



**Rules of
Department of Commerce and
Insurance**

**Division 1140—Division of Finance
Chapter 16—Association Branches and Other Facilities**

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE**

**Division 1140—Division of
Finance**

**Chapter 16—Association Branches and
Other Facilities**

**20 CSR 1140-16.010 Branch Offices,
Mobile Facilities and Tandem Branch**

PURPOSE: This regulation creates a uniform procedure to be followed by a savings and loan association in establishing either a branch office, mobile facility or tandem branch as defined by the regulation. An association must have the written approval of the director of the Division of Finance before establishing a branch, tandem branch or mobile facility. The regulation requires that a uniform application be used when applying for a branch, tandem branch or mobile facility. Requirements are stated as to when the director of the Division of Finance may approve a branch, tandem branch or mobile facility. The director of the Division of Finance must conditionally determine whether an application for a branch, tandem branch or mobile facility should be granted. If a conditional approval is granted, all associations within that county or adjoining county must be notified of the conditional approval. An association upon notice of conditional approval shall have thirty days to file a written protest in the form prescribed by the regulation. A hearing on the application may be held if requested. After a hearing, upon rendition of a decision by the director, either the applicant or protestant may appeal to the Savings and Loan Commission. If there is no hearing upon an application, or if no appeal is filed, the facility must be opened within twelve months or an extension of time to open is obtained from the director of the Division of Finance. If an association moves an office more than a mile from its present location, the written approval of the director of the Division of Finance must be obtained. An association may invest in real estate for an office or related facility provided this investment does not exceed twenty-five percent of the net worth of an association.

(1) Definitions. As used in this rule the following terms shall have the following meanings respectively:

(A) Association and federal association shall have the meaning specified in section 369.014, RSMo;

(B) Office means any permanent place of business, except the home office (where an association or federal association regularly transacts business) or an agency office;

(C) Home office means a place where an association or federal association has its headquarters as specified in its charter and where loans are approved and the principal affairs and business are conducted;

(D) Mobile facility means a movable place of business using mobile equipment and operated at two (2) or more locations;

(E) Commission shall mean the State Savings and Loan Commission; and

(F) Protestant means any state association or federal association filing a protest with the director or with the commission.

(2) Branch Office, Mobile Facilities and Tandem Branch.

(A) No association shall establish a branch office, mobile facility or tandem branch without the prior written approval of the director. An applicant for a branch office, mobile facility or tandem branch shall submit its application in duplicate on the form prescribed by the director as "Outline of information to be submitted in support of an application to establish a branch office or mobile facility." This form may be obtained from the Division of Finance.

(B) Branch Office and Tandem Branch. Information shall be furnished the director on the prescribed form including the information required by section 369.329, RSMo and no application to establish a branch office or tandem branch shall be approved unless the director shall affirmatively find from the evidence before him/her that—

1. All requirements of section 369.329, RSMo are satisfied;

2. The policies, condition or operation of the applicant do not afford a basis for supervisory objection to the application; and

3. A separately enclosed office area will be provided for a branch office, within which no activity or business shall be conducted, except that related to the affairs of the association or of a service corporation, meeting all the requirements of these regulations relating to a service corporation, will be conducted, provided that the enclosure may be counters or railings of less than ceiling height.

(C) Mobile Facility. In order to provide savings and loan services in areas which are not otherwise provided with these services locally, an association may establish and operate a mobile facility, subject to the following requirements and limitations:

1. This facility shall be operated only at locations approved by the director, each of which shall at all times be appropriately identified at the site;

2. The mobile facility shall be established and operated at two (2) or more locations, each of which at the time of filing of

the application for permission to establish and operate the mobile facility shall be more than ten (10) miles from the locations of any home or branch office or agency of any other association or federal association;

3. Any facility shall be open for business at the same location on the same day (not to exceed three (3) days) of each week, during these hours, aggregating a total of not less than four (4) hours a day, as the association's board of directors may from time-to-time determine;

4. Any business of the association, as authorized by its board of directors, may be transacted at the facility except the approval of loans, and a detailed record of the transactions of each facility shall be maintained as provided by law or regulation with reference to other association offices;

5. The mobile equipment used in the establishment and operation of such facility shall not remain at any location while the facility is not open for business, except that the equipment may be at any approved location on the night before and the night following a day on which the facility is open for business; and

6. Without prior approval by the director, operation of the facility shall not be continued at any location after the expiration of a period of time as the director may prescribe with respect to operation of the facility at such location.

(3) Determination by the Director.

(A) Within forty (40) days from the date of filing the application for a branch office, mobile facility or tandem branch, and after preliminary examination, the director shall conditionally determine whether an application should be granted. If the director determines that the application should be denied without hearing, s/he shall issue the denial in writing.

(B) If the director conditionally determines that approval of the application should be granted, s/he shall give written notice to the applicant and to each association and federal association located or having an office in the county, which term for the purpose hereof shall include the City of Saint Louis, or in any county adjoining the county in which the proposed branch office, mobile facility or tandem branch is to be located and, if there is an insured association located in such area, to the appropriate federal regulatory agency.

(4) Protest and Request for Hearing Before the Director.

(A) Any state association or federal association, located or having an office in the county, which term for the purpose hereof shall



include the City of Saint Louis, or in any county adjoining the county in which the proposed branch office, mobile facility or tandem branch is to be located, shall have thirty (30) days from the date of mailing of the notice of conditional approval within which to file written protest of that application and a request for hearing with the director. If within the thirty (30)-day period a protest is filed, the director may in his/her discretion designate a place, day and hour, not earlier than ten (10) nor more than thirty (30) days from the expiration of that thirty (30)-day period for oral argument on the application.

(B) Form of Protest. The written communication of protest shall consist of or be supported by a memorandum, brief, affidavit or any combination thereof setting forth at least the following:

1. A statement summarizing the reasons of the protest;
2. A list of specific matters in the application to which the protestant objects, together with the reasons for each objection; and
3. A statement of the facts supporting the protest, including relevant economic or financial data.

(C) In the event of protest and request for oral argument, the applicant upon receipt of the written protest forwarded by the division may file an answer to that protest within a time period set by the director.

(D) If no hearing is held, the director shall act upon the application within fifteen (15) days from the expiration of the thirty (30)-day period and any protestants shall be notified of the final decision of the director.

(E) Oral Argument. Oral arguments on the application for a branch office, mobile facility or tandem branch may be held by the director upon timely receipt of a duly filed protest and a request for a hearing or if the director, after reviewing the application and other pertinent information, considers oral argument desirable.

1. The director, or any other person designated by him/her, may hear and determine all matters relating to the conduct of oral argument. Arguments may be made in person or by an authorized representative and unless otherwise permitted by the director shall be based only on written information previously filed regarding the application. A reasonable time shall be allowed for each party for oral argument.

2. Two (2) transcripts of the oral argument shall be made and included in the application file. Parties at the oral argument shall pay a *pro rata* share of the cost of the transcript. On entry of final order in the matter, the losing parties shall reimburse the successful parties for the cost so advanced.

(5) Appeals of Decision of the Director.

(A) The applicant or any protestant may appeal the decision of the director whether or not there has been a hearing by the director as provided in sections 369.314 and 369.319, RSMo.

(B) Within fifteen (15) days after notice of the director's decision is mailed, an appeal shall be perfected by filing with the director a notice of appeal stating the name of the appealing party, the order or decision appealed from and the reasons for the appeal. Originals of any and all filings, pleadings, briefs, memoranda, etc., shall be filed in the office of the Division of Finance with copies sent to each member of the commission.

(C) The Savings and Loan Commission shall give at least fifteen (15) days' notice of hearing to all persons interested in the matter appealed from the director.

(6) Branch Location and Extension of Time to Open a Branch.

(A) Upon final approval of a branch, mobile or tandem application by the director and in the event no appeal is filed with the State Savings and Loan Commission, an association shall notify the Division of Finance of the location of the branch, mobile or tandem office including the street address. In the event that the location changes prior to the opening, the Division of Finance shall be immediately notified.

(B) Upon final approval of a branch, mobile facility or tandem office application by the director and in the event no appeal is filed with the State Savings and Loan Commission, the office shall be opened within twelve (12) months from the date of the director's approval. In the event that a branch office, mobile facility or tandem facility cannot be opened within the original twelve (12)-month period or any extension thereof, at least thirty (30) days prior to the expiration of the twelve (12)-month period or any extension thereof, the association shall request in writing an extension of time within which to open the office and the request shall contain the reasons for the extension and the approximate time when the office will open.

(C) In the event an appeal is filed with the Savings and Loan Commission, the branch, mobile or tandem facility shall not begin operation, or construction started until final disposition by the Savings and Loan Commission and the courts of the state of Missouri.

(D) In the event that an association does not apply for an extension of time, the original approval of any extension shall terminate and the association's authority to open an office shall cease and be of no further force

and effect.

(7) Permitted Transaction of Business at Branch Office. Any business of any association may be transacted at a branch office so established as the board of directors may authorize. Records of or relating to savings or investment accounts, or both, with the prior approval of the director, may be kept at the office where the accounts originate or are to be serviced.

(8) Change of Location of Office or Home Office. An association may move any office including its home office which has been operated at its present location at least two (2) years to another location within one (1) mile without approval of the director. Any move of location beyond a one (1)-mile radius shall require approval of the director; and each application for approval shall be supported with a statement showing the need for the change of location and the estimated cost of removal to and maintenance of the new location.

(9) Real Estate for Office and Related Facility. An association may invest in real estate (improved or unimproved) to be used for office and related facilities of the association, or for the office and related facilities and for rental or sale, if each investment is made and maintained pursuant to a prudent program property acquisition to meet either the association's present needs or its reasonable future needs for office and related facilities. Except with the prior approval of the director, no such investment may be made before the director has approved an application for the establishment or maintenance of an office facility at the location of the real estate or the change of an office facility to the location, if as a result of the investment, the outstanding aggregate book value of all investments made before the director's approval would exceed twenty-five percent (25%) of the association's net worth. Except with the prior approval of the director, no such investment may be made before or after the director has approved an application, if any application is required, for the establishment or maintenance of an office facility at the location of the real estate or the change of an office facility to that location, if, as a result of the investment, the outstanding aggregate book value of all investments made before and after the director's approval would exceed the association's net worth.

*AUTHORITY: sections 369.299(2) and 369.329(1), RSMo 1994. * This rule originally filed as 4 CSR 260-4.010. This rule previously*



filed as 4 CSR 140-16.010. Original rule filed Sept. 28, 1971, effective Oct. 7, 1971. Amended: Filed Aug. 18, 1972, effective Aug. 28, 1972. Amended: Filed Dec. 22, 1975, effective Dec. 31, 1975. Amended: Filed July 14, 1978, effective Nov. 13, 1978. Amended: Filed Aug. 15, 1983, effective Nov. 11, 1983. Amended: Filed June 23, 1989, effective Sept. 28, 1989. Changed to 4 CSR 140-16.010, effective July 6, 1994. Amended: Filed Nov. 8, 1994, effective March 30, 1995. Moved to 20 CSR 1140-16.010, effective Aug. 28, 2006.

*Original authority: 369.299(2), RSMo 1971, amended 1994 and 369.329(1), RSMo 1971, amended 1983, 1994.

20 CSR 1140-16.030 Agency

PURPOSE: This regulation requires an association to file an application for an agency office prior to the establishment of an agency.

(1) Application. Upon written approval of the director, an association may establish an agency office. The application for permission to establish an agency office which may be by letter must show—

- (A) The proposed location of the agency;
- (B) The functions to be performed at the agency;
- (C) The estimated volume of business at the agency;
- (D) The estimated annual expense of the agency;
- (E) The mode of payments for the agency; and
- (F) Such additional matters as the director may require.

(2) An agency office may only service and originate (but not approve) loans; accept applications for (but not approve) savings accounts; accept receipt of payments on savings accounts and loans and other obligations to the association, or such other services as may be approved upon application to the director.

(3) At any time after the filing of an application for an agency office, but not later than one hundred eighty (180) days following the final order approving the agency office, the association and the applicant agent shall file with the division an application for agent's license on a form prescribed by the director. The director shall approve or disapprove the agent's application within thirty (30) days after receipt, provided that the agency office has been approved.

(4) Renewals. An agent's license shall be

renewed annually on or before December 31 and shall be submitted on a form prescribed from time-to-time by the director.

(5) Fees. The annual fee for each agent's license or renewal of agent's license shall be twenty-five dollars (\$25).

(6) Approval. Upon approval of the application by the director, the agent's license shall be issued.

AUTHORITY: section 369.299, RSMo 1994. * This rule originally filed as 4 CSR 260-4.030. This rule previously filed as 4 CSR 140-16.030. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Amended: Filed Dec. 22, 1975, effective Dec. 31, 1975. Amended: Filed July 14, 1978, effective Nov. 13, 1978. Amended: Filed Aug. 15, 1983, effective Nov. 11, 1983. Amended: Filed Nov. 4, 1986, effective Jan. 30, 1987. Changed to 4 CSR 140-16.030, effective July 6, 1994. Moved to 20 CSR 1140-16.030, effective Aug. 28, 2006.

*Original authority: 369.299, RSMo 1971, amended 1994.

20 CSR 1140-16.035 Loan Office

PURPOSE: This regulation allows an association to file an application to establish a loan office.

(1) Application. Upon written approval from the director, an association may establish a loan office. The application for permission to establish a loan office must be on a branch application form and must include the same information as that required for a branch, tandem branch, mobile facility or agency.

(2) A loan office may only service and originate (but not approve) loans using association personnel and documentation, and provide other limited services as may be approved by the director upon application. Savings activities by a loan office are prohibited.

(3) An association may establish a loan office under this rule through an authorized service corporation. In these cases, parent corporation documentation is permitted.

(4) The application to establish and maintain this loan office shall be approved without a public hearing if the director shall find affirmatively from the data furnished with the application, the director's official records and any other evidence presented to him/her that—

(A) The applying association has no serious supervisory problems which would affect its ability to operate the office; and

(B) The applying association has adequate income to support the proposed operation.

(5) The director shall act upon an application for a loan office within thirty (30) days. If the director approves or conditionally approves the application, s/he shall give written notice to the association. The association has one hundred eighty (180) days in which to open this office.

(6) All supporting documentation for statements of fact tendered to the director in connection with an application for a loan office shall be maintained at the association's home office in such a manner as could be verified by an examination performed by the division.

AUTHORITY: section 369.299, RSMo 1994. * This rule originally filed as 4 CSR 260-4.035. This rule previously filed as 4 CSR 140-16.035. Original rule filed Nov. 4, 1986, effective Jan. 30, 1987. Changed to 4 CSR 140-16.035, effective July 6, 1994. Amended: Filed Nov. 8, 1994, effective March 30, 1995. Moved to 20 CSR 1140-16.035, effective Aug. 28, 2006.

*Original authority: 369.299, RSMo 1971, amended 1994.

20 CSR 1140-16.040 Drive-In or Pedestrian Facility

PURPOSE: This regulation permits an association to establish a single drive-in or pedestrian facility for the home office or each branch office of an association. An application for permission to establish a drive-in or pedestrian facility need not be filed where this facility is within five hundred feet of a home or branch office, but an application must be filed with the director if the facility is more than five hundred feet and the requirements for an application are stated.

(1) An association, without prior approval of the director, may establish a single drive-in or pedestrian facility, in conjunction with the home office and each branch office of the association, which is not more than five hundred feet (500') from a public entrance to the office and which is closer to the entrance than it is to a public entrance of another association. The functions which may be performed at any such facility shall be limited to the ordinary functions performed at a teller window of the association.



(2) A drive-in or pedestrian facility that does not qualify under the preceding section may only be established with the specific approval of the director. Any application for such approval must contain a statement of the need for and a design of the facility and a map showing the location of the facility in relation to the office which it supplements and of all offices, located in the same vicinity, of any other association or federal association.

AUTHORITY: section 369.299, RSMo 1994.
This rule originally filed as 4 CSR 260-4.040. This rule previously filed as 4 CSR 140-16.040. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Changed to 4 CSR 140-16.040, effective July 6, 1994. Moved to 20 CSR 1140-16.040, effective Aug. 28, 2006.*

**Original authority: 369.299, RSMo 1971, amended 1994.*