



COLORADO
Department of
Regulatory Agencies
Division of Banking

August 15, 2024

BEFORE THE
COLORADO STATE BANKING BOARD

IN THE MATTER OF)	
)	NOTICE OF PROPOSED RULEMAKING
RULE PROMULGATION, AMENDMENT,)	
and REPEAL)	

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 **virtual and in-person** hearing is scheduled for October 17, 2024, commencing at 10:00 a.m. at 1560 Broadway, Room 100D, Denver, Colorado, 80202. The virtual hearing is available via the Zoom link listed below; the passcode is 832326:
<https://us06web.zoom.us/j/84181226499?pwd=bGNmdFcwOHo3d3hnekJhbIRDUIk1UT09>

II. Purpose of the proposed rulemaking

The purpose of the hearing is to hear comments concerning the proposed promulgation of the following Banking Board Rules: 3 CCR 701-6 TC1, and TC28. The promulgations are to establish definitions, requirements pertaining to the surrendering of a trust company charter, and requirements pertaining to an audit of fiduciary activities.

The purpose of the hearing is to hear comments concerning the proposed amendments of the following Banking Board Rules: 3 CCR 701-6 TC7, TC8, TC9, TC10, TC11, TC13, TC13.5, TC16, TC17, TC18, TC19, TC20, TC21, TC22. The amendments are to clarify and update definitions, procedures, and requirements, incorporate by reference applicable code of federal code, and make grammatical and technical changes. The incorporated material is available at <https://banking.colorado.gov/banking-home/rules-statutes>.

The purpose of the hearing is to hear comments concerning the proposed repeal of the following Banking Board Rules: 3 CCR 701-6 TC6 and TC14. The repeals are to eliminate duplication of statute and relocate capital information to other rules.



A Statement of Basis, Purpose, and Specific Statutory Authority for each rule follows this notice and is incorporated by reference.

TC1	Definitions
TC6	Collateralization of Deposits
TC7	Generally Accepted Accounting Principles
TC8	Dividends
TC9	Investment Limitations
TC10	Reports of New Executive Officers, Directors, and Persons in Control and Related Late Filing Penalty
TC11	Scope of Directors' Examinations
TC13	Minimum Capital Ratios for Depository Trust Companies
TC13.5	Minimum Capital for Non-Depository Trust Companies
TC14	Risk-Based Capital Definitions and Adequacy
TC16	Insurance
TC17	Deposits of Securities
TC18	Investments in Loans
TC19	Investment in a Subsidiary
TC20	Reports of Condition and Income (Call Report) Filing Requirements
TC21	Fiduciary Self-Dealing
TC22	Establishment of a Colorado Office Location by a Trust Company Chartered in Another State
TC28	Charter Surrender

III. Statutory authority for proposed rulemaking

The proposed amendment of the rule 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 October 7, 2024**. To submit written comments, please contact Charles Siler, Banking Board Administrator, at charles.siler@state.co.us. In addition, any interested person(s) has the right to make a virtual presentation at the Hearing, unless the Banking Board deems any oral presentation unnecessary.

SUBMITTED ON BEHALF OF THE
COLORADO STATE BANKING BOARD



Ken Boldt, State Bank Commissioner



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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Division of Banking

- 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.

