

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 Activities
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.

1. "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.
2. "Impairment of capital" means the tier 1 leverage capital ratio in the bank's most recent quarterly report of condition and income is less than five percent.

History: Effective July 1, 2009.

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 may authorize the establishment of deposit production offices by state-chartered banks. In determining whether to approve the application for a deposit office the commissioner shall take into consideration the following:

1. Whether the applicant bank is at least adequately capitalized per the most recently filed report of condition and income;
2. The volume of deposits that applicant anticipates generating;
3. The information provided pursuant to section 13-02-22-05; and
4. Any other information the commissioner deems appropriate.

If an application for the establishment of a deposit production office is denied by the commissioner, the applicant bank may appeal the decision of the commissioner to the state banking board.

History: Effective July 1, 2009.

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 July 1, 2009.

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

Law Implemented: NDCC 6-03-38

13-02-22-04. Permissible activities.

Deposit production offices are limited to the following activities:

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 and forwarding the forms and documents to the main bank, facility, or interstate branch.

History: Effective July 1, 2009.

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 July 1, 2009.

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 may 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 July 1, 2009.

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 July 1, 2009.

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

Law Implemented: NDCC 6-03-38