



## Bulletin B-17-2

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**TO: All Tennessee State-Chartered Banks and Savings Banks**

**SUBJECT: Designation of President as Member of Board of Directors TCA 45-2-401(e)**

**DATE: October 2, 2017**

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This bulletin is intended to provide Tennessee state-chartered banks with the Department's change in interpretation regarding the requirement in Tennessee Code Annotated (T.C.A.) Section 45-2-401(e) that banks designate only one officer as president who must be a member of the bank's board of directors.

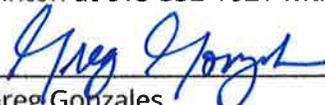
The Department interprets the term "president" in TCA Section 45-2-401(e) to mean the senior most management official of the bank, regardless of title. As such, a bank shall have only one officer designated as the senior most management official of the bank and that officer, regardless of title, shall be a member of the bank's board of directors. The officer that is designated as senior most management official need not carry the title of 'president' so long as the board:

- Designates only one (1) officer as the senior most management official; and
- Ensures that such designation is consistent with the bank's chartering documents and bylaws; and
- Documents in writing that the senior most management official is appointed to the board for purposes of compliance with TCA Section 45-2-401(e).

While the statute requires that the officer designated as the senior most management official shall serve on the bank's board, other bank officers may also serve as directors provided that the bank adheres to their bylaws and all state and federal requirements for board composition. The Department will continue to require that the bank's board documents the election of officers and the designation of the senior most management official via resolution, meeting minutes or other appropriate means.

In 2013, revisions to the Tennessee Business Corporations Act eliminated the requirement for Tennessee corporations to have a "President and Secretary". Based on that change, corporations may designate in their bylaws what officers are required and their titles. The interpretation of TCA Section 45-2-401(e) noted in this bulletin is intended to provide similar flexibility to Tennessee's state chartered banks.

Please contact Financial Analyst Justin McClinton at 615-532-1021 with any questions.

  
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Greg Gonzales,  
Commissioner