

This rule was filed as FID Rule 85-10.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 16 BANKING
PART 75 LOAN PRODUCTION OFFICES

12.16.75.1 ISSUING AGENCY: Regulation and Licensing Department, Financial Institutions Division.
[Recompiled 10/15/01]

12.16.75.2 SCOPE: [RESERVED]
[Recompiled 10/15/01]

12.16.75.3 STATUTORY AUTHORITY: This section is issued pursuant to the authority provided by Section 58-1-51 NMSA 1978.
[8/5/85; Recompiled 10/15/01]

12.16.75.4 DURATION: [Permanent]
[Recompiled 10/15/01]

12.16.75.5 EFFECTIVE DATE: The regulation shall become effective upon filing pursuant to the State Rules Act (Section 14-4-12 to 14-4-9 NMSA 1978). Issued this 5 day of August, 1985.
[8/5/85; Recompiled 10/15/01]

12.16.75.6 OBJECTIVE: It is the purpose of this regulation to allow a bank which receives prior approval by the financial institutions division to operate loan production offices (LPO) in New Mexico. The establishment and operation of an LPO by a bank shall not violate state branch banking restrictions provided that the LPO is operated in accordance with the provisions of this regulation.
[8/5/85; Recompiled 10/15/01]

12.16.75.7 DEFINITIONS: [RESERVED]
[Recompiled 10/15/01]

12.16.75.8 REGULATION:

A. Any bank may, subject to the provisions of this regulation, establish one or more LPOs anywhere in the state of New Mexico.

B. Before a bank establishes and operates an LPO in New Mexico, that bank shall obtain the approval of the director of the financial institutions division. A request by a bank for such approval shall state:

- (1) the location of the LPO,
- (2) the number of officers and other personnel to be employed at each location; and
- (3) the name and address of the bank at which loans will be approved or denied and disbursements made.

C. The director of the financial institutions division shall approve any request to establish an LPO unless the director finds that the proposed operation of such LPO violates the provisions of this regulation. If the director disapproves a request to establish an LPO in New Mexico, the objections shall be stated in writing, and the bank shall be given an opportunity to obviate such objections.

D. An LPO is limited to the following activities:

- (1) soliciting loans on behalf of its bank, or a branch thereof by any means which discloses the nature and limitations of the LPO;
- (2) providing information on loan rates and terms;
- (3) interviewing and counseling loan applicants; and
- (4) aiding customers in the completion of loan applications.

E. An LPO is prohibited from conducting the following activities:

- (1) signing or accepting notes, security agreements or other instruments obligating the loan customer to the bank;
- (2) delivering loan proceeds to the customer;

- (3) providing forms which enable the customer to open checking or savings accounts by mail;
 - (4) counseling customers regarding any bank services except loan origination services;
 - (5) advertising, stating or implying that the LPO provides services other than loan origination services;
 - (6) providing information to bank customers at the LPO concerning the status of their deposit accounts;
 - (7) charging, or providing for the charging of, interest on loans running from a date prior to the time at which the proceeds of the loan are actually disbursed to the customer by the LPO's bank or a branch thereof;
 - (8) accepting of loan payments; or
 - (9) operating an off-premises unmanned terminal.
- [8/5/85; Recompiled 10/15/01]

HISTORY OF 12.16.75 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center under:

Regulation No. 85-10, Loan Production Offices, 8/5/85.

History of Repealed Material: [RESERVED]