



COLORADO
Department of
Regulatory Agencies
Division of Banking

August 15, 2024

STATE BANKING BOARD
3 CCR 701-6 TC13.5
PERTAINING TO TITLE 11, ARTICLE 109, SECTION 304
COLORADO REVISED STATUTES

STATEMENT OF BASIS, PURPOSE AND SPECIFIC STATUTORY AUTHORITY

Statutory Basis

The statutory basis for Banking Board Rule 3 CCR 701-6 TC13.5 is found in Section 11-109-304 of the Colorado Revised Statutes.

Purpose of this Rulemaking

The purpose of this rule is to establish minimum capital requirements for non-depository trust companies.

The purpose of this rulemaking is to amend Rule 3 CCR 701-6 TC13.5.

The Colorado Division of Banking (Division) finds that the proposed amendments to this rule are necessary as follows:

- Make minor grammatical and technical changes.
- The initial capital required to charter a non-depository trust company should be increased from \$1,000,000 to \$1,500,000. Additionally, minimum total capital requirement should be increased from \$750,000 to \$1,000,000. The increases are necessary to align with current trust business costs, to adjust the minimum level from the 1997 level to equivalent dollar levels in 2024, and to recognize the increase in complexity of non-depository trust operations. Additionally, the amendment proposes a 36 month phase-in period for existing trust companies to comply with the proposed minimum total capital requirement.
- Allow the State Bank Commissioner discretion to restrict a non-depository trust company's capital distributions, engagement in certain activities, and payment of excessive compensation and bonus, which could further deplete capital.
- Revise definitions and minimum capital ratios to include the capital adequacy standards and the calculation of said capital ratios through the incorporation by reference the following applicable code of federal regulations:
 - Code of Federal Regulations Title 12 - Banks and Banking Chapter III - Federal Deposit Insurance Corporation Subchapter B - Regulations and Statements of General Policy Part 324 Capital Adequacy of FDIC-Supervised Institutions, Subpart A General Provisions - 324.2 Definitions and Subpart C - Definition of Capital 324.20 Capital Components and Eligibility Criteria for Regulatory Capital Requirements

The incorporated material is available at <https://banking.colorado.gov/banking-home/rules-statutes>.

Rulemaking Authority

11-101-102. Declaration of policy.





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- 11-102-104. Powers and duties of the banking board.
- 11-109-103. Applicability of powers of banking board and bank commissioner to trust companies.
- 11-109-304. Capital.

