



# BULLETIN

No. A-86-1

February 28, 1986

TO: State-Chartered Financial Institutions

RE: BULLETIN Service

The Department of Financial Institutions has initiated this BULLETIN form as a means of notifying regulated financial institutions of important information. Changes in departmental policies, new laws and regulations, and other critical areas of concern to state financial institutions will be published in this form.

Please keep these BULLETINS on file for future reference. We suggest a loose-leaf binder so that the BULLETINS may be filed sequentially. Each BULLETIN will be both numbered and dated.

We hope this service is of value to your institution.

Proposed Amendments

of

The Department of Financial Institutions

Chapter 0180-13

Electronic Data Processing Servicer Examination

Presented herein is a proposed amended rule of the Department of Financial Institutions submitted pursuant to Tennessee Code Annotated, Section 4-5-202 in lieu of a rulemaking hearing. It is the intent of the Department of Financial Institutions to promulgate this amended rule without a rulemaking hearing unless a petition requesting such hearing is filed within 30 days of the publication date of the issue of the Tennessee Administrative Register in which the proposed rules are published. Such petition to be effective must be filed in the Department of Financial Institutions, Second Floor, James K. Polk State Office Building, 505 Deaderick Street, Nashville, Tennessee 37219 and in the Administrative Procedures Division of the Department of State, Fifth Floor, James K. Polk State Office Building, 505 Deaderick Street, Nashville, Tennessee 37219, and must be signed by twenty-five (25) persons who will be affected by the rule, or submitted by a municipality which will be affected by the rule, or an association of twenty-five (25) or more members, or any standing committee of the general assembly. The text of the proposed amended rule is as follows:

0180-13-.03 AGREEMENT REQUIRED is amended by the addition of the following language between the word "AGREEMENT" and the word "REQUIRED" in the catchline:

"AND PRIOR APPROVAL".

Statutory Authority: T.C.A. Sections 45-2-616, 45-1-107, 45-3-801, 45-4-1001 and 45-5-501.

Administrative History.

0180-13-.03 AGREEMENT REQUIRED is further amended by renumbering current section (1) as section "(3)" and current section (2) as section "(4)".

Statutory Authority: T.C.A. Sections 45-2-616, 45-1-107, 45-3-801, 45-4-1001 and 45-5-501.

Administrative History.

0180-13-.03 AGREEMENT REQUIRED is further amended by the addition of new section (1) as follows:

"(1) Any state-chartered financial institution entering into an agreement with an electronic data processing (EDP) servicer shall notify the commissioner in writing at least thirty (30) days prior to entering into such agreement. The commissioner may for good cause disapprove the financial institution's choice of servicer upon written notice to the institution before the expiration of the thirty (30) days. The commissioner's failure to either approve or disapprove the servicer within the thirty (30) days shall be deemed approval of the servicer.

Statutory Authority: T.C.A. Sections 45-2-616, 45-1-107, 45-3-801, 45-4-1001 and 45-5-501.

Administrative History.

0180-13-.03 AGREEMENT REQUIRED is further amended by the addition of new section (2) as follows:

"(2) Any state-chartered financial institution which desires to discontinue service with an electronic data processing (EDP) servicer and begin to perform this function in-house shall notify the commissioner in writing thirty (30) days prior to discontinuing the outside EDP service.

Statutory Authority: T.C.A. Sections 45-2-616, 45-1-107, 45-3-801. 45-4-1001 and 45-5-501.

Administrative History.