



COLORADO
Department of
Regulatory Agencies
Division of Banking

August 15, 2024

STATE BANKING BOARD
3 CCR 701-6 TC18
PERTAINING TO TITLE 11, ARTICLE 109, SECTION 902
COLORADO REVISED STATUTES

STATEMENT OF BASIS, PURPOSE AND SPECIFIC STATUTORY AUTHORITY

Statutory Basis

The statutory basis for Banking Board Rule 3 CCR 701-6 TC18 is found in Section 11-109-902 of the Colorado Revised Statutes.

Purpose of this Rulemaking

The purpose of this rule is to establish specific guidelines for depository trust companies to purchase existing commercial loans or participations in existing commercial loans.

The purpose of this rulemaking is to amend Rule 3 CCR 701-6 TC18.

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

- Align Rule with the Office of the Comptroller of the Currency lending limit regulations (12 CFR Part 32) and FDIC capital regulations (12 CFR Part 324).
- Include a reference to Section 11-109-907(2), C.R.S., which specifies two instances when a trust company may make a loan or extension of credit.
- Update the types of depository institutions. The regulation of industrial banks was repealed effective July 1, 2013, with the passage of Senate Bill 13-154, and non-depository trust companies may not accept deposits and thus should be removed as depository institutions.
- Include the Prompt Corrective Action “adequately capitalized” capital ratios through the incorporation by reference the following applicable code of federal regulation:
 - o 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, which includes Subpart H Prompt Corrective Action. The incorporated material is available at <https://banking.colorado.gov/banking-home/rules-statutes>.
- Allow the lender additional time to bring the nonconforming loan into compliance where judicial proceedings, regulatory actions or other extraordinary occurrences would prevent the lender from taking such action.

Rulemaking Authority

- 11-101-102. Declaration of policy.
11-102-104. Powers and duties of the banking board.





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- 11-109-103. Applicability of powers of banking board and bank commissioner to trust companies.
11-109-902. Investments.

