

Memo 1996-8 6-24-96 All-bank Mailing

To: All State-Chartered Banks
From: W. Newton Male, Bank Commissioner
Date: June 24, 1996 (Modified 10-98)

Re: ~~Commissioner's Listening Tour~~
Timing of Audits
Leasing of Bank Premises to Third Parties

~~A. Commissioner's Listening Tour.~~

~~Enclosed please find a brief letter noting the times and locations for the Commissioner's 1996 Listening Tour. The tour is scheduled for July 8-10 at various locations across the state. Don't miss this unique opportunity to ask questions and voice any concerns.~~

B. Timing of Audits.

Enclosed is a memorandum outlining this department's revised interpretation of the annual audit requirement. We appreciate all of the input received throughout the drafting process, and hope this policy will prove to be more flexible for banks and their accountants.

C. Leasing of Bank Premises to Third Parties.

This enclosed memorandum was also drafted after reviewing numerous comments from bankers regarding two proposed memoranda sent out late last year which dealt with leasing bank space. The majority of comments we received indicated the proposed memo on sale of nondeposit investment products was duplicative and unnecessary in light of federal requirements already in place. Others expressed concern that we had not adequately addressed concerns of small banks with limited space. After giving consideration to the comments, it was decided that we should combine the two proposed memos into one document that covers any leasing of bank space to a third party. To avoid unnecessary duplication of Federal and State regulation, we have adopted the Interagency Statement on Retail Sales of Nondeposit Investment Products. The memo does impose minimum requirements for any type of leasing, and also includes a list of items we believe a bank should consider when entering into any agreement to lease bank space. Thank you to all who provided comments on this issue. They were very helpful in drafting this policy.

See Memos 1996-8A and 1996-8B