
DIGEST

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HB 284 Reengrossed

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.

Present law defines "branch" and "branch office".

Proposed law retains present law but clarifies that a "branch" or "branch office" shall not include a loan production office or deposit production office.

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 a financial institution which is opening a combined loan production and deposit production office to satisfy the notice required by proposed law by submitting one combined written notice.

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.

Proposed 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. 6:2(2), 452, and 532(6); Adds R.S. 6:453 and 454)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Narrow the definition of "branch" or "branch office" in present law, to clarify that it does not include a loan production office, deposit production office, or a combined office.
2. Add the requirement that a loan production office, deposit production office, or a combined office be physically-manned.
3. Allow a financial institution, which is opening a combined loan production office and deposit production office, to satisfy the notice required by proposed law by submitting one combined written notice to the commissioner.
4. Make technical changes.