



Bulletin C-13-2

To: All Registrants, and All Persons Contemplating Applying for Registration, under the Tennessee Industrial Loan and Thrift Companies Act

Subject: Requirement of Office in Tennessee

Date: September 11, 2013

The Tennessee Department of Financial Institutions has historically interpreted the Tennessee Industrial Loan and Thrift Companies Act, Tenn. Code Ann. §§ 45-5-101, *et seq.* (the "TILT Act"), to require each registrant thereunder to have an office in Tennessee. The purpose of this Bulletin is to provide notice that the Department has reconsidered and changed this interpretation of the TILT Act.

The TILT Act was first enacted by the Tennessee General Assembly in 1951, and was re-enacted in substantially the same form in 1979, with few substantive amendments since then. During the ensuing years the manner in which financial services are provided has changed dramatically, particularly with respect to electronic transactions and the use of the internet. In addition, the Department has seen a marked increase recently in inquiries from out-of-state companies with no office in Tennessee expressing an interest in obtaining certificates of registration under the TILT Act.

As a result of all of the foregoing, the Department recently reconsidered its historical interpretation and, with input from industry trade groups and current registrants, determined that the practical realities in the way financial services are currently provided warrant changing its interpretation, and the Department is issuing this Bulletin for the purpose of notifying all registrants, and all persons contemplating applying for registration, under the TILT Act of the change in the Department's interpretation.

Effective immediately, the Department will accept and consider any application for registration under the TILT Act that otherwise meets the qualifications for registration, without regard to whether an applicant has or maintains an office in Tennessee. Readers of this Bulletin are reminded that a separate certificate of registration under the TILT Act is required for each office or other place from which the business is conducted, and that loans secured by real property, while not required to be closed at an office where the registrant making the loan is registered,

may be closed at the office of any attorney at law licensed to practice in Tennessee or at the office of a title insurance company or title insurance agency licensed to do business in Tennessee; provided, that the closing location is within the State of Tennessee and within one hundred (100) miles of any registered office of the registrant making the loan [*see* Tenn. Code Ann. § 45-5-103(b)].

Any questions regarding this Bulletin may be directed to the Department's Compliance Division, via telephone at (615) 741-3186, or via e-mail at askmortgage.licensing@tn.gov.

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Commissioner