

TITLE 26
BANKS AND BANKING

CHAPTER 3
BANK BRANCHES

26-301. BRANCH -- REQUIREMENTS. No bank shall maintain any branch except as provided for in this act. Any bank organized and chartered under the laws of Idaho may, upon written application to and with the approval of the director, establish and operate one (1) or more branches for the transaction of its business at any location. Any such bank may establish and operate a branch in a state other than Idaho, provided that the bank shall comply with all applicable provisions of Idaho law, the law of the other state and federal law. Any bank organized and chartered under the laws of another state or under federal law may establish and operate one (1) or more branches in Idaho as permitted by chapter 16, title 26, Idaho Code, and federal law.

[26-301, added 1979, ch. 41, sec. 2, p. 76; am. 1995, ch. 99, sec. 3, p. 301; am. 2015, ch. 204, sec. 6, p. 623.]

26-302. ESTABLISHMENT OF LOAN PRODUCTION OFFICES AUTHORIZED. A bank may, after providing notice to the director, establish and maintain one (1) or more loan production offices at any location in the state of Idaho.

(1) A loan production office when so established may conduct any of the following activities:

- (a) Solicit loans on behalf of the bank;
- (b) Provide information on loans, rates and terms;
- (c) Accept loan applications and supporting documents;
- (d) Review and process loan applications for compliance with underwriting standards and completeness of documents;
- (e) Approve loan applications;
- (f) Conduct loan closing activities, such as the execution of promissory notes and deeds of trust; and
- (g) Engage in other loan production office activities that the bank's primary state or federal regulator has approved for banks subject to its supervision.

(2) A loan production office shall not have the power to solicit, receive or accept money or its equivalent on deposit, or disburse loan funds to customers.

(3) A bank that desires to establish a loan production office in this state shall provide written notice to the director of its intent to do so no later than thirty (30) days prior to opening the loan production office. The notice to the director shall provide the following information:

- (a) The name of the bank and address of the main office;
- (b) The city and street address of the loan production office;
- (c) The activities proposed to be conducted at the loan production office, including the types of loans to be solicited and originated at the office; and
- (d) Any additional relevant information required by the director.

(4) Following a bank's establishment of a loan production office in this state, a bank shall give notice to the director of any relocation or closure of the office, the date of the relocation or closure and the disposition of any records previously maintained at the loan production office.

(5) Each loan production office shall be subject to examination and supervision by the director in the same manner and to the same extent as the bank.

(6) A state bank may establish and operate a loan production office in a state other than Idaho, provided that the bank shall comply with all applicable provisions of Idaho law, the law of the other state where the loan production office will be located and federal law.

(7) Each loan production office operating in Idaho on July 1, 2015, shall provide written notice to the director containing the information required in subsection (3) of this section on or before August 1, 2015.

[26-302, added 2015, ch. 204, sec. 8, p. 624.]

26-303. SECTION CONCERNING BRANCH BANKS UNAFFECTED. The sections of this chapter relating to loan production offices and mobile or temporary facilities shall not be construed to modify or repeal section 26-301, Idaho Code, and the terms "loan production office," "mobile facility" and "temporary facility" as used in the bank act shall not be construed to mean branch bank.

[26-303, added 1979, ch. 41, sec. 2, p. 77; am. 2015, ch. 204, sec. 9, p. 624.]

26-305. RESPONSIBILITIES OF BANK. Any bank establishing a loan production office or mobile or temporary facility shall be responsible for all transactions of the loan production office or mobile or temporary facility, and for keeping accounts and books covering all business transactions of the loan production office or mobile or temporary facility.

[26-305, added 1979, ch. 41, sec. 2, p. 77; am. 2015, ch. 204, sec. 10, p. 624.]

26-306. MOBILE OR TEMPORARY FACILITY. Mobile facilities or temporary facilities may be established with the approval of the director and under such conditions as the director may establish.

[26-306, added 1979, ch. 41, sec. 2, p. 77; am. 2015, ch. 204, sec. 11, p. 625.]

26-309. CUSTOMER-BANK COMMUNICATION TERMINAL. A bank may make available for use by its customers one (1) or more electronic devices or machines through which the customer may communicate to the bank a request to withdraw money either from his account or from a previously authorized line of credit, or an instruction to receive or transfer funds for the customer's benefit. The device may receive or dispense cash in accordance with such a request or instruction, subject to verification on line or off line by the bank. Any transactions initiated through such a device shall be subject to verification by the bank either by direct wire transmission or otherwise. Such facilities may be unmanned or manned.

A person may perform as would a device so long as the person does not perform any functions not specifically authorized by this section.

These devices shall be designated as a customer-bank communication terminal (CBCT). The use of a CBCT at locations other than the main office or a branch office of the bank does not constitute branch banking. A bank shall provide insurance protection under its bonding program for transactions involving such devices.

(1) The establishment and use of a CBCT is subject to the following limitations:

(a) Written notice must be given to the director's office no less than thirty (30) days before any CBCT is put into operation. Any bank presently utilizing a CBCT shall comply with the notice requirements within thirty (30) days. Such notice shall describe with regard to the communication system:

1. the location;
2. a general description of the area where located and the manner of installation;
3. the manner of operation;
4. the kinds of functions which will be performed;
5. whether the CBCT will be shared, and, if so, under what terms and with what other institutions and their location;
6. the manufacturer and, if owned, the purchase price or, if leased, a copy of the lease;
7. the distance from the nearest banking office and from the nearest similar CBCT of the reporting bank; and
8. the distance from the nearest banking office and nearest CBCT of another commercial bank, which will share the facility, and the name of such other bank or banks.

(b) The functions of the CBCT shall be limited to:

1. the receiving of deposits;
2. the cashing of checks;
3. the dispensing of cash;
4. payment of loan proceeds on a prearranged line of credit;
5. the communication of other such information directly related to the customer's account; and
6. receiving loan payments;
7. any other function authorized to be performed by national banks and approved by the director.

(c) Arrangements may be made at the CBCT for the placing or installation of a receptacle in which a customer may place packaged communication intended for the bank.

(d) The CBCT shall be a communication service available only to customers of the bank or other financial institution which the management of the bank may approve.

(e) The CBCT shall not be advertised as full service banking or as performing anything other than activities set out in subsection (1) (b) of this section.

(2) To the extent consistent with the anti-trust laws, banks are required to share unmanned CBCTs at a reasonable fee with one (1) or more other financial institutions if requested by the other financial institution. A bank may connect CBCTs with a regional or national consumer funds transfer system for the purpose of handling financial transactions of the kind authorized by subsection (1) (b) of this section. An agreement to share CBCT usage may not prohibit, limit or restrict the right of a bank to charge a customer any fee allowed by state or federal law or require the bank to limit or waive its rights or obligations under the provisions of this section. No bank may impose a fee for the use of a CBCT by those using an access device not issued by that bank unless such fee is clearly disclosed to the customer at a time and in a manner that allows the user to terminate or cancel the transaction without incurring the fee. The fee may be in addition to any other charges

imposed on the user by the operator of any consumer funds transfer system or by the user's own financial institution.

(3) The director may issue a cease and desist order upon a finding that a bank utilizing a CBCT is doing so in a manner not specifically authorized in this section.

(4) This section and regulations adopted pursuant to it shall be deemed to apply to national banks operating customer-bank communication terminals and for the purpose of the bank act a financial institution shall mean any state or federally chartered commercial bank, savings and loan association or credit union authorized by the department of finance or a comparable federal agency to do business in the state of Idaho.

[26-309, added 1979, ch. 41, sec. 2, p. 78; am. 1993, ch. 52, sec. 1, p. 133; am. 1993, ch. 53, sec. 2, p. 139.]

26-311. BRANCHES FOLLOWING RELOCATION. Notwithstanding any other provision of law, a bank that relocates its main office from another state into Idaho pursuant to 12 U.S.C. 30, 12 U.S.C. 36, and section 26-1101, Idaho Code, shall continue to be authorized to establish and operate branches within this state as provided in section 26-301, Idaho Code, even if, after its relocation into Idaho, its home state as defined by section 26-1603, Idaho Code, becomes a state other than Idaho.

[26-311, added 1997, ch. 225, sec. 2, p. 662.]