 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.~~

D. 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. The completed application shall be filed at least thirty (30) days prior to the anticipated first day of operations or use of a new name.

1. Every LPO application shall include the name or names under which the applicant proposes to conduct the business of such LPO. The application shall be accompanied by the applicable fee as set by the Banking Board pursuant to Section 11-102-104(11), C.R.S.

D.E. When processing a LPO application:

1. The Division will review all existing names and DBAs of banks or LPOs operating within the State of Colorado and compare the proposed name with existing approved bank or LPO names. Division staff will evaluate the proposed name to ensure it's not identical to existing names. If the proposed name is not identical, staff will conduct the procedure outlined in subsection E.2. If the proposed name is identical, then the applicant will be notified and asked to provide a new name.
- 1.2. The Division shall commence a fourteen (14) calendar day comment period by posting the proposed name on the Division's website and distributing the proposed name by email to its distribution mailing list;

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- a. If no objections are received within the fourteen (14) calendar day period, the Division shall proceed with processing the application and submitting it to the Banking Board for approval;
- b. If an objection is received within the fourteen (14) calendar day period, the Division will notify the applicant. The applicant and the objector should provide a written response to the Division within thirty (30) calendar days, which the Division will provide to the Banking Board for its consideration.
- c. If the objector wishes to withdraw its objection, it may do so and provide express written consent to the LPO name.
- ~~b.~~

~~2. The Division will not process the disputed LPO application unless the objector provides express written consent to the applicant regarding the disputed name.~~

~~1. A bank or bank holding company that intends to open a LPO in Colorado shall provide the banking board with the name or names under which it proposes to conduct the business of such bank, or bank holding company. The bank or bank holding company shall not be eligible to open a LPO if the proposed name is either:~~

~~1. Identical to or deceptively similar to the name of any existing Colorado financial institution; except that this paragraph (a) shall not apply if the bank or bank holding company obtains express written consent of the affected existing Colorado financial institution; or~~

~~1. Likely to cause the public to be confused, deceived, or mistaken.~~

~~The Division will not process the disputed LPO application unless the objector provides express written consent to the applicant regarding the disputed name.~~

3. The Board will evaluate the objection and written response, if any, and approve or deny the LPO name.

3.4. WithoutIn express written consent the event of the Banking Board's denial of a proposed name, with or without an objection, the Applicant must submit a new name, which will be evaluated and published by the Division as outlined in (E)(1) and (E2), to operate in Colorado so that the new name is not identical to or deceptively similar to the name of any existing Colorado financial institution, or likely to cause the public to be confused, deceived, or mistaken. Without express written consent, the Applicant must submit a new name, which will be published by the Division as outlined in (E)(1), to operate in Colorado so that the new name is not identical to or deceptively similar to the name of any existing Colorado financial institution, or likely to cause the public to be confused, deceived, or mistaken.

~~F. Approval of loans at the main office or branch is not intended to be perfunctory, i.e. merely final execution of the loan documents. Approval 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.~~

E.G. The applicant shall have one year from the date of approval in which to open the LPO and will notify the Division of its opening.