



COLORADO

**Department of
Regulatory Agencies**

Division of Banking

1560 Broadway, Suite 975
Denver, CO 80202

November 17, 2017

**BEFORE THE
COLORADO STATE BANKING BOARD**

IN THE MATTER OF)
)
RULE AMENDMENT) **NOTICE OF PROPOSED RULEMAKING**

I. Notice of hearing

PLEASE BE ADVISED THAT, as required by Section 24-4-103, C.R.S., of the State Administrative Procedures Act, the Colorado State Banking Board (Banking Board) hereby gives notice of proposed rulemaking. A hearing is scheduled for January 18, 2018, commencing at 10:00 a.m., at 1560 Broadway, Suite 975, Denver, Colorado, Division of Banking (Division) Conference Room, which facility is accessible in compliance with the Americans with Disabilities Act (ADA) guidelines.

II. Purpose of the proposed rulemaking

The purpose of the hearing is to hear comments concerning the proposed amendment of the following Banking Board Rules to update the rules to reflect changes made to the Prompt Corrective Action Guidelines, effective January 1, 2015. A Statement of Basis, Purpose, and Specific Statutory Authority for each rule follows this notice and is incorporated by reference.

- PDP1 Capital Standards for Eligible Public Depositories
- PDP3 List of Approved eligible Collateral Instruments and Obligations
- PDP4 Standards for Establishing Current Market Value of Eligible Collateral
- PDP5 Criteria and Procedures for Reducing/Removing Uninsured Public Deposits From a Bank, or Increasing Collateral Requirements, if the Eligible Public Depository Fails to Comply With Minimum Capital Standards or Safety and Soundness Standards
- PDP7 Reporting Requirements
- PDP8A Directors' Examination of Public Deposits
- PDP9 Assessments and Fees



III. Statutory authority for proposed rulemaking

The proposed amendment of the rules is being held under the authority given the Banking Board by the Colorado Banking Code in accordance with Section 11-102-104(1), C.R.S., which states "the banking board is the policy-making and rule-making authority for the division of banking and has the power to: (a) make, modify, reverse, and vacate rules for the proper enforcement and administration of this code..."

IV. Opportunity to testify and submit written comments

Any interested person(s) has the right to submit written comments or data, view, or argument. Written information should be filed with the Division no later than January 8, 2018. To submit written comments, please contact Diana Gutierrez, Banking Board Secretary, at diana.gutierrez@state.co.us. In addition, any interested person(s) has the right to make an oral presentation at the Hearing, unless the Banking Board deems any oral presentation unnecessary.

SUBMITTED ON BEHALF OF THE
COLORADO STATE BANKING BOARD



Chris R. Myklebust
State Bank Commissioner



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**STATE BANKING BOARD
RULE 3-CCR 701-4 PDP8A
PERTAINING TO TITLE 11, ARTICLE 10.5, SECTION 109(2)
COLORADO REVISED STATUTES**

STATEMENT OF BASIS, PURPOSE AND SPECIFIC AUTHORITY

Statutory Basis

The statutory basis for Banking Board Rule 3-CCR 701-4 PDP8A is found in section 11-10.5-109(2) of the Colorado Revised Statutes (C.R.S.). The purpose of this rule modification is to provide clarification and updates to language in the current rules and technical updates to standard practice for annual requirements for Directors' Examinations of public deposits.

Purpose of this Rulemaking

The purpose of the proposed revision to amend 3-CCR 701-4 PDP8A(C) to reflect technical changes in the definition of what is meant for frequency of the Directors' Examination of public deposits. The requirement can be found in the statutes, this rule is used by auditors as a guide and adding the annual requirement to the rule will help enhance compliance with this requirement. The proposed amendment to the rule would read as such:

1. The Directors' Examination addressing in detail the items under Banking Board Rule PDP8A, Paragraph B shall be performed by an independent person that meets the qualifications under Banking Board Rule PDP8A, Paragraph (A).

The purpose of the proposed rulemaking is to amend 3-CCR 701-4 PDP8A(D) to move the previous subpart C to subpart D based on the above revision. The proposed amendment to the rule would read as such:

- A. (D) shall read: Report to be Filed With the Colorado Division of Banking.

A copy of a report addressing in detail the items under Banking Board Rule PDP8A, Paragraph (A).

Rulemaking Authority

- 11-101-102. Declaration of policy.
11-102-104. Powers and duties of the banking board.
11-10.5-109. Verification of collateral held – reports required.

