

Byron Mallott
Lieutenant Governor
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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

M E M O R A N D U M

TO: Linda Mattson
Department of Commerce, Community and Economic Development

FROM: April Simpson, Office of the Lieutenant Governor *AS*
465.4081

DATE: August 24, 2018

RE: Filed Permanent Regulations: Department of Commerce, Community and Economic Development

Department of Commerce, Community and Economic Development Regulation re: 3 AAC 02.010 - .195: Div. of Banking and Securities: Records retention, reporting loan limits, borrowing (3 AAC 02.010 - .195)

Attorney General File:	2017200777
Regulation Filed:	8/22/2018
Effective Date:	9/21/2018
Print:	227, October 2018

cc with enclosures: Linda Miller, Department of Law
Judy Herndon, LexisNexis

ORDER ADOPTING CHANGES TO REGULATIONS OF THE
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

The attached two pages of regulations, dealing with banking institutions, are adopted and certified to be a correct copy of the regulation changes that the Department of Commerce, Community, and Economic Development adopts under the authority of AS 06.05.005, AS 06.05.045, AS 06.05.255, and AS 06.05.438 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Department of Commerce, Community, and Economic Development paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.


Date: 8/8/2018


Linda Mattson, Administrative Specialist
Office of the Commissioner
Department of Commerce, Community, and
Economic Development

FILING CERTIFICATION

I, Byron Mallot, Lieutenant Governor for the State of Alaska, certify that on

August 22, 2018, at 145A m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.


Lieutenant Governor

Effective: September 21, 2018

Register: 227, October 2018



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

OFFICE OF THE COMMISSIONER

P.O. Box 110800
Juneau, AK 99811-0800
Main: 907.465.2500
Fax: 907.465.5442

In accordance with AS 44.17.010, the authority and responsibility for adopting regulations, outside of the Division of Corporations, Business and Professional Licensing (CBPL), but for the Department of Commerce, Community, and Economic Development (DCCED), under the Alaska Administrative Procedure Act, is hereby delegated to:

Linda Mattson
Administrative Specialist
Office of the Commissioner
DCCED
P.O. Box 110800
Juneau, AK 99811-0800
907-465-2500
linda.mattson@alaska.gov

In accordance with AS 44.17.010, the authority and responsibility for adopting regulations of the Division of Corporations, Business and Professional Licensing, under the Alaska Administrative Procedure Act, is hereby delegated to:

Janey McCullough
Director
CBPL
DCCED
P.O. Box 110806
Juneau, AK 99811-0806
907-465-2538
janey.mccullough@alaska.gov

This Delegation of Authority will remain in effect until modified or revoked by a subsequent delegation. This Delegation supersedes and revokes all delegations preceding it.

Dated the 16th day of July, 2018


Mike Navarre
Commissioner
Department of Commerce, Community,
and Economic Development

Register 227, October 2018

COMMERCE, COMMUNITY, AND EC. DEV.

3 AAC 02.010 is repealed and readopted to read:

A bank shall maintain records of administration, cash, deposits, collections, United States Savings Bonds, and data processing for a minimum of 5 years, or longer if required by 31

C.F.R.1010.410(d), revised as of October 26, 2010, and as amended from time to time. (Eff. 12/13/70,

Register 36; am
1/10/94, Register 129; am 9/21/2018 Register 227)

Authority: AS 06.05.005

3 AAC 02.020(b) is amended to read:

(b) If compatible and with the approval of the department, a bank may file reports required by the department by means of [THE] electronic mail [TRANSFER OF INFORMATION BY TELEPHONE FACSIMILE]. If a signature is otherwise required, the department may [WILL, IN ITS DISCRETION,] accept [A FACSIMILE OR] an electronic signature in lieu of an original signature. If a bank files a report under this section, the bank shall maintain the original [, HARD COPY] version of the report until the next examination by the department.

(Eff. 1/10/94, Register 129; am 9/21/2018, Register 227)

Authority: [AS 06.05.055(a)]

AS 06.05.045

[AS 06.05.438 (d)]

AS 06.05.055

AS 06.05.438

The **section** heading of 3 AAC 02.120 is **changed** [AMENDED] to read:

Reporting of loans over \$500,000 [\$100,000].

3 AAC 02.120(b) is amended to read:

(b) In each report to the board of directors under AS 06.05.438(c), the reporting officer shall specifically identify each loan made since the last report that exceeds **\$500,000** [\$100,000].

(Eff. 1/17/69, Register 28; am 10/2/83, Register 87; am 1/10/94, Register 129; am 9/21/2018;

Register 227)

Authority: [AS 06.05.005 (a)]

[AS 06.05.438(c)]

AS 06.05.005

AS 06.05.438

3 AAC 02.195 is amended by adding a new subsection to read:

(c) The department will consider a bank's written request to allow a percentage larger than 15 percent of the bank's total assets, up to a maximum of 35 percent, under AS 06.05.255.

(Eff. 8/13/88, Register 107; am 1/14/89, Register 109; am 1/10/94, Register 129; am 9/21/2018;

Register 227)

Authority: **AS 06.05.005**

[AS 06.05.005(a)]

AS 06.05.255

MEMORANDUM

State of Alaska Department of Law

To: The Honorable Byron Mallott
Lieutenant Governor

Date: August 20, 2018

File No.: 2017200777

Tel. No.: 465-3600

From: Susan R. Pollard *SRP*
Chief Assistant Attorney General
and Regulations Attorney
Legislation and Regulations Section

Re: Department of Commerce,
Community and Economic
Development Regulation re: 3 AAC
02.010-.195: Div. of Banking and
Securities: Records retention,
reporting loan limits, borrowing

We have reviewed the attached Department of Commerce, Community and Economic Development changes to these regulations against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations concern record retention requirements, reporting loan limits, and borrowing. The regulations were adopted by the Department of Commerce, Community and Economic Development after the close of the public comment period. The November 16, 2017 public notice and the adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required. We have made a minor technical amendment to a history note as shown on the attached copy.

SRP:srp

CC: Honorable Mike Navarre, Commissioner
Department of Commerce, Community and Economic Development

Linda Mattson, Special Assistant to the Commissioner
Department of Commerce, Community and Economic Development

Patrice Walsh, Acting Director, Division of Banking and Securities
Department of Commerce, Community and Economic Development

Kaitlin Morris, Financial Examiner Division of Banking and Securities
Department of Commerce, Community and Economic Development

Erin Egan, Assistant Attorney General, Commercial and Fair Business

NOTICE OF PROPOSED CHANGES ON BANKING
IN THE REGULATIONS OF THE DEPARTMENT OF COMMERCE,
COMMUNITY, AND ECONOMIC DEVELOPMENT

BRIEF DESCRIPTION

The Department of Commerce, Community, and Economic Development proposes changes to regulations under 3 AAC 02 dealing with banking in order to clarify and update existing regulations.

The Department of Commerce, Community, and Economic Development proposes to adopt regulation changes in Title 3, Chapter 02, of the Alaska Administrative Code, dealing with banking, including the following:

- (1) Repeal and readopt 3 AAC 02.010 to reference federal retention schedule guidelines.
- (2) Amend 3 AAC 02.020 to update outdated references to facsimile and allow the inclusion of electronic mail.
- (3) Amend 3 AAC 02.120 to update loan reporting limits to reflect federal guidelines.
- (4) Amend 3 AAC 02.195 to clarify the department's ability to consider a bank's request to repurchase securities greater than fifteen percent of the bank's total assets.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Amie Spieth, Division of Banking and Securities, Department of Commerce, Community, and Economic Development, P.O. Box 110807, Juneau, AK, 99801. Additionally, the Department of Commerce, Community, and Economic Development will accept comments by facsimile at (907) 465-1230 and by electronic mail at dbsregs@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. **The comments must be received not later than December 18, 2017.**

You may submit written questions relevant to the proposed action to Amie Spieth by electronic mail at dbsregs@alaska.gov or by mail at P.O. Box 110807, Juneau, AK, 99801. **The questions must be received at least 10 days before the end of the public comment period.** The Department of Commerce, Community, and Economic Development will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and the Division of Banking and Securities' website at <https://www.commerce.alaska.gov/web/dbs>. The Department of Commerce, Community, and Economic Development may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Amie Spieth at dbsregs@alaska.gov or (907) 465-5450 not later than December 18, 2017 to ensure that any necessary accommodation can be provided.

A copy of the proposed regulation changes is available on the Division of Banking and Securities' website at <https://www.commerce.alaska.gov/web/dbs> and the Alaska Online Public Notice System. You may also request a copy by contacting Amie Spieth at dbsregs@alaska.gov or (907) 465-5450.

After the public comment period ends, the Department of Commerce, Community, and Economic Development will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **You should comment during the time allowed if your interests could be affected. Written comments and questions received are public records and are subject to public inspection.**

Statutory authority: AS 06.05.005

Statutes being implemented, interpreted, or made specific: AS 06.05.005; 06.05.045; 06.05.255; 06.05.438

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

11.15.17 _____
Date Chief of Licensing

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all the Division's Notice of Proposed Regulation Changes. To be added to or removed from the list, send the request to Division of Banking and Securities, Department of Commerce, Community, and Economic Development, P.O. Box 110807, Juneau, AK, 99801 or to dbsregs@alaska.gov. Please include your name and either your electronic mail address or mailing address, as you prefer for receiving notices.

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. **Adopting agency:** Department of Commerce, Community, and Economic Development
2. **General subject of regulation:** Regulation of banking institutions
3. **Citation of regulation:** 3 AAC 02.010, 3 AAC 02.020, 3 AAC 02.120, 3 AAC 02.195
4. **Department of Law file number:** 2017200777
5. **Reason for the proposed action:** Update and clarify various outdated sections of the banking regulations
6. **Appropriation/Allocation:** None
7. **Estimated annual cost to comply with the proposed action to:**

A private person: None
Another state agency: None
A municipality: None
8. **Cost of implementation to the state agency and available funding (in thousands of dollars):** No costs are expected in FY2018 or in subsequent years.
9. **The name of the contact person for the regulation:**

Amie Spieth, Regulations Specialist
Division of Banking and Securities
Telephone: (907) 465-5450
E-mail address: amie.spieth@alaska.gov
10. **The origin of the proposed action:** Division of Banking and Securities
11. **Date:** November 7, 2017
Prepared by: Amie Spieth, Regulations Specialist

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, Amie Spieth, Regulation Specialist II, of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 3 AAC 02 related to securities has been given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to interested persons;
- (3) furnished to appropriate state officials;
- (4) furnished to the Department of Law, along with a copy of the proposed regulation;
- (5) furnished electronically to incumbent State of Alaska legislators;
- (6) furnished to the Legislative Affairs Agency, Division of Legal and Research Services;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1); and
- (8) furnished electronically, along with a copy of the proposed regulation, to the Legislative Affairs Agency, the chair of the Labor and Commerce Committee of the Alaska Senate and House of Representatives, the Administrative Regulation Review Committee, and the legislative council.

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (5) and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

Date: 12/19/17



Amie Spieth, Regulations Specialist II

Subscribed and sworn to before me at Juneau on
12/19/17.





Notary Public in and for the State of Alaska

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

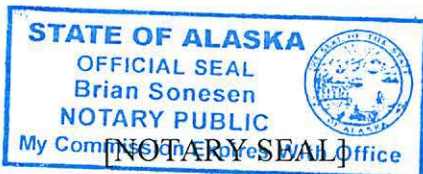
I, Amie Spieth, Regulation Specialist II, of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities, being sworn, state the following:

In compliance with AS 44.62.215, the Department of Commerce, Community, and Economic Development has kept a record of its use or rejection of factual or other substantive information that was submitted in writing as public comment and that was relevant to the accuracy, coverage, or other aspect of the Department of Commerce, Community, and Economic Development regulations dealing with money services.

Date: 12/19/17

Amie Spieth
Amie Spieth, Regulations Specialist II

Subscribed and sworn to before me at Juneau on
12/19/17



Brian Sonesen
Notary Public in and for the State of Alaska

RECEIVED
Juneau

NOV 20 2017

CBPL

AFFIDAVIT OF PUBLICATION

NOTICE OF PROPOSED CHANGES ON BANKING IN THE REGULATIONS OF THE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

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Statutory authority: AS 06.05.005

Statutes being implemented, interpreted, or made specific: AS 06.05.005; 06.05.045; 06.05.255; 06.05.438

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

Date: 11/15/17

/s/ Barbara Reid
Chief of Licensing

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all the Division's Notice of Proposed Regulation Changes. To be added to or removed from the list, send the request to Division of Banking and Securities, Department of Commerce, Community, and Economic Development, P.O. Box 110807, Juneau, AK, 99801 or to dbsregs@alaska.gov. Please include your name and either your electronic mail address or mailing address, as you prefer for receiving notices.

Published: November 16, 2017

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STATE OF ALASKA

THIRD JUDICIAL DISTRICT

Lisa Hartlieb

being first duly sworn on oath deposes and says that he/she is a representative of the Alaska Dispatch News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

November 16, 2017

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed

Subscribed and sworn to before me
this 16th day of November, 2017

Britney Thompson

Notary Public in and for

The State of Alaska.

Third Division

Anchorage, Alaska

MY COMMISSION EXPIRES

2/23/2019
Notary Public
BRITNEY L. THOMPSON
State of Alaska
My Commission Expires Feb 23, 2019

NOTARY
PUBLIC
NOTES
NOTES

STATEMENT OF PUBLICATION

My Commission Expires Feb 23, 2019
BRITNEY L. THOMPSON
Notary Public
State of Alaska