



COLORADO

**Department of
Regulatory Agencies**

Division of Banking

August 15, 2024

**BEFORE THE
COLORADO STATE BANKING BOARD**

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| 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.

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| 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 TC16
PERTAINING TO TITLE 11, ARTICLE 109, SECTION 104
COLORADO REVISED STATUTES

STATEMENT OF BASIS, PURPOSE AND SPECIFIC STATUTORY AUTHORITY

Statutory Basis

The statutory basis for Banking Board Rule 3 CCR 701-6 TC16 is found in Section 11-109-104(1)(f) of the Colorado Revised Statutes.

Purpose of this Rulemaking

The purpose of this rule is to establish the minimum amounts of bond and error and omissions insurance a trust company must maintain.

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

- Remove the term surety bond and replace it with fidelity bond as a fidelity bond is more appropriate for a trust company.
- Adjust the minimum bond amount from the initial 1993 amount, \$1,000,000, to equivalent dollar levels in 2024, \$2,000,000.
- Require that the trust company must conduct a risk analysis when determining the amount of the fidelity bond and errors and omissions insurance.
- Require that the corporate insurance or bonding company must be authorized to do business in Colorado.
- Add a one year phase-in period to allow trust companies time to comply with the new minimum fidelity bond requirement.

Rulemaking Authority

- 11-101-102. Declaration of policy.
11-102-104. Powers and duties of the banking board.
11-109-104. Powers - banking board - commissioner.

