

State Banking Board Regulation No. 15

ACTION: Notice of proposed repeal of the State Banking Board Regulation No. 15 – Supervision by Banking Department of Mortgage Company Subsidiaries of State Banks, request for comments.

SUMMARY: The Superintendent solicits comments on the proposed repeal of existing Regulation No. 15 that requires supervision of all mortgage subsidiaries of banks. The regulation was effective August 1, 1988 to ensure compliance with a U.S. Department of Housing and Urban Development requirement which is no longer effective. The proposed repeal of this Regulation No. 15 eliminates a regulation that is no longer viewed as relevant.

Comments should be written (refer to REGULATION NO. 15) and may be mailed to the address below. Requests for oral hearings should also be in writing and mailed to the address below. An opportunity for oral hearing will be granted if requested by 25 persons, by a governmental subdivision or agency, or by an association having not less than 25 members.

DATES: Comments must be received on or before Thursday, January 25, 2024.

ADDRESS: Comments may be mailed to Mr. Michael E. Hill, Superintendent of Banks, State of Alabama, State Banking Department, P.O. Box 4600, Montgomery, Alabama 36103-4600. Comments may also be delivered to or inspected at the State Banking Department, Center for Commerce, 401 Adams Avenue Suite 680, Montgomery, Alabama between 8:00 a.m. and 4:45 p.m. weekdays.

FOR FURTHER INFORMATION CONTACT: Deputy Superintendent Trabo Reed or General Counsel Elizabeth Bressler at (334)242-3452.

EFFECTIVE DATE: The proposed repeal of Regulation No. 15 shall become effective April 1, 2024. Prior to such repeal being effective, however, the Superintendent shall have fully considered all comments received on or before Thursday, January 25, 2024, and obtained the concurrence of the State Banking Board.

REGULATION NO. 15

WHEREAS, Section 5-2A-8 of the Alabama Banking Code provides that the Superintendent of Banks may, with the concurrence of a majority of the State Banking Board, promulgate reasonable regulations;

WHEREAS, the State Banking Department desires to assure competitive equality between state and national banks;

And, whereas, the U.S. Department of Housing and Urban Development requires mortgage company subsidiaries of Alabama state banks to be "supervised mortgagees" within the meaning of HUD regulations, and whereas, mortgage company subsidiaries of national banks located in Alabama are declared by HUD regulations to be "supervised mortgagees";

NOW THEREFORE, be it known that the Superintendent, with the concurrence of the State Banking Board, does hereby promulgate the following regulation:

Supervision by this Department of every Alabama state bank shall include supervision of any mortgage company subsidiary which is an affiliate of such bank. In addition, in all future examinations by examiners of the State Banking Department required by Section 5-3A-1, the examiner or examiners must also examine the books and records of any mortgage company subsidiary of every Alabama state bank.

This regulation shall be effective August 1, 1988.

s/Zack Thompson
Superintendent of Banks
State of Alabama