

NOTICE TO APPLICANTS

Loan Production Office (LPO)/Deposit Production Office (DPO)

Texas State Banks

In accordance with Texas Finance Code (TFC) §32.204 and Title 7 Texas Administrative Code (TAC) §3.91 for LPOs and 7 TAC §3.93 for DPOs, a Texas state bank that intends to establish a LPO and/or DPO shall submit a notice letter (Notice) to the banking commissioner at least 31 days before the proposed establishment of the office and include the applicable filing fee pursuant to 7 TAC §15.2. If the banking commissioner does not have a significant supervisory or regulatory concern regarding the bank or its planned LPO and/or DPO, the banking commissioner may waive or shorten the waiting period. The Notice should include:

- A description of the proposed activities at the office consistent with TFC §32.204, 7 TAC §3.91 and 3.93;
- The physical address of the office; and
- The expected opening date for the office.

Out-of-State Facilities

If a Texas state chartered bank intends to establish a LPO or DPO in another state, copies of all other required regulatory notices or filings should be submitted along with the items listed above for the Notice.

Transactions with Management and Affiliates

If any property associated with the LPO or DPO will be purchased or leased from any officer, director, manager, managing participant, principal shareholder, or an affiliate of the bank, then the transaction is subject to TFC §33.109 and 7 TAC §3.22, in addition to federal regulations. Please indicate if a transaction with any officer, director, manager, managing participant, principal shareholder, or an affiliate of the bank will exist as a result of establishing the proposed LPO. Any transaction subject to TFC §33.109 and 7 TAC §3.22 will be subject to review at the next examination and the determination of compliance with any applicable laws and regulations will be made at such time.

Closing or Relocating a LPO or DPO

A Texas state bank which seeks to relocate or close an established LPO and/or DPO in this state, shall submit a Notice to the banking commissioner before the 5th day preceding the date of the planned relocation or closure of the office. The Notice should include:

- The physical address of the office to be relocated or closed; and
- The anticipated date for the office relocation or closure.

If a state bank intends to relocate or close a LPO or DPO in another state, copies of all other required regulatory notices or filings should be submitted along with the items listed above for the Notice.

Out-of-State Banks Establishing Texas Facilities

If an out-of-state financial institution intends to establish a LPO and/or DPO in Texas, no application or notice to the Texas Department of Banking is required. However, in accordance with TFC 201.102, an out-of-state financial institution must file an application for registration with the Texas Secretary of State before operating a branch or any other office in this state.