

7-1-716 Affiliate depository institutions acting as agents -- Notification required.

- (1) Any depository institution may, at its main office or at any branch, act as an agent of any other depository institution that is a subsidiary of the same depository institution holding company in conducting the activities authorized under this section.
- (2) This section applies regardless of whether the affiliate depository institutions have the same home state.
- (3) A depository institution acting as agent for an affiliate depository institution may:
 - (a) receive deposits;
 - (b) renew time deposits;
 - (c) engage in the activities authorized for a loan production office under Section 7-1-715;
 - (d) service loans; and
 - (e) receive payments on loans and other obligations.
- (4) A depository institution may not do any of the following as an agent on behalf of an affiliate depository institution:
 - (a) open or originate deposit, savings, or share accounts;
 - (b) evaluate or approve loans;
 - (c) disburse loan funds; or
 - (d) conduct any activity as an agent that it is prohibited from conducting as a principal under any applicable law.
- (5) A depository institution acting as a principal may not have an affiliate depository institution act as its agent in conducting any activity that:
 - (a) the principal depository institution is prohibited from conducting; or
 - (b) the agent depository institution would be prohibited from conducting as a principal.
- (6) An agency relationship between affiliates under this section shall be consistent with safe and sound practices and shall comply with all applicable law.
- (7) A depository institution acting as an agent is not considered to be a branch of the affiliate solely because of activities conducted under this section.

Enacted by Chapter 49, 1995 General Session