



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

One South Station

Boston, Massachusetts 02110

JANE SWIFT
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

August 16, 2001

A. H. Conrad, Jr., Esq.
King & Spalding
191 Peachtree Street
Atlanta, Georgia 30303-1763

Dear Mr. Conrad:

This letter is in response to your correspondence dated August 7, 2001 to the Division of Banks (the "Division") in which you request an opinion relative to whether a loan production office of an "uninsured bank" under Connecticut law may operate in the Commonwealth without a license or regulatory approval.

In your letter you state that First International Bank is a Connecticut-chartered bank which engages in the business of soliciting commercial loans and preparing related loan application functions. The holding company for First International Bank, First International Bancorp, is in the process of being acquired by United Parcel Service, Inc. ("UPS"). As part of this transaction, First International Bank will sell all of its deposits and cease to maintain FDIC insurance and will become an "uninsured bank" under Connecticut law. Following this transaction, First International Bank will continue to conduct commercial loan and related activity. It presently maintains a loan production office in the Commonwealth and it may share this office with UPS Capital Corporation, another subsidiary of UPS, which engages in commercial lending and leasing activities. You ask if the Division's position, as outlined in Opinion No. 000-166, that a loan production office in Massachusetts may be operated by an out-of-state bank without regulatory approval remains the Division's official opinion and that the Division would not object to the sharing of a loan production office by two related entities.

It remains the position of the Division that loan production offices of out-of-state banks do not require regulatory approval by the Division to operate in the Commonwealth. The operation of a loan production office would not trigger the provisions of sections 37 or 39C of chapter 167 of the General Laws. However, the taking of deposits, whether FDIC insured or not, could trigger the cited or other statutes.

The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from that presented may result in a different position statement by the Division.

Sincerely,

Joseph A. Leonard, Jr.
Deputy Commissioner of Banks
and General Counsel

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