

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

Revised Effective December 13, 2006

**POLICY NO. DI-01-2006
(B,SB,SL)**

[Rescinds Policy No. DI-01-2003]

ELECTRONIC FINANCIAL TERMINAL POLICY

PURPOSE:

To revise the procedures for the establishment and operation of an off-site electronic financial terminal (EFT) by a state-chartered financial institution. An EFT includes, but is not be limited to, automated teller machines, cash dispensing machines, script machines, automated loan machines, point of sale terminals, or other similar electronic devices.

TO WHOM THIS POLICY APPLIES:

All state-chartered banks, savings banks, and savings and loan associations, or any subsidiaries thereof.

BACKGROUND:

Act 354 of 1995, effective June 16, 1995, defines a branch or branch office as a manned office and excludes EFTs. LAC 10: Part I: Chapter 5, (RULES AND REGULATIONS FOR MAKING APPLICATION TO THE OFFICE OF FINANCIAL INSTITUTIONS) was amended in 2005 and removed requirements for EFTs from the Rule. This policy is intended to revise the procedures for the establishment and operation of an EFT as a result of this amendment.

SPECIFICS:

A. ESTABLISHMENT

Financial institutions may now operate an EFT without giving prior notice or filing an application with this office. Financial institutions should maintain up-to-date records of its EFTs in operation that include:

- (1) the addresses of the EFT locations, and
- (2) the number of machines to be operated at the location.

Financial institutions should document any involvement by a director or an employee in the board minutes when the directors discuss and approve the establishment of an EFT.

Additionally, any involvement by a shareholder who directly or indirectly controls ten percent or more of any class of voting stock should be documented. Involvement includes, but is not limited to, an interest in the sale or lease of property or equipment, legal fees, accounting fees, construction contracts, or consulting contracts.

B. PUBLICATION

Financial institutions are **not** required to publish a newspaper notice regarding the establishment of the EFT.

C. INDIAN TRIBAL LANDS

Financial institutions wishing to operate an EFT on land owned by an Indian Nation should first contact this office to determine if there are any special requirements for such a facility.

D. OUT-OF-STATE

Financial institutions must ensure that they are authorized to transact business in another state. Financial institutions should contact this Office in order to determine the out-of-state state regulator to contact and their requirements for the establishment and operation of an out-of-state EFT.

E. RELOCATION OR CLOSURE

Financial institutions wishing to relocate or close an electronic financial terminal must post a notice to the customers in a conspicuous location on or near the machine informing them of the relocation or closure at least 14 days prior to the event. The posted notice must contain the following:

- (1) the effective date of the relocation or closure, and
- (2) the new address for the relocation (if applicable).

F. MOBILE EFT

Financial institutions should also maintain a log of the activity of a mobile EFT. The log should, at a minimum, indicate the date of operation and the location where the mobile EFT was operated. In addition, the log should be maintained until the next OFI examination.

The Commissioner may waive any of the above requirements provided a request is submitted in writing that clearly outlines the need for such a waiver.

John Ducrest, CPA, Commissioner

JPD/JDF