

PROPOSED REGULATION

46-305.1 – APPLICATIONS/DOCUMENTS – A.C.A. § 23-46-305

The Commissioner and the State Banking Board may permit applications and supporting documentation, or any other documents to be submitted to the State Bank Department in original paper format, photographic format, or electronic format, which has been determined as acceptable by the Commissioner.

PROPOSED REGULATION

47-401.2 - INVESTMENT - CONSUMER PAPER – A.C.A. § 23-47-401

A bank may purchase consumer paper without recourse, warranty, or repurchase agreement. If, however, the bank purchases dealer paper under an arrangement whereby the dealer endorsed the paper or guaranteed its payment or repurchase, then under A.C.A. § 23-47-501, the loan limit (so far as the dealer is concerned), would be exceeded if the dealer's liability as endorser plus his/her primary liability, if any, to the bank exceeds twenty percent (20%) of the capital base.

1. **EFFECT OF RESERVE.** When consumer paper is purchased by the bank under guaranty or repurchase agreement, if the contract provides for the creation of a reserve by withholding from disbursements or otherwise out of which the bank is entitled to remedy defaults, for loan limit purposes the amount of this reserve may be deducted from the total advances to the dealer.
2. **EFFECT OF DEFAULT.** If two consecutive installments under an item of pledged consumer paper which the dealer has transferred with recourse or under a guaranty should at any time be in default, the entire amount remaining as owed under the defaulted item will be charged against the dealer's loan limit.

PROPOSED REGULATION

47-501.1 - CERTIFICATES OF RELIANCE - ENDORSED OR GUARANTEED OBLIGATIONS – A.C.A. § 23-47-501

The use of Certificates of Reliance was repealed by Act 427 of 2005. State Banks are no longer authorized to use Certificates of Reliance.