

286.3-187 Bank acting as agent of another financial institution -- Filing -- Commissioner's approval -- Scope of activities.

- (1) Except as set forth in subsection (7) of this section, with prior approval of the commissioner and upon compliance with the requirements of this section, any state bank may agree to receive deposits, renew time deposits, close loans, service loans, receive payments on loans and other obligations, and perform other services as may be authorized by administrative regulations, as an agent for any national bank, savings and loan, or savings bank having its principal office in Kentucky or any state bank.
- (2) A state bank that proposes to enter into an agency agreement under this section shall file with the commissioner, at least thirty (30) days before the effective date of the agreement:
 - (a) A notice of intention to enter into an agency agreement with a national bank, savings and loan, or savings bank having its principal office in Kentucky or a state bank;
 - (b) A description of the services to be performed under the agency agreement; and
 - (c) A copy of the agency agreement.
- (3) The commissioner shall decide whether to approve the agency agreement within thirty (30) days of the receipt of the notice required by subsection (2) of this section; except if the commissioner requests additional information after receiving such notice, the time limit for the commissioner's decision shall be thirty (30) days after receiving the additional information.
- (4) The commissioner may order a state bank to cease acting as an agent or principal under any agency agreement with a state bank or a national bank, savings and loan, or savings bank having its principal office in Kentucky that the commissioner finds to be inconsistent with safe and sound banking practices.
- (5) A state bank acting as an agent for a state bank or a national bank, savings and loan, or savings bank having its principal office in Kentucky in accordance with this section shall not be considered to be a branch of that institution.
- (6) Except as set forth in subsection (7) of this section, a state bank may act as an agent for a national bank, savings and loan, or savings bank having its principal office outside Kentucky to the same extent it could act were it operating as a national bank at the time.
- (7) Nothing in this section authorizes a state bank to conduct any activity as an agent under this section which the bank is not permitted to conduct as a principal under any applicable federal or state law.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 630, effective July 15, 2010. -- Created 1996 Ky. Acts ch. 338, sec. 1, effective July 15, 1996, retroactive to September 29, 1995.

Formerly codified as KRS 287.187.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.

Legislative Research Commission Note (7/15/96). Because of the subject matter of this statute and the exception phrases beginning subsections (1) and (6) of the statute, references to "this Act" appearing in subsection (7) of the statute have been codified as "this section" under KRS 7.136(1)(f).

Legislative Research Commission Note (7/15/96). This statute is retroactive to September 29, 1995. See 1996 Ky. Acts ch. 338, sec. 22.