Bulletin B-26-1

TO: ALL TENNESSEE STATE CHARTERED BANKS

FROM: Greg Gonzales, Commissioner

DATE: July 29, 2026

SUBJECT: Loan Production Office/Deposit Production Office/Automated Teller Machines

This bulletin supersedes Bulletins B-02-3 and B-05-4.

Effective January 11, 2026, Chapter 0180-31 relative to the establishment of a Loan Production Office ("LPO") is repealed. Therefore, banks are no longer required to provide notice and/or a fee to establish an LPO, provided that any activities at any such office or facility are limited to those as set forth below in this bulletin.

In addition, pursuant to Tenn. Code Ann. Section 45-2-601, a notice to establish a Deposit Production Office ("DPO"), provided that any activities at any such office or facility are limited to those as set forth below in this bulletin, is not required. The Department also notes that there is no fee for the establishment of a DPO.

Further, the Department notes that a notice to establish an ATM is not required, and the Department has likewise determined that the application fee for establishing an ATM facility is no longer required.

Banks must continue to comply with Rule 0180-7-.09 and all other applicable laws relative to operational names at LPO and DPO locations. Banks must, at all times, disclose clearly and conspicuously, on signage, advertising, legal documents, etc. that the LPO or DPO is a division or other unit of the insured institution. Please refer to Rule 0180-7-.09 for guidance at this link: Rules of Practice: Applications, Instructions, Forms, Reports of State Banks, and Schedule of Application Fees for State Banks, BIDCOS, Savings Banks and Trust Companies

Loan Production Offices may solicit loans, provide and accept information about loans and loan products and assist persons in completing application forms and related documents to obtain a loan. All loan and deposit and withdrawal transactions of a bank customer **must be** performed by the customer, either in person at the bank's main office or a branch of the bank, by mail, electronic transfer or similar method of transfer. Disbursement of funds **must not** occur at the LPO location other than by a third party. A third party includes a person who customarily delivers loan proceeds directly from bank funds under accepted industry practice, such as an attorney or escrow agent at a real estate closing. In addition, a messenger service, on a case-by-case basis, may also be considered a third party. For example, (i) a party other than the bank owns or rents the messenger service and its facilities and employs the persons who provide the service; (ii) the messenger service retains the discretion to determine in its own business judgment which customers and geographic areas it will serve. The credit decision regarding a loan application can be made, provided that money is not deemed to be lent at an LPO location. Money is deemed to be lent only at the place, if any, where the borrower in-person receives loan proceeds directly from bank funds.

Deposit Production Offices may solicit accounts, provide information about deposit products and assist customers in completing application forms and related documents to open a deposit account. All deposit transactions of a customer must be performed by the customer either in person at the bank's main office or a branch of the bank, by mail, electronic transfer, or similar method of transfer. Deposits must not be accepted at the DPO location.

RSU (includes ATM)
Remote service unit (RSU) is an automated or unstaffed facility, operated by a customer of a bank with at most delimited assistance from bank personnel, that conducts banking functions such as receiving deposits, paying withdrawals, or lending money. **An RSU includes an automated teller machine**, automated loan machine, automated device for receiving deposits, personal computer, telephone, other similar electronic devices, and drop boxes. An RSU may be equipped with a telephone or tele-video device that allows contact with bank personnel.

Since the Department does not consider an ATM, LPO or DPO meeting the requirements of this bulletin to be a branch, the Department would likewise not consider those offices or facilities to be a branch when they are combined in one location, provided that any activities at any such location are limited to those as set forth in this bulletin.

The Department will continue to obtain a record of all LPO, DPO or combinations thereof during the regular examination of the bank as a component of the examination (i.e. Bank Structure Data Form).

Questions relating to this Bulletin may be directed to Chief Administrator for Applications, Debra Grissom, at 615/741-5018 or Debra.Grissom@tn.gov or William Cook, Program Administrator for Applications, 615/253-1085 or William.Cook@tn.gov.