



Pennsylvania
Department of
Banking and Securities

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TO ALL PENNSYLVANIA AND OUT-OF-STATE STATE-CHARTERED BANKS, BANK AND TRUST COMPANIES AND SAVINGS BANKS:

This interpretive letter¹ is to announce to the state-chartered banks² operating in Pennsylvania (“banks”)³ that, notwithstanding the Statement of Policy promulgated by the Commonwealth of Pennsylvania Department of Banking and Securities (“Department”) in 1996 located at 10 Pa. Code §§ 13.61-13.68 (“Exception to Definition of ‘Branch’ – Statement of Policy”) (“LPBO SOP”), the Department will not take exception to certain additional activities being conducted by banks at limited purpose banking offices (“LPBO”) established in conformance with the LPBO SOP.

Specifically, notwithstanding the guidance contained in 10 Pa. Code § 13.64(1) and (2), bank personnel located at a LPBO may:

- (i) conduct deposit production office activities consistent with those permitted for national banks⁴; and,
- (ii) make credit decisions, including final decisions, regarding loan applications.

These activities are in addition to the range of permissible activities that may be conducted at a LPBO under 10 Pa. Code §13.63.

If a bank intends to commence the above-mentioned activities at an already approved LPBO location, it is considered an expansion of already approved activities. Banks should review their original regulatory approval or non-objection letter for the process to have additional activities approved at the location.

Additionally, it is the Department’s position that a bank employee’s personal residence that is not open to the public and utilized for the purpose of working remotely will not be considered “[a]n office of a banking institution” within the meaning of the definition of “limited purpose banking office” contained in 10 Pa. Code §13.61; thus, such residence would not be required to be established as a LPBO. Pennsylvania state-chartered banks, bank and trust companies and savings banks with employees working at their personal residence in other states should ensure that all activities being performed comply the applicable state’s laws.

¹ See Section 202.D of the Department of Banking and Securities Code, 71 P.S. § 733-202.D.

² This letter does not address the operations of credit unions or non-depository trust companies.

³ This includes Pennsylvania state-chartered banks, bank and trust companies and savings banks, and similar institutions chartered under the laws of other states or territories of the United States.

⁴ See generally 12 CFR §7.1028.

The Department anticipates that these positions will provide a further benefit for banks operating in Pennsylvania. Questions regarding this letter may be directed to the Department's Bureau of Bank Supervision resource email account at ra-bnbanksupervision@pa.gov.

Sincerely, /s/

Stacey Cameron
Deputy Secretary for Depository Institutions