



# Arkansas State Bank Department

Candace A. Franks  
Commissioner

Asa Hutchinson  
Governor

August 23, 2019

The Honorable John Thurston  
Secretary of State  
500 Woodlane, Suite 026  
Little Rock, Arkansas 72201-1094

Dear Secretary Thurston:

I am writing to notify your office that within seven (7) Arkansas State Bank Department rules the word "regulation" has been removed, in accordance with Act 893 of 2019. The rules are:

1. Rule 46-402.1 Meetings of the Board; Regular Meeting Dates
2. Rule 47-401.4 Trading Account
3. Rule 47-701.9 Fiduciary Powers of State Banks
4. Rule 48-322.2 Officer or Director Removal
5. Rule 48-702.1 Relocation of Existing Full Service Branch
6. Rule 48-702.2 Short Distance Relocation
7. Rule 48-703.1 Expedited, Standard, and Mobile Branch Application Procedures

Please find copies of the amended rules attached. If you have any questions or require additional information to update our rules on file with your office, please contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "John Ahlen".

John Ahlen  
Deputy Commissioner &  
Chief Counsel

JWA/aph

Attachments

FILED  
AR REGISTER DIV.  
2019 AUG 26 AM 11:40  
SECRETARY OF STATE  
STATE OF ARKANSAS

#### 48-703.1 EXPEDITED, STANDARD, AND MOBILE BRANCH APPLICATION PROCEDURES

(Reference A.C.A. § 23-48-703)

A state bank's expedited, standard, or mobile branch application (on separate forms required by the Commissioner) for authority to establish a new branch shall be filed with the Commissioner. The following rules govern the procedure on such applications:

(a) Expedited, Standard, and Mobile Branch Applications.

1. Expedited Application. To file an expedited application, a bank must meet the criteria of a healthy bank as set forth by regulation. The application will be processed within sixty (60) days of filing with the Commissioner.
2. Standard Application. An application not filed as an expedited application will be filed as a standard application.
3. Mobile Application. A separate application must be filed with the Commissioner for each separate county the state bank proposed to operate the mobile branch

(b) Fees.

1. The sponsor(s) of an expedited branch application are required to pay a filing fee of three hundred dollars (\$300) as set by rule. This fee must accompany the filing of the application. The Commissioner at his/her discretion may or may not require a field investigation of a branch application.
2. The sponsor(s) of a standard branch application are required to pay a filing fee of five hundred dollars (\$500) as set by rule. This fee must accompany the filing of the application. The Commissioner at his/her discretion may or may not require a field investigation of a branch application.
3. The sponsor(s) of a mobile branch application are required to pay a filing fee of three hundred dollars (\$300) as set by rule. This fee must accompany the filing of the application. The Commissioner at his/her discretion may or may not require a field investigation of an application

(c) Notice Published by Applicant. The applicant, for either an expedited, standard, or mobile branch application, shall publish notice of the application in a newspaper of statewide circulation one (1) time per week for four (4) consecutive weeks prior to filing the application with the Commissioner. The application may not be filed with the Commissioner less than thirty (30) days from the date of the first publication, and not later than twenty (20) days after the fourth and final publication. A proof of publication must be submitted to the Commissioner.

(d) Notice by Commissioner. The Commissioner shall give notice of the application to Arkansas state-chartered banks with a bank or a full service branch currently open and operating within the market area of the proposed new branch. As set by this rule, the following shall apply:

1. All state chartered banks are required to file with the Commissioner a designated officer (not to be confused with the designated agent for service of process) and email address for which service can be made on that bank for the purpose of giving notice of an expedited, standard, or mobile branch application for a new branch. All state chartered banks are required to file at least one (1) designated officer, and may file up to three (3), with the Commissioner. This must be filed with the Commissioner by state chartered banks currently open and operating within the State of Arkansas no later than March 26, 2007. All new state chartered banks open and operating after March 26, 2007, must file a designated officer and email address with the Commissioner not more than thirty (30) days from the day of opening the new state chartered bank. Failure to file this information with the Commissioner will constitute a waiver of notice in regards to expedited, standard, or mobile branch applications. Failure to file a change of designated officer and email address with the Commissioner will also constitute a waiver of notice in regards to expedited, standard, or mobile branch applications.
2. The Arkansas State Banking Board defines "market area" as within the county where the applicant proposes to open the new branch.
3. "Open and operating" is determined by checking the Federal Deposit Insurance Corporation database. Those banks having a main banking office or branch office(s) actually open and

operating as of the date of the actual filing of an application, as reflected by the Federal Deposit Insurance Corporation database, in the proposed market area will receive notice from the Commissioner.

4. The Commissioner will email the banks a notice of the filing of the expedited, standard, or mobile branch application. This email will constitute as notice to the Arkansas state-chartered banks currently open and operating within the market area of the proposed new branch.

5. The Commissioner will send notice to banks entitled to notice under this subsection not more than two (2) business days from the filing of the application. The notice will include the date the application was filed.

6. An application for an expedited, standard, or mobile branch is considered "filed" the date stamped as filed by the Commissioner.

(e) Expiration of Approval. The Commissioner's Order approving a branch application shall expire eighteen (18) months from the date of approval unless a request for extension has been approved in writing by the Commissioner.

## **PROPOSED REGULATION**

### **46.403.1. PUBLICATION REQUIREMENTS. APPLICATIONS BEFORE THE STATE BANKING BOARD.**

Sponsors of the following applications must publish notice of the proposed application three (3) times at equal intervals in a newspaper of statewide circulation. Publication shall be as close as practicable to the date the application is filed with the State Bank Department, but no more than ten (10) calendar days prior to or after the filing date. Publications must provide for a fifteen (15) day comment period beginning with the actual filing of the application. These applications are:

- (1) New state bank charters;
- (2) Merger or consolidation applications between one or more banks, or saving and loan associations into a state bank;
- (3) Purchase or assumption application (over 50% of the assets or liabilities) of another depository institution; and
- (4) Change of a state bank's main banking office from one municipality to another (Simple or Complex Application).

### **46-404.1 - APPLICATION FILING FEES. APPLICATIONS TO BE PRESENTED TO THE STATE BANKING BOARD.**

Following is a list of application filing fees:

a) New bank charter	\$8,000
b) Merger applications (per institution)	\$5,000
c) Conversion (national bank to state bank)	\$8,000
d) Conversion (stock savings and loan or federal savings bank to state bank)	
\$8,000	
e) Charter amendments	\$ 200
f) Charter amendments for trust powers	\$ 500
g) Purchase or assumption (over fifty percent (50%) of assets or liabilities of another depository institution)	\$5,000
h) Relocation of main office from one municipality to another (Application does not include any reorganization or change of business plans – must be simple relocation of address only)	\$2,500
i) Reorganization and Relocation of Bank Charter (Complex Application)	
\$6,500	

#### **46-406.1 - HEARINGS. FILING FEES FOR WRITTEN/OFFICIAL PROTESTS**

a) A filing fee of \$2,500 will be required to file an official protest for the following applications:

- 1) New bank charter
- 2) Merger application
- 3) Purchase or assumption (over fifty percent (50%) of assets or liabilities) or (less than fifty percent (50%) of assets or liabilities)
- 4) Conversion (national to state bank)
- 5) Conversion (stock savings and loan or federal savings bank to state bank)
- 6) Relocation of main office from one municipality to another (Simple Application)
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#### **46-406.1 - HEARINGS. FILING FEES FOR WRITTEN/OFFICIAL PROTESTS**

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- 8) New bank charter
- 9) Merger application
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- 11) Conversion (national to state bank)
- 12) Conversion (stock savings and loan or federal savings bank to state bank)
- 13) Relocation of main office from one municipality to another (Simple Application)
- 14) Reorganization and Relocation of Bank Charter (Complex Application)

b) A filing fee of \$1,000 will be required to file an official protest for a branch application (A.C.A. § 23-48-703).

MEMORANDUM

FROM: CANDACE A. FRANKS, DEPUTY BANK COMMISSIONER

SUBJECT: REGULATIONS

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Please find below a brief synopsis of an Arkansas State Bank Department regulation:

REORGANIZATION AND RELOCATION OF BANK CHARTER APPLICATION

This regulation is to set the fee for a new Reorganization and Relocation of Bank Charter application due to the complexity of these types of applications and time spent by State Bank Department staff and the State Banking Board for investigation and processing. We have a basic bank relocation application, which we have had for many years. Banks that will use this new application are submitting very complex organizational structure and business plans, as well as financial structures, which require much more extensive financial review and research by Department personnel.



**FINANCIAL IMPACT STATEMENT**

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT: \_\_\_\_\_ ARKANSAS STATE BANK DEPARTMENT  
 DIVISION: \_\_\_\_\_ LEGAL  
 PERSON COMPLETING THIS STATEMENT: \_\_\_\_\_ BARBARA MAHONEY  
 TELEPHONE NO.: 501-324-9019 FAX NO.: 501-324-9028 EMAIL: bmahoney@banking.state.ar.us

**FINANCIAL IMPACT STATEMENT**

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE:**

Increase Application Fee for Reorganization and Relocation of Bank Charter

1. Does this proposed, amended, or repealed rule have a financial impact?

Yes  No

2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibitive, please explain.

Development of a financial impact statement would be cost prohibitive because there is no way to measure financial impact as we have no way of knowing how many, if any, of these application we will receive. There are few that would qualify for this process.

3. If the purpose of this rule is to implement a federal rule, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

<u>Current Fiscal Year</u>		<u>Next Fiscal Year</u>	
General Revenue	0.00	General Revenue	0
Federal Funds	0.00	Federal Funds	0
Cash Funds	0.00	Cash Funds	0
Special Revenue	0.00	Special Revenue	0
Other (Identify)	0.00	Other (Identify)	0
Total	0.00	Total	0

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party subject to the proposed rule, and explain how they are affected.

<u>Current Fiscal Year</u>	<u>Next Fiscal Year</u>
\$0.00	\$0.00
\$0.00	\$0.00
\$0.00	\$0.00
\$0.00	\$0.00

5. What is the total estimated cost by fiscal year to the agency to implement this rule?

**Current Fiscal Year**

NA

NA

**Next Fiscal Year**

NA

NA

Charlie Daniels  
Secretary of State  
State Capitol Room 026  
Little Rock, AR 72201-1094  
(501)682-3527