

REGULATION B-2014-01

RECORD RETENTION

FINANCIAL INSTITUTIONS, CREDIT UNIONS,
INDEPENDENT TRUST COMPANIES & LICENSEES

(This Regulation Replaces Regulation B-92-1)
(Effective Date - July 1, 2014)

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SECTION ONE: APPLICABILITY AND SCOPE

1.1 This regulation ("Regulation") is issued pursuant to 8 V.S.A. §§ 15, 2214, 2766, 2914, 11301, and 30401.

1.2 This Regulation applies to:

- a. financial institutions as defined in 8 V.S.A. § 11101(32);
- b. credit unions as defined by 8 V.S.A. § 30101(5);
- c. independent trust companies regulated under 8 V.S.A. Chapter 77; and
- d. all other state licensed financial businesses regulated under Parts 2, 5, and 6 of Title 8 V.S.A., including: Licensed Lenders; Mortgage Brokers; Loan Servicers; Sales Finance Companies; Money Servicers; Check Cashing & Currency Exchangers; and Debt Adjusters

(the "Institutions").

The types of Institutions included in these definitions shall include federally or nationally chartered Institutions, insofar as this Regulation does not contravene paramount federal law.

1.3 The general intent of this Regulation is to require that an Institution be able to rebuild a transaction for seven years from the date of the transaction or seven years from the payoff date of a loan, as applicable. Notwithstanding the foregoing, this Regulation requires that certain records be held longer than seven years and gives Institutions the option to hold some records for less than seven years, as set forth in Appendix I.

1.4 This Regulation applies to records created on or after July 1, 2014.

1.5 This Regulation does not apply to those records created prior to July 1, 2014. The retention period applicable to such records shall be the period required at the time such record was created.

SECTION TWO: PROCEDURES

2.1 An Institution shall adopt and implement a written record management policy that includes:

- a. retention periods for all of the Institution's records;
- b. the manner of retention;
- c. the method of disposal of such records upon expiration of the retention period; and

d. procedures to protect records from theft, fire, vandalism, loss, damage, or unauthorized access.

In addition to the retention requirements, any record that contains confidential information should be treated in accordance with the Institution's confidentiality, privacy, and security policies.

- 2.2 Institutions shall retain all records for at least the minimum time period specified in this Regulation.
- 2.3 If the Institution does not maintain a record enumerated in this Regulation, but maintains a similar record with equivalent information, the Institution's records shall be retained for the period of time specified herein for such equivalent records.
- 2.4 In the event a retention period imposed by other state laws or regulations, federal laws or regulations, court orders, other governmental agencies, or Institution policies conflicts with the retention period set forth in this Regulation, the longer retention period shall control.
- 2.5 Records that are not specifically enumerated in this Regulation, but that are subject to retention requirements pursuant to other state laws or regulations, federal laws or regulation, court orders, or Institution policies, shall be retained for the period specified by such applicable requirement.
- 2.6 Records that are not specifically enumerated in Appendix I of this Regulation and that are not subject to retention requirements pursuant to other state laws or regulations, federal laws or regulation, court orders, or Institution policies may be destroyed at the end of seven (7) years from the date of the transaction or at the end of seven (7) years from the payoff date of a loan, as applicable, upon authorization of the Institution's governing body.
- 2.7 Records that are not specifically enumerated in Appendix I, that are not subject to retention requirements pursuant to other state laws or regulations, federal laws or regulations, or court orders, and are not part of an actual transaction or loan may be destroyed at the discretion of the Institution as specified in its record retention policy as authorized by the Institution's governing body.
- 2.8 The content of the record and not the medium in which it is sent or received determines the applicable record retention period. (For example, a document received by e-mail may be correspondence, a promissory note, or a casualty liability policy depending on the content of the e-mail.)
- 2.9 All records must be maintained in a form and manner that is consistent with reasonable business practices and with any applicable law or regulation. Without limiting the foregoing, records may be maintained in original form, as a copy thereof, or in a manner that can accurately produce, regenerate, or transmit the original record. Records retained in paper, photograph, microprocess, magnetic, digital, mechanical or electronic media, or in or by any other information storage device or process which

forms a durable medium shall be treated as the equivalent of original records for purposes of compliance with this Regulation.

- 2.10 Institutions shall dispose of records in accordance with the Vermont Document Safe Destruction Act, 9 V.S.A. Chapter 62, subchapter 4, or any successor to such Act, to the extent such Act applies to the Institution.

SECTION THREE: ELECTRONIC DATA PROCESSING

- 3.1 Retention periods specified for records listed in this Regulation apply to equivalent records produced or maintained by means of electronic data processing.
- 3.2 An Institution shall adopt and implement a written policy to protect electronic data processing files from theft, fire, vandalism, loss, damage, or unauthorized access.

SECTION FOUR: SANCTIONS

- 4.1 In addition to any other sanctions available to the Commissioner, violations of this Regulation are subject to the provisions of 8 V.S.A. Chapter 201, subchapter 6.

APPENDIX I

RECORDS THAT REQUIRE PERMANENT RETENTION		
Articles of Incorporation or Other Association, Bylaws and Other Records of Organization, Amendments, etc.	Permanent	Administration - General
Capital Stock Certificates - Cancelled	Permanent	Administration - General
Capital Stock Certificate Records and/or Stubs	Permanent	Administration - General
Capital Stock Ledger (Shareholders)	Permanent	Administration - General
Capital Stock Transfer Ledger/Register	Permanent	Administration - General
Certificates of Authority/Approval, Charter	Permanent	Administration - General
Charged-off Asset Records	Permanent	Investments, Loans, Loans - Real Estate
General Ledger (Income & Expense, Statement of Condition)	Permanent	Accounting & Auditing, General Ledger
Member Lists - Non-profit, Cooperative, Limited Liability and Mutual Entities	Permanent	Administration - General
Minutes Book of Meetings (Stockholder, Members, Directors)	Permanent	Administration - General
Minutes of Audit, Credit & Supervisory Committee Meetings	Permanent	Administration - General
Minutes of Investment & Trust Committee Meetings	Permanent	Administration - General
Reports of Examination and Responses – State and Federal	Permanent	Administration - General
Surety Bond	Permanent	Administration - General
Unclaimed or Escheated Property Report	Permanent	Correspondent Accounts, Deposits - Savings & Time, Deposits - Transaction, Individual Retirement Accounts, Safe Deposit & Safekeeping

MINIMUM RECORD RETENTION PERIODS

ACCOUNTING & AUDITING	
Deposit Confirmations	3 Years
General Ledger (Income & Expense, Statement of Condition)	Permanent
Loan Confirmations	3 Years
Reconcilements to General Ledger	3 Years
ADMINISTRATION (CORPORATE)	
General	
Articles of Incorporation or Other Association, Bylaws and Other Records of Organization, Amendments, etc.	Permanent
Capital Stock Certificates - Cancelled	Permanent
Capital Stock Certificate Records and/or Stubs	Permanent
Capital Stock Ledger (Shareholders)	Permanent
Capital Stock Transfer Ledger/Register	Permanent
Certificates of Authority/Approval, Charter	Permanent
FDIC Assessment Base Records Determination	5 Years
Member Lists - Non-profit, Cooperative, Limited Liability and Mutual Entities	Permanent

General (continued)	
Minutes Book of Meetings (Stockholder, Members, Directors)	Permanent
Minutes of Audit, Credit & Supervisory Committee Meetings	Permanent
Minutes of Investment & Trust Committee Meetings	Permanent
Reports of Examination and Responses – State and Federal	Permanent
Statements of Directors and Principal Officers	3 Years
Insurance	
Blanket Bond & Employee Bonds & Fidelity Bonds	21 Years
Bonds of Indemnity	7 Years After Cancellation
Casualty Liability Policies	3 Years
Fire, Accident & Liability Policies	21 Years
Records of All Insurance Policies (Showing Policy Numbers, Premiums Paid, and Amounts Recovered)	3 Years
Surety Bond	Permanent
COLLECTIONS (not related to Debt Collection)	
Collection Payment Records	1 Year
Collection Register	1 Year
Coupon Cash Letters (Outgoing)	1 Year
Incoming Collection Letters	1 Year
Incoming Contract or Note Letters	7 Years After Closing
Outgoing Collection Letters and Register	1 Year
Settlement	3 Years
CORRESPONDENT ACCOUNTS (DUE TO & DUE FROM)	
Advices & Drafts	3 Years
Incoming Cash Letter Memos	3 Years
Information and Documents Pertaining to Issuance of Duplicate Checks and Drafts	7 Years After Check Draft Paid
Records of Foreign Financial Accounts	7 Years After Account Closed
Resolutions	7 Years After Account Closed
Signature Cards	7 Years After Account Closed
Statements & Reconcilements	3 Years
Unclaimed or Escheated Property Report	Permanent
Unclaimed or Escheated Property – Records of Ownership	10 Years After Surrender of Funds to the State Treasurer's Office
Undelivered Statements and Canceled Checks	2 Years
CREDIT CARDS/DEBIT CARDS/STORED VALUE	
Credit Applications and Information (Declined)	25 Months
Transaction History	7 Years After Account Closed
CUSTOMER SERVICE	
Change in Address	1 Year
Correspondence	3 Years
Securities Buy and Sell Orders	3 Years After Date of Order

DEPOSITS - SAVINGS & TIME	
Affidavits of Lost Passbooks and Records of Transactions Based Thereon	7 Years After Closing
Certificates of Deposit	7 Years After Closing
Copies of Advices of Deposits	2 Years
Copies of Advices of Debits and Credits	2 Years
Customer Statements	3 Years
Interest Report (Accrual Records)	3 Years
Power of Attorney	7 Years After Closing
Resolutions and Customer Authorizations	7 Years After Closing
Signature Cards, unless escheated	7 Years After Closing
Surety Bond for Lost Certificate	7 Years After Closing
Taxpayer ID# or SS# of Depositor	7 Years After Closing
Unclaimed or Escheated Property Report	Permanent
Unclaimed or Escheated Property – Records of Ownership	10 Years After Surrender of Funds to the State Treasurer's Office
DEPOSITS - TRANSACTION (CHECKING, SHARE, MONEY MARKET)	
Account Analysis (Work Sheets or Cards, Average Balance Cards, Interest Computation Records, Service Charge Records)	2 Years
Bookkeepers Daily List of Checks Charged in Total to Customer Accounts (Short Lists)	2 Years
Copies of Advices of Deposits	2 Years
Copies of Advices of Debits and Credits	2 Years
Customer Statements	3 Years
Daily Reports of Overdrafts	6 Months
Individual Ledgers	2 Years
Kiting Suspect Report	6 Months
Partnership Agreement and Authority	7 Years After Closing
Resolutions and Customer Authorizations	7 Years After Closing
Service Charges	2 Years
Signature Cards, unless escheated	7 Years After Closing
Statement Mailing Order	1 Year
Statement Receipt Cards	1 Year
Stop Payment Order	1 Year
Transaction Journal	3 Years
Unclaimed or Escheated Property Report	Permanent
Unclaimed or Escheated Property – Records of Ownership	10 Years After Surrender of Funds to the State Treasurer's Office
GENERAL	
Correspondence	3 Years
Night Depository Agreements	7 Years After Termination of Agreement
Securitization	7 Years After Termination
Vault Records, Openings and Closings	1 Year

GENERAL LEDGER	
Income & Expense Statement	Permanent
Statement of Condition	Permanent
INTERNATIONAL DEPARTMENT/WIRE/MONEY TRANSFER	
Foreign Asset Control Records	3 Years
Foreign Draft Applications	5 Years
Foreign Mail Transfer Applications	5 Years
Letters of Credit Applications	7 Years After Payment in Full
INDIVIDUAL RETIREMENT ACCOUNTS	
Account Agreements	7 Years After Last Distribution
Customer Statements	3 Years
Signature Cards, unless escheated	7 Years After Closing
Taxpayer ID# or SS# of Depositor	7 Years After Closing
Unclaimed or Escheated Property Report	Permanent
Unclaimed or Escheated Property - Records of Ownership	10 Years After Surrender of Funds to the State Treasurer's Office
INVESTMENTS	
Charged-off Asset Records	Permanent
Credit Information Regarding Securities Underwritten or Purchased for Own Account	7 Years After Closing
LOANS (excluding REAL ESTATE LOANS)	
Charged-off Asset Records	Permanent
Correspondence	3 Years
Credit Applications and Information (Declined)	25 Months
Credit Files	7 Years After Closing
Evidence of Compliance With Fair Credit Reporting Act	2 Years After Closing
Evidence of Compliance with Regulation Z Truth in Lending	3 Years After Each Required Disclosure
Letter of Credit Applications	7 Years After Payment in Full
Note or Discount Register (If Used as Book of Original Entry With Descriptions)	6 Years After Termination of Account
Resolutions for Commercial Loans	7 Years After Closing
Statement Regarding Loan Secured by Stock	7 Years After Closing
Transaction History	7 Years After Closing
LOANS - REAL ESTATE	
Charged-off Asset Records	Permanent
Evidence of Compliance with Fair Credit Reporting Act	2 Years
Evidence of Compliance with Regulation Z Truth in Lending	3 Years After Each Required Disclosure
Guaranteed Loans Complete Files	7 Years After Termination
LOANS – REAL ESTATE (continued)	
Home Mortgage Disclosure Act Information	5 Years
Ledger Cards	7 Years After Termination
Record of Deeds	40 Years
RESPA Settlement Statements	2 Years After Closing Account

PERSONNEL	
Advertisements and Notices	1 Year After Personnel Action
Attendance Records (Time Cards)	3 Years
Employment Application (Rejected)	1 Year
Occupational Safety and Health Act (OSHA) Forms	5 Years
PROOF, CLEARING, AND TRANSIT	
Copies of Advices of Corrections	3 Years
Incoming Cash Letters	3 Years
In-clearing Proof Sheets and/or Tapes	3 Years
Out-clearing Proof Sheets and/or Tapes	3 Years
Outgoing Cash Letters	3 Years
SAFE DEPOSIT & SAFEKEEPING	
Leases or Contracts, Closed Accounts	7 Years After Closing
Signature Cards, unless escheated	7 Years After Closing
Taxpayer ID# or SS# of Depositor	7 Years After Closing
Unclaimed or Escheated Property Report	Permanent
Unclaimed or Escheated Property - Records of Ownership	10 Years After Surrender of Funds to the State Treasurer's Office
TELLERS	
ATM & Night Deposit Envelopes	3 Months
Cash Item Register	2 Years
Cashier, Certified, Official, Treasurers Checks	7 Years After Clearing
Tellers' Blotter of Journals	1 Year
Tellers' Difference Record	1 Year
Vault Records, Openings and Closings	1 Year
TRUST RECORDS	
Corporate Trusts & Employee Benefit Plans	
Accounting of Other Fiduciaries and Decrees, Receipts, or Releases Settling Accounts	7 Years After Termination of Trust Account
Bond Ledger	7 Years After Termination of Trust Account
Brokers' Purchase and Sale Confirmation	3 Years
Brokers' Statements	3 Years
Buy and Sell Orders	3 Years
Corporate Trust Ledger	21 Years
Correspondence	7 Years After Termination of Trust Account
Governing Instruments	21 Years After Termination of Trust Account
TRUST RECORDS	
Corporate Trusts & Employee Benefit Plans (continued)	
Receipts or Disposition for Canceled Stock Certificates, Canceled Bonds and Coupons	7 Years After Termination of Trust Account
Records of Stock Issuance & Transfer	7 Years After Termination of Trust Account
Registration Journals	7 Years After Termination of Trust Account
Trust Asset Records	7 Years After Termination of Trust Account
Trust Journals (If Source of Original Entry)	7 Years After Termination of Trust Account

Personal Trusts And Agency Relationships	
Accounting of Other Fiduciaries and Decrees, Receipts, or Releases Settling Accounts	7 Years After Termination of Trust Account
Brokers' Confirmations	3 Years
Brokers' Statements	3 Years
Buy and Sell Orders	3 Years
Correspondence	7 Years After Termination of Trust Account
Governing Instruments	21 Years After Termination of Trust Account
Inventory Records	7 Years After Termination of Trust Account
Letters of Appointment	7 Years After Termination of Appointment
Probate Records	7 Years After Termination of Trust Account
Receipts or Disposition for Canceled Stock Certificates, Canceled Bonds and Coupons	7 Years After Termination of Trust Account
Records of Stock Issuance & Transfer	7 Years After Termination of Trust Account
Trust Agreements	7 Years After Date of Last Entry
UNCLAIMED PROPERTY	
Unclaimed Deposit Account Withdrawal Tickets or Checks	7 Years After Date Reportable
Unclaimed or Escheated Property Deposit Ledgers (To Include Record of Date of Last Transaction or Communication From Owner)	7 Years After Date Reportable
Unclaimed or Escheated Property Report	Permanent
Unclaimed or Escheated Property - Records of Ownership	10 Years After Surrender of Funds to the State Treasurer's Office