

## MEMORANDUM

**TO:** Mississippi Bank CEOs

**FROM:** John S. Allison, Commissioner

**CC:** Mississippi Bankers Association

**DATE:** January 15, 2008

**SUBJECT:** Adoption of Proposed Banking Regulations and Memos

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The Department of Banking and Consumer Finance has adopted amendments to the Bank Regulations - 1, dated November 10, 1997, governing the Banking Division. In general, the purpose of the amendments is to conform the Bank Regulations - 1 to the Department's current practice, to eliminate obsolete provisions and to add clarification.

Pursuant to the Mississippi Administrative Procedures Law, Section 25-43-1.101 et seq., Miss. Code Ann., the Department of Banking and Consumer Finance adopted the Proposed amended Bank Regulations – 1, which were filed on December 18, 2007, with the Office of the Secretary of State. Notice is also hereby given that the repeal of the prior Bank Regulations – 1 of this Department will become effective on the same date that the new Bank Regulations - 1 adopted by this Notice become finally effective, which will be February 14, 2008.

Please find attached adopted amended and restated Banking Division Bank Regulations – 1. The major changes to the regulation are as follows:

- Banking Hours – Amended to no longer require submission of banking hours to DBCF or Commissioner approval of such. As long as bank remains in compliance with Code Section 81-5-97, no approval or notification for closing of half day, whole day, or exception to regular opening or closing routine is required by DBCF.
- Document Filing Fees – Fees for new bank charters, mergers, conversions, and LPOs have increased. Branch fees remain at \$750.
- Fees for Special Services – Fees for copying have increased from .25 per page to .50 per page.
- Interest After Maturity - Withdrew regulation.

- Other Real Estate (ORE) -Withdrew regulation. Abolishing this regulation aligns state-chartered banks with National banks in the carrying of ORE and eliminates the need for a parity request. State-chartered banks are no longer required to write-down ORE by 20% annually.
- Report of Condition – Withdrew regulation.
- Securing of Federal Funds – Withdrew regulation.

In addition to amending the attached regulations, DBCF amended and restated Banking Division Memos. The memos were amended as follows:

- Real Estate Acquisitions – Banks are no longer required to request permission for major capital expansion to new or existing banking house buildings. Note, this does not change branch procedures.
- “CAMEL” Ratings – Withdrew outdated memo.
- Payment of Dividends – Withdrew outdated memo.

Enclosed is a complete copy of the adopted Bank Regulations – 1. The adopted Bank Regulations - 1 will be filed with the Secretary of State, State of Mississippi, and the effective date of the adopted Regulations will be February 14, 2008. At that time, please discard your copy of the Bank Regulations – 1 dated November 10, 1997, as well as the draft copy of the Proposed Bank Regulations – 1 that were previously mailed to you on December 18, 2007. Also, please find enclosed a copy of Banking Division Memos that were effective on January 1, 2008. Additional copies of these Regulations may be obtained by mail from the Department of Banking and Consumer Finance, P. O. Box 23729, Jackson, MS 39225-3729 or from our website, [www.dbcf.state.ms.us](http://www.dbcf.state.ms.us).