

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

FILE COPY

SF-00006-05 (4/86)

DEPARTMENT : ATTORNEY GENERAL

STATE OF MINNESOTA

Office Memorandum

DATE : August 17, 1989

TO : RICHARD GOMSRUD, Department Counsel
Department of Commerce
5th floor Metro Square Building

FROM : MARTHA J. CASSERLY MJC
Special Assistant Attorney General5,-652
515 Transportation Building

PHONE : 6-3258

SUBJECT : In the Matter of the Adopted Rule Relating To
Bank Real Estate Loans and Audit Control Policies

The above-referenced rule has been approved as to its legality by the Attorney General on August 17, 1989.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies with the Secretary of State who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submissions or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

Your next step is to arrange for publication of the Notice of Adoption in the State Register. In a day or two, you should receive from the Revisor's Office three copies of the notice of adoption of your rule. You should submit two copies of the Notice of Adoption to the State Register for publication. A permanent rule without a hearing does not become effective until five days after a notice of adoption is published in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

MJC:bbl
Enclosures

cc: William Brown, Chief Judge
Office of Administrative Hearings

Maryanne Hruby, Exec. Dir.
Legislative Commission to Review
Administrative Rules

Michele M. Owen
Special Assistant Attorney General

Dick-
you did not include the Notice to Solicit -- so I went ahead + copied it out of the library
The comments were very important in my review of the rule there really is no excuse for the comments (and the Notice) to have not been included. And then not to get the Notice after our second req....
your people really should be more careful - I got irritated....
But -- the rule was approv

JAL
MJC

RULE REVIEW CHECKLIST

File No. 1618

DATE RECEIVED 8-7-89

REVIEW DATE 8-16-89

DUE DATE 8-21-89

Rev. Atty. APPROVED 8-17-89 mjc

DISAPPROVED _____

WITHDRAWN _____

Docket No. 05-0009.0126

ADOPTED W/O HEARING X

EMERGENCY RULE _____

To Revisor (2 copies) 8-7-89

REVISOR APPROVED 8-8-89

REVISOR DISAPPROVED _____

FILED W/SEC. OF STATE 8/21/89

RETURNED TO AGENCY _____

✓ Rule as adopted (4 copies)

_____ ~~Notice to Solicit Outside Information/Opinion (if applicable)~~
_____ ~~Date published in State Register~~
_____ ~~Comments~~

_____ ~~Petition for Adoption of a Rule (if applicable)~~

* _____ ~~Board's Authorizing Resolution~~
_____ ~~Date adopted~~

✓ Proposed Rule
NO Revisor's Certificate

✓ Notice of Intent to Adopt Rule
45.023/46.01 Statutory Authority
yes Small Business Statement
no Expenditure of public money statement
yes Signature

✓ Statement of Need and Reasonableness (if applicable)
yes Small Business Statement
no Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
April 14, 1989 Date (30)/25 days before adoption
no Notice attached
no Copy of rule or summary attached

✓ Publication in State Register
April 17, 1989 Date (30)/25 days before adoption

✓ 180-day deadline from:
? Effective date of law requiring rule (14.12) (both rules)
5-17-89 OK end of comment period (§ 14.26) (rules without hearing)
_____ ~~effective date of statutory authority (§ 14.29) (emergency rules)~~

* _____ Board's Resolution Adopting
_____ Date adopted

✓ Findings of Fact, Conclusions & Order Adopting
7-10-89 Date

NONE Written requests, submissions or comments

✓ Declaration of attorney
Michele Owen Name of SAAG representing agency

_____ ~~Notice of Submission to Atty. Gen. (if applicable)~~

_____ ~~Aff. of Mailing Notice to Atty. Gen. (if applicable)~~

Department of Commerce

Proposed Permanent Rules Relating to Bank Real Estate Loans and Audit Control Policies

Rules as Proposed

2675.0901 REAL ESTATE LOANS-DOCUMENTATION.

Each real estate secured loan file shall include the following documentation and evidence where the loan is in an amount over ~~$7,500 or not otherwise exempt from the definition of real estate in Minnesota Statutes, section 48.19, subdivision 4~~ $25,000:

A. An attorney's opinion or a title insurance policy~~, or, in the case of Torrens title property, a duplicate certificate of title with memorial of the bank's mortgage thereon~~ is required on all real estate loans which shall describe the status of fee title, the validity of the bank's lien, and the position of the lien.

B. and C. [Unchanged.]

2675.2170 OTHER REAL ESTATE.

Other real estate:

A. and B. [Unchanged.]

C. Reasonable attempts shall be made to dispose of other real estate by sale. The other real estate file shall be documented with disposal attempts. In no case, is depreciation required on other real estate, but it shall be removed from the books within ~~five~~ ten years after acquisition according to Minnesota Statutes, section 48.21, subdivision 3.

D. and E. [Unchanged.]

F. Expenditures approved by the board for permanent improvements to other real estate owned, in order to improve marketability, may be capitalized up to ten percent of the amounts referred to in item B and further provided the original amount plus the additional capitalization does not exceed the amount of the appraisal required by item B.

Approved by Revisor

FINANCIAL INSTITUTION AUDIT CONTROL POLICIES

2675.2600 INTERNAL AUDIT CONTROL ~~POLICY~~.

Subpart 1. **Written internal audit control policy.** The board of directors of a bank, trust company, or savings bank shall establish a written internal audit control system. Documentation of internal audit procedures performed and the reports shall be maintained by the bank for inspection by the supervisory examiners and by the external auditors. The scope of coverage and effectiveness of the internal audit control system shall be reviewed for adequacy and approved by the board annually. The board shall consider inclusion of recommendations made by supervisory examiners and external auditors in the internal audit control system.

Subp. 2. **Resolution officer.** The board of directors, through its management, will designate one or more of its officers as a resolution officer. It is the responsibility of this person to promptly investigate and respond to written complaints, disputes, and inquiries from bank customers regarding the customer's account or bank activities. Individual files containing the complaint letter, investigation procedure, and disposition of the matter shall be maintained for 18 months following disposition.

REPEALER. Minnesota Rules, part 2675.2610, subpart 2, is repealed.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Bank Real Estate Loans and Audit Control Policies

AGENCY: Department of Commerce

MINNESOTA RULES: Chapter 2675

The attached rules are approved for publication in the State Register

Paul M. Marinac
Assistant Deputy Revisor

SF-00006-05 (4/86)

DEPARTMENT : of Commerce

STATE OF MINNESOTA

Office Memorandum

DATE : July 28, 1989

TO : Administrative Attorney General

FROM : Richard G. Gomsrud

PHONE : 296-5689

SUBJECT : Bank Audit Rules

Enclosed are copies of the following materials regarding the above captioned rules:

XIX Notice of Intent to Solicit Outside Opinion as published in State Register (2010.0300 A)

(2.) Copy of the Proposed Rules with Revisor's Certificate (2010.0300 D)

(3.) Notice of Intent to Adopt Rule Without Public Hearing (2010.0300 E)

(4.) Statement of Need and Reasonableness (2010.0300 F)

(5.) Affidavit of Mailing Notice of Intent to Adopt Rule Without Public Hearing (2010.0300 G)

(6.) Copy of Notice of Intent to Adopt Rule Without Public Hearing and Rules as published in the State Register (2010.0300 H)

(7.) Four copies of Rule as adopted (2010.0300 I)

(8.) Findings of Fact, Conclusions & Order Adopting Rule (2010.0300 K)

~~9.~~ Written Comments, Submission & Requests on Rule (2010.0300 L) None

(10.) Declaration of Attorney General (2010.0300 M) Mailed seperately

~~11.~~ Notice of Submission to Attorney General (2010.0300 N) N/A

~~12.~~ Affidavit of Mailing Notice of Submission to Attorney General (2010.0300 O) N/A

These rules were improperly submitted for review through an error on my part and did not reach your division for review. I would appreciate any courtesy you could show in expediting your review to make up for the delay caused by my error.

Official Notices

Pursuant to the provisions of Minnesota Statutes § 14.10, an agency, in preparing proposed rules, may ... sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State R...* afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters ...

Department of Commerce

Notice to Solicit Outside Opinion Regarding Proposed Rules and Am... Existing Rules Regarding Banking Including the Impact of the Ru... Business

NOTICE IS HEREBY GIVEN that the Department of Commerce is seeking information or opini... agency in preparing to promulgate new rules and amend existing rules relating to Bank Real Estate ... Bank Other Real Estate Owned. The department's primary focus is on costly and unnecessary requir... and preservation and improved marketability of other real estate owned by banks due to foreclosure ... Promulgation of these rules is authorized by *Minnesota Statutes*, Section 45.023.

Outside opinion is also being solicited as to how these rules will affect small business as defined by ... 14.115, subdivison 1.

The Department of Commerce requests information and comments concerning the subject matter of ... affected persons or groups may submit statements of information or comment orally or in writing to:

James G. Miller, Deputy Commissioner
Department of Commerce
500 Metro Square Building
St. Paul, Minnesota 55101
(612) 296-2715

Oral statements will be received during regular business hours over the telephone at (612) 296-2715.

All statements of information and comment shall be accepted until January 20, 1989. Any written ... Department of Commerce shall become part of the record in the event that the rules are promulgated.

Department of Human Services

Notice of MA/GAMC Services Requiring Prior Authorization—Correction

The following corrections should be made to the list of services requiring prior authorization that was ... 10, 1988 *State Register*.

Page 938	DELETE D7810 & D7820	
Page 941 item 2.	MODIFY to read "Nondurable medical supplies when the cost exceeds $250 per month, except for home health agencies which are excluded from this requirement."	
Page 941	DELETE L3216, L3220, L3221	
Page 942	DELETE X5310	
Page 942	MODIFY X5497 to read "PNI-prenatal health education I and prenatal health education II, high risk	
Page 943	ADD 15839	other area
Page 944	ADD 38238	Bone marrow harvesting for transplantation
Page 946	DELETE 85120	

State of Minnesota

STATE REGISTER

Department of Administration—Print Communications Division



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Pages 2475-2578

Proposed Rules

Pursuant to Minn. Stat. §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register.* The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Commerce

Proposed Permanent Rules Relating to Bank Real Estate Loans and Audit Control Policies

Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Department of Commerce intends to adopt the above-entitled rules without a public hearing following the procedures set forth in the Administrative Procedures Act for rules, adopted without a public hearing in *Minnesota Statutes*, Sections 14.22-14.28. Authority for the adoption of these rules is contained in *Minnesota Statutes,* Section 45.023 and 46.01.

All persons have 30 days to submit comments in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and do not result in a substantial change.

Any person may make a written request for a public hearing within the 30 day comment period. If 25 or more persons submit a written request for a public hearing within the 30 day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the department will proceed pursuant to *Minnesota Statutes,* sections 14.14 to 14.20.

Persons who wish to submit comments or a written request for a public hearing should submit them to:

Richard G. Gomsrud
Department Counsel
Department of Commerce
500 Metro Square Building
St. Paul, Minnesota 55101
(612) 296-5689

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request from Richard Gomsrud.

Pursuant to *Minnesota Statutes* Section 14.115, subdivision 2, the impact on small business has been considered in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 55101.

A copy of the proposed rules is attached to this Notice. Copies of this Notice and proposed rules are available and may be obtained by contacting Richard G. Gomsrud at the above address.

Michael A. Hatch
Commissioner of Commerce

Rules as Proposed

2675.0901 REAL ESTATE LOANS-DOCUMENTATION.

Each real estate secured loan file shall include the following documentation and evidence where the loan is in an amount over ~~$7,500 or not otherwise exempt from the definition of real estate in *Minnesota Statutes,* section 48.19, subdivision 4~~ $25,000:

A. An attorney's opinion or a title insurance policy~~, or, in the case of Torrens title property, a duplicate certificate of title with memorial of the bank's mortgage thereon~~ is required on all real estate loans which shall describe the status of fee title, the validity of the bank's lien, and the position of the lien.

B. and C. [Unchanged.]

2675.2170 OTHER REAL ESTATE.

Other real estate:

A. and B. [Unchanged.]

C. Reasonable attempts shall be made to dispose of other real estate by sale. The other real estate file shall be documented with disposal attempts. In no case, is depreciation required on other real estate, but it shall be removed from the books within ~~five~~ ten years after acquisition according to *Minnesota Statutes,* section 48.21, subdivision 3.

D. and E. [Unchanged.]

F. Expenditures approved by the board for permanent improvements to other real estate owned, in order to improve marketability, may be capitalized up to ten percent of the amounts referred to in item B and further provided the original amount plus the additional capitalization does not exceed the amount of the appraisal required by item B.

FINANCIAL INSTITUTION AUDIT CONTROL POLICIES

2675.2600 INTERNAL AUDIT CONTROL ~~POLICY~~.

Subpart 1. **Written internal audit control policy.** The board of directors of a bank, trust company, or savings bank shall establish a written internal audit control system. Documentation of internal audit procedures performed and the reports shall be maintained by the bank for inspection by the supervisory examiners and by the external auditors. The scope of coverage and effectiveness of the internal audit control system shall be reviewed for adequacy and approved by the board annually. The board shall consider inclusion of recommendations made by supervisory examiners and external auditors in the internal audit control system.

Subp. 2. **Resolution officer.** The board of directors, through its management, will designate one or more of its officers as a resolution officer. It is the responsibility of this person to promptly investigate and respond to written complaints, disputes, and inquiries from bank customers regarding the customer's account or bank activities. Individual files containing the complaint letter, investigation procedure, and disposition of the matter shall be maintained for 18 months following disposition.

REPEALER. *Minnesota Rules,* part 2675.2610, subpart 2, is repealed.

Department of Commerce

Proposed Permanent Rules Relating to Credit Unions

Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Department of Commerce intends to adopt the above-entitled rules without a public hearing following the procedures set forth in the Administrative Procedures Act for rules adopted without a public hearing in *Minnesota*

STATEMENT OF NEED AND REASONABLENESS

Minnesota Rules regarding the operation of banks are being modified to facilitate changes in the industry.

With the repeal of Minnesota Statutes, section 48.19, in 1985, Minnesota state chartered banks must, by rule, (MR 2675.0901 REAL ESTATE LOANS-DOCUMENTATION) obtain certain documentation on all loans over $7,500 secured by real estate. This documentation includes: an attorney's opinion or a title insurance policy; evidence of adequate insurance coverage with loss payable clause payable to the bank; a real estate appraisal.

With the Tax Reform Act of 1986 stripping interest deductions for tax purposes on personal loans not secured by real estate, there is created a demand to have otherwise unsecured personal loans secured by real estate. However, neither the banker nor the borrower wishes to assume the expense of the required documentation and bankers have cited a competitive cost disadvantage under present rule. The required documentation is a safety and soundness concern and should be maintained; however, where it can be demonstrated that the bank is not relying on the real estate security for protection, it can be argued that the documentation requirement becomes form over substance and not a safety and soundness concern.

The value of the property, the bank's lien position, and protection of the property from hazards, is important whether the bank is looking to the property as collateral protection or as a precaution against contingencies. Therefore, Minnesota Rule 2675.0901 is being amended to increase the documentation exception to $25,000 and by deleting "or not otherwise exempt from the definition of real estate in Minnesota Statutes, section 48.19, subdivision 4."

From time to time it is necessary and often a prudent business decision to expend funds to complete or permanently improve property acquired by foreclosure. Minnesota Rule 2675.2170 Other Real Estate by interpretation requires such expenditures to be charged to expense rather than to be capitalized to other real estate. A more accurate accounting record is achieved by capitalization of such expenditures, although for safety and soundness reasons restrictions should be placed on the total amount of such an investment in other real estate improvements.

Minnesota Rule 2675.2170 OTHER REAL ESTATE (C) is being amended so that the awkward language found in Minnesota Statutes, section 48.21, subdivision 3, can be corrected by changing five years to ten years and a paragraph F is being added to permit limited investment in improvements to property acquired through foreclosure.

Minnesota Rule 2675.2600 Internal Audit Control is being amended by adding a subpart 2 requiring the designation of one or more officers as a contact person for the resolution of customer complaints. The rule also requires that individual complaint files be established and maintained for a minimum period of 18 months. The Financial Examinations Division of the Department of Commerce receives on average fifteen (15) letters of complaint involving financial institutions each month. Most often letters are written to the president of the involved institution asking for investigation and response. Additionally, follow up is often made as a part of regularly scheduled safety and soundness examinations which are required by statute to be conducted within 18 month cycles. This rule establishes a contact person for handling complaints and a means for the Financial Examination Division to evaluate the financial institution's quality control and responsiveness.

Minnesota Rule 2675.2610, subpart 2, is being deleted and the remaining parts renumbered due to the confusion caused by its applicability to directors' examinations performed by outside parties.

IMPACT ON SMALL BUSINESS

It is not contemplated that the rule modifications will have an affect on small business. (On December 12, 1988, Notice to Solicit Outside Opinion) Regarding Proposed Rules and Amendments to Existing Rules Regarding Banking Including the Impact of the Rules on Small Business, was published in the State Register pursuant to the provisions of Minn. Stat. § 14.10. Seven responses were received as follows:

1. Commenter supports proposal to amend 2675.0901 to 2675.2170, as to 2675.2170 F. Commenter asks that more liberal language be adopted such as that in Comptroller's IR 7.3025 (j) which provides that if ORE owned is unfinished construction, further prudent advances to complete the project may be included in ORE. However, such additional advances may not be capitalized unless the bank maintains on file evidence that the advances will result in a more salable property and are recoverable.

2. Commenter supports proposal to amend 2675.0901 from $7,500 to $50,000. Commenter asks that 2675.2170 be amended from five years to at least ten years. As to 2675.2170 F, commenter asks that rules be drafted to permit prudent action.

3. Commenter asks that 2675.0901 be amended to increase documentation exception from $7,500 to $25,000. Also, that 2675.2170 be amended to permit ORE to be held for ten years.

4. Commenter supports increase in documentation exception from $7,500 to $25,000.

5. Commenter asks that documentation exception be increased from $7,500 to $10,000 or more.

6. Commenter supports need for outside appraisals.

7. Commenter supports OCC IR 7.300 (j) for capitalization to ORE.

State of Minnesota
Department of Commerce

In the Matter of the Proposed Adoption of Rules Relating to Bank Real Estate Loans & Audit Control Policies.

Notice of Intent to Adopt Rules Without a Public Hearing

Notice is hereby given that the Department of Commerce intends to adopt the above-entitled rules without a public hearing following the procedures set forth in the Administrative Procedures Act for rules adopted without a public hearing in Minnesota Statutes, Sections 14.22-14.28. Authority for the adoption of these rules is contained in Minnesota Statutes, Section 45.023 and 46.01.

All persons have 30 days to submit comments in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rules may be modified if the modifications are supported by the data and views submitted to the Department and do not result in a substantial change.

Any person may make a written request for a public hearing within the 30 day comment period. If 25 or more persons submit a written request for a public hearing within the 30 day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the department will proceed pursuant to Minnesota Statutes, sections 14.14 to 14.20.

Persons who wish to submit comments or a written request for a public hearing should submit them to:

Richard G. Gomsrud
Department Counsel
Department of Commerce
500 Metro Square Building
St. Paul, Minnesota 55101
(612) 296-5689.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request from Richard Gomsrud.

Pursuant to Minnesota Statutes Section 14.115, subdivision 2, the impact on small business has been considered

in the promulgation of the rules. Anyone wishing to present evidence or argument as to the rules' effect on small business may do so. The Department's position regarding the impact of the rules on small business is set forth in the Statement of Need and Reasonableness.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Richard G. Gomsrud, Department Counsel, Department of Commerce, 500 Metro Square Bldg., St. Paul, MN 55101.

A copy of the proposed rules is attached to this Notice. Copies of this Notice and proposed rules are available and may be obtained by contacting Richard G. Gomsrud at the above address.

Michael A. Hatch
Commissioner of Commerce

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

In the Matter of the Proposed Rules Relating to Bank Real Estate Loans & Audit Control Policies

Affidavit Of Mailing The Notice Of Intent To Adopt A Rule Without A Public Hearing And Certificate Of Mailing List

STATE OF MINNESOTA)
) SS
COUNTY OF RAMSEY)

Richard G. Gomsrud, being sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 or 14.30 that their names be placed on the Department of Commerce rulemaking mailing list is accurate, complete and current as of this 28th day of July, 1989.

That on the 14th day of April, 1989 at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent to Adopt a Rule Without a Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing, a copy thereof, with postage prepaid, to all persons and associations on the aforementioned mailing list.

Richard G. Gomsrud
Department Counsel

Subscribed and sworn to
before me this 28th day
of July, 1989

Cynthia L. Claason

CYNTHIA L. CLAASON
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES FEBRUARY 11, 1992

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Susan J. Ladwig ociates
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Regulation Analyst
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Mr. Robert J. Demichelis
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American Insurance Association
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William S. Fancher, Jr.,
Director of State Relations
American Orthotic and Prosthetic Assn.
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Alexandria, VA 22314

Bambridge E. Peterson
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Bill Oemicahen
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Gerald G. Dederick, P.A.

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Peggy Jacobs
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IDS Tower
Minneapolis, MN 55474

Independent Bankers of Minn.
7850 Metro Pkway., Suite 211
Bloomington, MN 55425

Roger E. Steinbach
Insurance Services Office, Inc.
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Lombard, IL 60148

Cindy Wisniak
Auto Club of Minneapolis
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Minneapolis, MN 55416

Susan Hoffman
Jaffe, Snider, Raitt & Heiber
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J. T. Miller Company
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Maryanne Hruby, Exec. Director
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St. Paul, MN 55155

Tom Grundhoffer
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3120 Breckinridge Blvd.
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Susan K. Henkelman
Libr ıd Research Center
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STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

In the Matter of the Proposed Rules Relating to Bank Real Estate Loans & Audit Control Policies	FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Commissioner's intent to adopt the above-entitled rule was published in the State Register on April 17, 1989 and was sent by United State's mail to all persons on the list maintained by the Department pursuant to Minnesota Statues, section 14.14, subdivision 1a and 14.22 on April 14, 1989. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing were received.

No submissions or comments on the rule were received by the Department. No requests for notice of submission to the attorney general were recieved by the Department.

Based on the comments and evidence before the Department, I find the following:

The above captioned rule is needed and reasonable.

NOW, THEREFORE IT IS ORDERED that the rule identified as Rules Relating to Band Real Estate Loans & Audit Policies is adopted this 10th day of July, 1989 pursuant to the authority vested in me by Minnesota Statutes, sections 45.023 and 46.01

Michael A. Hatch
Commissioner of Commerce

In the Matter of the Adoption
of the Rules of the State
Department of Commerce Relating
to Bank Real Estate Loans and
Audit Control Policies

DECLARATION
OF COUNSEL

I, Michele M. Owen, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking records, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. For Attorney General billing purposes, the four-digit docket client code is 0126.

Dated: August 3, 1989

Michele M. Owen

MICHELE M. OWEN
Special Assistant
Attorney General

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SF-00006-05 (4/86)

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT : ATTORNEY GENERAL
Bremer Tower

DATE : August 3, 1989

TO : MARTHA CASSERLY
Attorney General's Office
515 Transportation Bldg.

FROM : MICHELE M. OWEN MMO
Special Assistant
Attorney General

PHONE : 6-1408

SUBJECT : RULES RELATING TO BANK REAL ESTATE LOANS AND AUDIT CONTROL POLICIES

Enclosed please find the Declaration of Counsel for the Department of Commerce Rules Relating to Bank Real Estate Loans and Audit Control Policies. I understand that Dick Gomsrud has already sent you a full rulemaking record.

MMO:aso:.cz6

Enclosure