

**CHAPTER 13-02-15
LOAN PRODUCTION OFFICES**

Section

13-02-15-01	Definitions
13-02-15-02	Authorization of Loan Production Offices
13-02-15-03	Limitation
13-02-15-04	Permissible Activity
13-02-15-05	Loan Production Office Application
13-02-15-06	Revocation of Certificate of Authority
13-02-15-07	Appeal

13-02-15-01. Definitions.

1. "Loan production office" means an office in North Dakota which is apart from a North Dakota state chartered bank's the main bank, banking house or office, walk in and drive up facility, or paying and receiving station interstate branch, where loans are solicited but are not approved or disbursed money is not lent.
2. Bank funds means cash or any check whereby the drawer and drawee are the lending bank including but not limited to a cashiers check.
3. Core banking activity includes receiving deposits, paying checks or lending money.
4. "Money" is "lent" only at a place where the borrower receives loan proceeds in person directly from bank funds either:
 - a. from the lending bank or its operating subsidiary; or,
 - b. at a facility established by the lending bank or its operating subsidiary.
5. "Receipt of bank funds representing loan proceeds" does not include delivery of bank funds directly by a third party provided it does not occur at a place established by the bank or its operating subsidiary.
6. "Third party" is a person who customarily delivers loan proceeds directly from bank funds under accepted industry practice such as an attorney or escrow agent at a real estate closing.

History: Effective May 1, 1993.
General Authority: NDCC 6-01-04, 6-03-02
Law Implemented: NDCC 6-03-38

13-02-15-02. Authorization of loan production offices. The commissioner or the board shall authorize the establishment of intrastate and interstate loan production offices by North Dakota state-chartered banks.

History: Effective May 1, 1993.
General Authority: NDCC 6-01-04, 6-03-02
Law Implemented: NDCC 6-03-38

13-02-15-03. Limitation. Loan production offices may not be established when the establishment of such offices would impair the applicant bank's capital structure. There are no population or geographic restrictions applied to such offices in the state of North Dakota. This chapter does not ~~authorize~~ prohibit the establishment of a loan production office in North Dakota by ~~state-chartered~~ banks located in other states provided the other state allows a North Dakota state-chartered bank to establish a loan production office in the other state.

History: Effective May 1, 1993.
General Authority: NDCC 6-01-04, 6-03-02
Law Implemented: NDCC 6-03-38

13-02-15-04. Permissible activity. Loan production offices are limited to the following activity:

1. ~~Soliciting loans on behalf of a bank, banking house or office, walk-in and drive-up facility, or paying and receiving station.~~
2. Assembling credit information.
3. Conducting property inspections and appraisals.
4. Securing title information.
7. Preparing applications for loans, including making recommendations with respect to action credit decisions provided money is not lent at the loan production office.
8. Any other activity which does not constitute a core banking activity as determined by the state banking board.

History: Effective May 1, 1993.
General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

**CHAPTER 13-02-22
DEPOSIT PRODUCTION OFFICES**

Section

13-02-22-01	Definitions
13-02-22-02	Authorization of Deposit Production Offices
13-02-22-03	Limitation
13-02-22-04	Permissible Activity
13-02-22-05	Deposit Production Office Application
13-02-22-06	Revocation of Certificate of Authority
13-02-22-07	Appeal

13-02-22-01. Definitions. "Deposit production office" means an office which is apart from the bank's main office, facility or interstate branch where deposits are solicited but are not received, nor are withdrawals paid or loans made.

History: Effective

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-22-02. Authorization of deposit production offices. The commissioner or the board shall authorize the establishment of deposit production offices by state-chartered banks.

History: Effective

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-22-03. Limitation. Deposit production offices may not be established when the establishment of such offices would impair the applicant bank's capital structure. There are no population or geographic restrictions applied to such offices in the state of North Dakota.

History: Effective

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-22-04. Permissible activity. Deposit production offices are limited to the following activity:

1. Soliciting deposits on behalf of a bank, facility, or interstate branch.
2. Providing information about deposit products.

3. Assisting persons in completing forms and related documents to open a deposit account.

History: Effective

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-22-05. Deposit production office application. A deposit production office may not be established, or operated, by a state-chartered bank until after the bank has submitted a written application to the commissioner or board and received a certificate of authority to operate such office. The application must describe with regard to the deposit production office the following:

1. The location.
2. A general description of the area where located, e.g., shopping center, supermarket, department store, etc.
3. The proposed activity for the location.
4. Whether the location will be staffed, and if so, the nature of employee compensation, whether an employee of the bank or a fee and commission basis.
5. Description as to the types of deposits to be solicited.
6. Any other information the commissioner determines necessary.

History: Effective

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-22-06. Revocation of certificate of authority. The commissioner shall revoke the certificate of authority for a deposit production office where it has been determined a deposit production office has engaged in any activity not specifically provided for in section 13-02-22-04.

History: Effective

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38

13-02-22-07. Appeal. A bank whose certificate of authority has been revoked may appeal the commissioner's decision for consideration of the board if the appeal is filed within fifteen days after receipt of notice of certificate revocation. Consideration of the board must occur within sixty days after the date the appeal is filed.

History: Effective

General Authority: NDCC 6-01-04, 6-03-02

Law Implemented: NDCC 6-03-38