

2020 Regular Session

HOUSE BILL NO. 284

BY REPRESENTATIVE DAVIS

BANKS/BANKING: Provides relative to financial institutions

1 AN ACT

2 To amend and reenact R.S. 6:452 and to enact R.S. 6:453 and 454, relative to financial
3 institutions; to provide for loan production offices; to provide for deposit production
4 offices; to provide definitions; to require written notification; to provide for
5 objections; to provide for powers of the commissioner; to provide for rules and
6 regulations; to provide for permissible activity; to provide for compliance; to provide
7 for combined offices; to provide for electronic financial terminals; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 6:452 is hereby amended and reenacted and R.S. 6:453 and 454 are
11 hereby enacted to read as follows:

12 §452. Loan production offices; power of commissioner to adopt rules and
13 regulations

14 A.(1) Any Louisiana state-chartered bank, savings bank, or savings and loan
15 association, or a wholly owned operating subsidiary of such bank, savings bank, or
16 savings and loan association, may open one or more loan production offices. Prior
17 to opening a loan production office, the financial institution shall give written notice
18 to the commissioner. Upon receiving the written notice, the commissioner has
19 forty-five days to object. If the commissioner does not raise a timely objection, the
20 financial institution may proceed with opening the loan production office. If the

1 commissioner raises an objection, the commissioner shall, upon request, notify the
2 financial institution in writing as to the nature of the objection.

3 (2) "Loan production office" means a location, other than the main office or
4 branch office of a bank, savings bank, or savings and loan association, with the
5 authority to conduct the solicitation and origination of applications for loans.

6 B. The commissioner shall authorize permissible activities of a loan
7 production office by rule or regulation. The commissioner shall have the right, and
8 is empowered to promulgate any rules, regulations, ~~applications~~, filing procedures,
9 instructions, and fees that he deems necessary for the creation of loan production
10 offices in the state.

11 C. Notwithstanding Subsections A and B of this Section, or any other law,
12 rule, or regulation to the contrary, any state-chartered bank, savings bank, or savings
13 and loan association may seek to conduct any activity at a loan production office that
14 is a permissible activity for a loan production office of a national bank by complying
15 with R.S. 6:242(C).

16 §453. Deposit production offices; power of commissioner to adopt rules and
17 regulations

18 A.(1) Any Louisiana state-chartered bank, savings bank, or savings and loan
19 association, or a wholly owned operating subsidiary of such bank, savings bank, or
20 savings and loan association, may open one or more deposit production offices. Prior
21 to opening a deposit production office, the financial institution shall give written
22 notice to the commissioner. Upon receiving the written notice, the commissioner has
23 forty-five days to object. If the commissioner does not raise a timely objection, the
24 financial institution may proceed with opening the loan production office. If the
25 commissioner raises an objection, the commissioner shall, upon request, notify the
26 financial institution in writing as to the nature of his objection.

27 (2) "Deposit production office" means a location, other than the main office
28 or branch office of a bank, savings bank, or savings and loan association, with the
29 authority to solicit deposits, provide information about deposit products, and assist

1 persons in completing application forms and related documents to open deposit
2 accounts.

3 B. The commissioner shall authorize permissible activities of a deposit
4 production office by rule or regulation. The commissioner shall have the right, and
5 is empowered to promulgate any rules, regulations, filing procedures, instructions,
6 and fees that he deems necessary for the creation of deposit production offices in the
7 state.

8 C. Notwithstanding Subsections A and B of this Section, or any other law,
9 rule, or regulation to the contrary, any state-chartered bank, savings bank, or savings
10 and loan association may seek to conduct any activity at a deposit production office
11 that is a permissible activity for a deposit production office of a national bank by
12 complying with R.S. 6:242(C).

13 §454. Combination of loan production office; deposit production office; and
14 electronic financial terminal

15 Any Louisiana state-chartered bank, savings bank, or savings and loan
16 association may operate, at the same location, a loan production office, a deposit
17 production office, and an electronic financial terminal, or any combination of these
18 facilities, and it shall not be considered a branch. Prior to opening a combined loan
19 production office, deposit production office, and electronic financial terminal, the
20 financial institution shall give written notice to the commissioner. Upon receiving
21 the written notice, the commissioner has forty-five days to object. If the
22 commissioner does not raise a timely objection, the financial institution may proceed
23 with opening the combined office. If the commissioner raises an objection, the
24 commissioner shall, upon request, notify the financial institution in writing as to the
25 nature of the objection.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 284 Original

2020 Regular Session

Davis

Abstract: Regulates the process by which certain financial institutions may open loan production offices, deposit production offices, and combination offices which may include electronic financial terminals.

Proposed law defines "loan production office" and "deposit production office".

Present law allows the commissioner of the office of financial institutions (hereinafter commissioner) to promulgate any rules, regulations, applications, filing procedures, instructions, and fees that he deems necessary for the creation of loan production offices.

Proposed law retains present law in part, but it removes, from the commissioner, the power to create applications for the creation of loan production offices.

Proposed law requires the commissioner to authorize permissible activities of a loan production office or deposit production office by rule or regulation.

Proposed law allows the commissioner to promulgate any rules, regulations, filing procedures, instructions, and fees that he deems necessary for the creation of deposit production offices.

Proposed law allows certain financial institutions to open one or more loan production offices or deposit production offices.

Proposed law requires these financial institutions to give written notice to the commissioner prior to opening a loan production office or deposit production office. Upon receiving the written notice, proposed law allows the commissioner 45 days to object.

If the commissioner does not object, proposed law allows the financial institution to proceed with opening the loan production office or deposit production office.

If the commissioner does object, proposed law requires the commissioner, upon request, to notify the financial institution in writing as to the nature of the objection.

Proposed law allows certain financial institutions to conduct any activity at a loan production office or deposit production office that is a permissible activity for a loan production office or deposit production office of a national bank, by complying with present law.

Proposed law allows certain financial institutions to operate, at the same location, a loan production office, a deposit production office, and an electronic financial terminal, or any combination of these facilities, and proposed law provides that these facilities are not to be considered a branch.

Propose law requires the financial institution to give written notice to the commissioner, prior to opening a combined office. Proposed law provides the commissioner 45 days to object. If the commissioner does not object, proposed law allows the financial institution to open the combined office. If the commissioner does object, proposed law requires him to, upon request, notify the financial institution as to the nature of the objection.

(Amends R.S. 6:452; Adds 6:453 and 454)