

OPERATIONAL INSTRUCTION ISSUED BY THE STATE BOARD OF FINANCIAL
INSTITUTIONS AUGUST 3, 2022

Unless otherwise instructed by the State Board of Financial Institutions or the Commissioner of Banking, State-chartered banks, savings and loan associations, and savings banks may operate Deposit Production Offices (“DPO’s”) and Loan Production Offices (“LPO’s”) in the same manner and with the same limitations as national institutions.

DPO’s and LPO’s are not considered branches, and a branch application shall not be required in connection with the establishment of either facility; however, the institution must notify the Commissioner of Banking in writing of its intent to establish one of these offices prior to doing so. The notification must include the location, anticipated date of opening the location, a brief summary of operations to be conducted at that location, and a certification that branch activities will not be undertaken at the facility.

Please note that, consistent with federal provisions as well as State law, a bank location “at which deposits are received, or checks paid, or money lent” is a branch. 12 U.S.C. § 36(j). Under no circumstances shall a State-chartered institution conduct these branch-specific activities at a DPO or LPO.