



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

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INDUSTRY NOTICE 2012-5

Date: May 18, 2012

Policy Revision Regarding Branch Certificates

Effective June 1, 2012, the Texas Department of Banking is revising its policy regarding the use of branch certificates as part of our continuing efforts to minimize regulatory burden. As of the effective date, the Department will no longer issue branch certificates of authority and Texas state chartered banks will no longer be required to display a certificate of authority at each branch.

The Department will continue to notify banks when branch applications are approved. However, banks will be given up to ten days to notify the Department after an approved branch is opened instead of notifying the Department five days prior to opening the branch. Upon notification, the Department will reflect the opening of the branch in its information systems. A branch certificate will not be issued as previously noted, negating the need for a bank to maintain the certificates and display them in its branches. Existing branch certificates of authority may be retained by banks and do not need to be returned to the Department.

The Department's policies regarding a certificate of authority issued under Texas Finance Code § 32.006 to a bank's home office remain unchanged; this new policy only pertains to branch certificates. Please also be advised that this policy change has no other effect on the requirements of Texas Finance Code §§ 32.203 and 203.001 with regard to establishing, and engaging in the business of banking at a branch office.

Questions regarding this policy change may be directed to Corporate Activities Program Specialist at (512) 475-1342 or Director of Corporate Activities at (512) 475-1322.