



COLORADO

**Department of
Regulatory Agencies**

Division of Banking

May 31, 2019

**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 July 18, 2019, 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; update the list of acceptable collateral to include two new mortgage-backed securities created through the Single Security Initiative, effective June 3, 2019; and include a definition of what the Division considers to be an "independent person," in regards to the annual Directors' Examination of Public Deposits. 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
- PDP8A Directors' Examination of Public Deposits



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 July 8, 2019. To submit written comments, please contact Charles Siler, Banking Board Secretary, at charles.siler@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



Kenneth Boldt
State Bank Commissioner



COLORADO

Department of
Regulatory Agencies

Division of Banking

May 16, 2019

**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.).

Purpose of this Rulemaking

The purpose of this rulemaking is to amend the Rule number of Banking Board Rule 3-CCR 701-4 PDP8A. The proposed language reflects the following changes:

1. Changed Rule number 'PDP8A' to 'PDP8' to align with the Rule numbering throughout 3-CCR 701-4.

The purpose of this rulemaking is to amend 3-CCR 701-4 PDP8A(A) to define an "Independent Person(s)," allowed to conduct a Directors' examination of public deposits. The proposed language reflects the following changes:

1. Added the following definitions of an Independent Person:
 - Independent accounting firm composed of certified public accountants
 - The eligible public depository's holding company, so long as the department or individual(s) conducting the directors' examination is not responsible for performing PDPA tasks or the oversight of such tasks.
 - A subsidiary of the parent company of an eligible public depository, so long as the department or individual(s) conducting the directors' examination is not responsible for performing PDPA tasks or the oversight of such tasks.

The purpose of this rulemaking is to amend 3-CCR 701-4 PDP8A(C) to align examination requirements with Section 11-10.5-109(2), C.R.S. Additional revisions were necessary to Rule numbers referenced within PDP8A(C) to reflect the above mentioned Rule number amendment. The proposed language reflects the following changes:

1. Changed 'performed annually' to 'performed at least annually, but at intervals no more than fifteen months.'
2. Changed 'PDP8A (B)' to 'PDP8(B).'





COLORADO

**Department of
Regulatory Agencies**

Division of Banking

3. Changed 'PDP8A (A)' to 'PDP8(A).'

The purpose of this rulemaking is to amend 3-CCR 701-4 PDP8A(D) to revise a Rule number referenced within PDP8A(D) to reflect the above mentioned Rule number amendment. The proposed language reflects the following changes:

1. Changed 'PDP8A Paragraph B' to 'PDP8(B).'

Rulemaking Authority

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

