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Office of Consumer Credit Regulation
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William N. Lund, Director
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NOVEMBER 1, 1996

JOINT ADVISORY RULING #105
OPTICAL IMAGING

Dear

We have reviewed the letters and supplemental information relative to the storage of loan documents via optical imaging, as opposed to maintaining originals, photocopies or carbons in paper files. A majority of regulatory agencies in other states allow storage of records by optical imaging techniques. Such a system may facilitate efficient examinations, since imaged documents can be retrieved and copied at any company computer terminal.

Title 9-A M.R.S.A. §1-111, "Record retention," grants the Bureau of Banking and the Office of Consumer Credit Regulation wide latitude in allowing various methods of record storage, so long as such methods are in accordance with generally accepted accounting principles and practices, and records are compiled in a manner that will allow our examiners to determine the level of a creditor's compliance with Maine's laws and regulations.

Financial institutions are reminded that record retention provisions found in Title 9-B M.R.S.A. §225 and Bureau of Banking Regulation #1 set forth minimum retention time frames for financial records, which may differ from those required in Title 9-A M.R.S.A. §1-111 for consumer credit transactions. Regulation #1 permits the retention of documents, except those that must be retained as permanent records, in media reproduction format. The definition of "media reproduction" is sufficiently broad to include saving to electronic media, as long as the images are protected from alteration.

Because optical storage and retrieval systems have received wide regulator acceptance, our offices will permit the use of electronic media for storage of documents to meet retention requirements or for examination purposes, provided that such electronic media is complete, readable and protected from alteration.

Sincerely,

William N. Lund

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