



DEPARTMENT OF BANKING AND CONSUMER FINANCE

STATE OF MISSISSIPPI

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MEMORANDUM

TO: Mississippi Bank CEOs

FROM: John S. Allison, Commissioner

CC: Mississippi Bankers Association

DATE: January 15, 2008

SUBJECT: Adoption of Proposed Banking Regulations and Memos

The Department of Banking and Consumer Finance has adopted amendments to the Bank Regulations - 1, dated November 10, 1997, governing the Banking Division. In general, the purpose of the amendments is to conform the Bank Regulations - 1 to the Department's current practice, to eliminate obsolete provisions and to add clarification.

Pursuant to the Mississippi Administrative Procedures Law, Section 25-43-1.101 et seq., Miss. Code Ann., the Department of Banking and Consumer Finance adopted the Proposed amended Bank Regulations – 1, which were filed on December 18, 2007, with the Office of the Secretary of State. Notice is also hereby given that the repeal of the prior Bank Regulations – 1 of this Department will become effective on the same date that the new Bank Regulations - 1 adopted by this Notice become finally effective, which will be February 14, 2008.

Please find attached adopted amended and restated Banking Division Bank Regulations – 1. The major changes to the regulation are as follows:

- Banking Hours – Amended to no longer require submission of banking hours to DBCF or Commissioner approval of such. As long as bank remains in compliance with Code Section 81-5-97, no approval or notification for closing of half day, whole day, or exception to regular opening or closing routine is required by DBCF.
- Document Filing Fees – Fees for new bank charters, mergers, conversions, and LPOs have increased. Branch fees remain at \$750.
- Fees for Special Services – Fees for copying have increased from .25 per page to .50 per page.
- Interest After Maturity - Withdrew regulation.

- Other Real Estate (ORE) -Withdrew regulation. Abolishing this regulation aligns state-chartered banks with National banks in the carrying of ORE and eliminates the need for a parity request. State-chartered banks are no longer required to write-down ORE by 20% annually.
- Report of Condition – Withdrew regulation.
- Securing of Federal Funds – Withdrew regulation.

In addition to amending the attached regulations, DBCF amended and restated Banking Division Memos. The memos were amended as follows:

- Real Estate Acquisitions – Banks are no longer required to request permission for major capital expansion to new or existing banking house buildings. Note, this does not change branch procedures.
- “CAMEL” Ratings – Withdrew outdated memo.
- Payment of Dividends – Withdrew outdated memo.

Enclosed is a complete copy of the adopted Bank Regulations – 1. The adopted Bank Regulations - 1 will be filed with the Secretary of State, State of Mississippi, and the effective date of the adopted Regulations will be February 14, 2008. At that time, please discard your copy of the Bank Regulations – 1 dated November 10, 1997, as well as the draft copy of the Proposed Bank Regulations – 1 that were previously mailed to you on December 18, 2007. Also, please find enclosed a copy of Banking Division Memos that were effective on January 1, 2008. Additional copies of these Regulations may be obtained by mail from the Department of Banking and Consumer Finance, P. O. Box 23729, Jackson, MS 39225-3729 or from our website, www.dbcf.state.ms.us.

**STATE OF MISSISSIPPI
DEPARTMENT OF BANKING AND CONSUMER FINANCE
BANKING DIVISION**

**BANK
REGULATIONS - 1**



Compiled by the
Department of Banking and Consumer Finance

John S. Allison, Commissioner
Effective: February 14, 2008

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State of Mississippi
Department of Banking and Consumer Finance
Banking Division
Bank Regulations -1

BANKING HOURS
(Section 81-5-97, Mississippi Code of 1972)

(1) The legal holidays for the State of Mississippi as allowed under Section 3-3-7, Mississippi Code of 1972, are:

First day of January (New Year's Day)
Third Monday of January (Robert E. Lee's and Martin Luther King, Jr.'s Birthday)
Third Monday of February (George Washington's Birthday)
Last Monday of April (Confederate Memorial Day)
Last Monday of May (National Memorial Day and Jefferson Davis' Birthday)
Fourth of July (Independence Day)
First Monday of September (Labor Day)
Eleventh day of November (Armistice or Veteran's Day)
Day fixed by proclamation by The Governor of Mississippi (Thanksgiving Day)
Twenty-fifth day of December (Christmas Day)

(2) In the event any state or federal legal holiday shall fall on a Saturday, a bank may observe the preceding Friday as a legal holiday or in the event any state or federal legal holiday shall fall on a Sunday, a bank may observe the next following Monday as a legal holiday.

(3) No bank shall close more than one whole day in any week, state and federal holidays and Sunday excepted.

(4) All banks shall promulgate and adopt banking hours for the convenience of the public so as not to prevent the rendering of proper and reasonable banking service to the community and trade area in which the bank or branches are located. The banking hours so promulgated and adopted shall define the opening and closing on a day to day basis of the bank and branches and said hours shall be approved by the Board of Directors.

Any closing of a half day or a whole day during the week or on Saturdays shall be included in your Board of Directors' authority. However, exceptions shall include the closing of your parent bank or branches as result of any calamity, catastrophe, or emergency such as hurricane, tornado, fire, civil riots, declaration of material law or other acts which would endanger or threaten the lives and property of your personnel, customers, or facilities wherever located.

(5) Any opening or closing procedure or practice which is an exception to your bank's regular opening and closing routine shall also be approved by the Board of Directors.

DOCUMENT FILING FEES
(Section 81-1-115, as amended)

Documents filed with the Department shall be accompanied by a fee as fixed by the Commissioner:

(1.)	Fee
a. Filing articles of incorporation of banking and credit unions, and issuing a certificate of incorporation.	\$2,500
b. Filing articles of merger when the resulting bank or credit union is a state bank or credit union.	\$2,500
c. Filing application for conversion from a national bank, state or federal thrift, or credit union to a state bank or credit union.	\$2,500
d. Filing application for a branch bank or credit union.	\$750
e. Filing application for a Loan Production Office (LPO)	\$100
f. Filing application to establish out of state branch office by in-state bank and credit union.	\$750

(2.) For any of the above services, should any additional special services be rendered in the examination or investigation, and considered to be out of routine, or extraordinary, the Commissioner, Department of Banking and Consumer Finance, may charge an additional fee up to and not to exceed the maximum fee as established by 81-1-115.

FEES FOR SPECIAL SERVICES

Personnel costs (per hour)	\$15.00
Reproduction (per page)	.50
Postage	Actual
FAX transmittal (per page)	\$1.00
Licensee listing	\$35.00
State Board of Banking Review Parity Regulations	\$35.00

**MAXIMUM PERCENTAGES OF THE VALUE OF ALL
LOANS AND DISCOUNTS
(Section 81-5-77 (b))**

The maximum percentage of the par value of all loans and discounts secured as provided for in Section 81-5-77(b), Mississippi Code of 1972, is hereby fixed at one-hundred percent (100%) of par value up to twenty-five (25%) of capital and surplus, and ninety-five (95%) of par value of all amounts above twenty-five percent (25%) of capital and surplus.

**PRESERVATION OF BANK RECORDS
(Section 81-5-7, Mississippi Code of 1972)**

- (1.) Each bank shall permanently retain certain records as follows:
 - a. Minute books of meetings of its shareholders and directors
 - b. Capital stock ledger
 - c. Capital stock certificate ledger
 - d. Daily statements of condition
 - e. General journal
 - f. Investment (Securities) ledger
 - g. All bank Reports of Examination
 - h. All ledger sheets showing unpaid balances in favor of depositors
- (2.) Provided, however, that any or all records may be reproduced in a format of storage commonly used and any such reproduction retained in lieu of the original records.
- (3.) All bank records shall be retained for a period of three years from the date of transaction. Thereafter, at the discretion of its Board of Directors, all banks are hereby permitted to destroy any and all records except those specifically outlined in (1.) above.