



BULLETIN

No. A-86-2

May 21, 1986

TO: State-Chartered Financial Institutions
RE: Electronic Data Processing Servicer Examination:
Chapter 0180-13

Effective May 13, 1986, Chapter 0180-13, Rules of the Department of Financial Institutions, Electronic Data Processing Servicer Examination, was amended to reflect two substantive changes:

(A) New subsection (1) requires state-chartered financial institutions which enter into servicing contracts with EDP servicers to notify the commissioner in writing at least 30 days before entering into the agreement. The commissioner has 30 days to either approve or disapprove the servicer. The commissioner's failure to either approve or disapprove shall be deemed approval of the servicer. If the commissioner disapproves the servicer, he/she must notify the institution in writing, setting out the objections.

(B) New subsection (2) requires state-chartered financial institutions which want to discontinue EDP service with a particular servicer and begin to perform EDP functions in-house to notify the commissioner in writing 30 days before discontinuing the outside EDP servicer.

A copy of these amendments is attached for your records.

For questions regarding these rules please contact Mr. Ben Wooten, Director EDP Examinations, Department of Financial Institutions, James K. Polk Building, Second Floor, 505 Deaderick Street, Nashville, TN 37219, (615) 741-2236.