

**7-1-715 Loan production offices -- Application and procedure for approval.**

- (1) With the prior approval of the commissioner, a depository institution may establish one or more loan production offices.
- (2) A loan production office shall be staffed and accessible to the public.
- (3) A loan production office may:
  - (a) solicit loans on behalf of its depository institution;
  - (b) assemble credit information;
  - (c) make property inspections and appraisals;
  - (d) secure title information;
  - (e) prepare applications for loans;
  - (f) solicit investors to purchase loans from the depository institution;
  - (g) seek to have these investors contract with a depository institution for servicing the loans; and
  - (h) engage in other activities in the nature of acting as an agent for the parent depository institution in facilitating the production of loans.
- (4) A loan production office may not do any of the following:
  - (a) accept deposits;
  - (b) originate deposit, savings, or share accounts;
  - (c) pay checks;
  - (d) approve loans; or
  - (e) disburse loan funds.
- (5) A loan processed by a loan production office may only be approved at the main office or approved branch of the depository institution, except a loan production office may make a recommendation, subject to independent analysis and approval by the depository institution.
- (6) Funds from a loan processed by a loan production office may only be disbursed at the main office or approved branch of the depository institution, or at the office of an independent third party, such as a title company or escrow agent.
- (7) Although a loan production office is not considered a branch, the establishment of a loan production office is subject to the prior approval of the commissioner in the manner provided in Section 7-1-708 for the establishment of a branch office.
- (8) Each depository institution with operating loan production offices in Utah as of June 1, 1994, shall file an initial registration with the department stating the location of each loan production office on or before July 15, 1994. All subsequent applications for a loan production office require prior approval of the commissioner.
- (9) If the commissioner determines that it is in the public interest, the department may examine the books and records of the office at the per diem charge established in Section 7-1-401.

Amended by Chapter 49, 1995 General Session