

## CONVERSION APPLICATION

### GENERAL INFORMATION AND INSTRUCTIONS

#### Preparation and Use

This application applies to a transaction under the National Bank Act, as amended (beginning at 12 USC 21), the Home Owners' Loan Act (12 USC 1464), 12 CFR 5.23, and 12 CFR 5.24, as applicable, for a conversion to a federal savings association or national bank association charter. Certain conversions are also subject to section 612 of the Dodd–Frank Wall Street Reform and Consumer Protection Act.

All questions must be answered with complete and accurate information, which is subject to verification. If the answer is “none,” “not applicable,” or “unknown,” so state. Answers of “unknown” should be explained. A prefiling meeting with the appropriate Office of the Comptroller of the Currency (OCC) licensing office is highly recommended.

The questions in the application are not intended to limit the applicant's presentation or duplicate information supplied on another form or in an exhibit. For such information, a cross-reference to the information is acceptable. Any cross-reference must be made to a specific cite or location in the documents, so the information can be found easily. Supporting information for all relevant factors, setting forth the basis for the applicant's conclusions, should accompany the application. The regulatory agency may request additional information.

This application form collects information that the OCC will need to evaluate a conversion application. The OCC must consider applicable statutory and regulatory requirements when acting on this application. For additional information regarding these requirements, as well as processing procedures and guidelines and any supplemental information that may be required, refer to the *Comptroller's Licensing Manual*. The applicant may contact the OCC directly for specific instructions or visit [www.occ.gov](http://www.occ.gov).

#### Notice of Publication

Generally, public notice under 12 CFR 5.8 does not apply to a conversion unless the OCC determines that the application presents a significant or novel policy, supervisory, or legal issue where a public notice is considered necessary. A public notice also may be required where a conversion application is accompanied by a second application that requires a publication notice under 12 CFR 5.8. In this instance, a public notice describing the entire transaction may be necessary to ensure the public has a full understanding of the entire transaction.

If a notice is required, the applicant must publish notice of the proposed conversion in a newspaper of general circulation in the community or communities in which the applicant proposes to engage in business. The OCC will provide specific requirements for the notice of publication.

## **Submission**

In addition to an original application and the appropriate number of signed copies, submit an electronic copy of the information in the application, especially the business plan's financial projections, if applicable. For e-mail submissions, contact the OCC for instructions and information about secure transmission of confidential material.

## **Confidentiality**

Any applicant desiring confidential treatment of specific portions of the application must submit a request in writing with the application. The request must discuss the justification for the requested treatment. The applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position or invasion of privacy) that would result from public release of information (5 USC 552 or relevant state law). Information for which confidential treatment is requested should be (1) specifically identified in the public portion of the application (by reference to the confidential section), (2) separately bound, and (3) labeled "Confidential." The Applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the application. Contact the OCC for any further questions regarding requests for confidential treatment.

# CONVERSION APPLICATION

(Check all appropriate boxes)

## Charter Type of Converting Institution

- State bank
- Federal savings bank or association
- State savings bank or association
  - Mutual
  - Stock
- National bank
- Credit union
- Other \_\_\_\_\_

## Current Chartering Agency

- Office of the Comptroller of the Currency
- National Credit Union Administration
- State \_\_\_\_\_

## Federal Reserve Status

- Member bank
- Nonmember bank

## Charter Type of Proposed Resulting Institution

- National bank
- Federal savings bank or association

## Processing

- Standard
- Expedited

## Current Deposit Insurance Fund

- Deposit Insurance Fund (DIF)
- Uninsured
- Other \_\_\_\_\_

## Primary Business Type

- Commercial/consumer
- Trust
- Credit card
- Community development
- Bankers' bank
- Cash management
- Other

## Current Trust Powers

- None
- Limited
- Full

## Converting Institution

\_\_\_\_\_  
Proposed name

\_\_\_\_\_  
Current name

\_\_\_\_\_  
Current charter or FDIC certificate #, if applicable

\_\_\_\_\_  
Current street address

\_\_\_\_\_  
City

\_\_\_\_\_  
County

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip code

## Mailing Address (if different from street address)

\_\_\_\_\_  
Street or post office box

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip code

**Parent Company Identifying Information** (if applicable)

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Name	RSSD ID
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Street
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City	State	Zip code
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**Contact Person**

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Name	Title
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Employer
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Street
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City	State	Zip code
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Telephone number	Fax number	E-mail address
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# CONVERSION APPLICATION

## Section 1. Overview

- (a) Provide a statement detailing why the institution is interested in converting to a national bank or a federal savings association (FSA).
- (b) Provide a statement of qualification as an “eligible depository institution,” if applicable.
- (c) Provide an opinion of counsel that the conversion is not in contravention of applicable state or federal law. Describe any issues about the permissibility of the proposal and identify any regulatory waiver requests, providing adequate justification. The applicant should consult with the OCC to determine if the proposal presents any unusual legal concerns that would require an expanded legal opinion.
- (d) List all outstanding conditions or other requirements imposed by the institution’s current regulators or state attorney-general in any cease and desist order, written agreement, other formal enforcement order, memorandum of understanding, approval of any application, notice or request, commitment letter, board resolution, or in any other manner, including the converting institution’s analysis whether any such actions prohibit conversion under 12 USC 35, and the converting institution’s plans regarding adhering to such conditions and requirements after conversion.
- (e) State whether the institution proposes to exercise fiduciary powers after the conversion. If yes, submit (1) an opinion of counsel that the activities are not in contravention of applicable laws, including capital and surplus requirements applicable to state banks, trust companies, and other corporations exercising comparable powers; (2) a list of applicable laws; (3) the location(s) where fiduciary activities will be conducted; (4) biographical information on trust management, including educational and professional credentials and five-year employment history; and (5) if limited powers are requested, list the powers requested. See the “Fiduciary Powers” section of the “[Conversions](#)” booklet and the “[Fiduciary Powers](#)” booklet of the *Comptroller’s Licensing Manual*.
- (f) If converting to a national bank, submit the [Organization Certificate](#) with original signatures. The Organization Certificate must be notarized. At least a majority of the board must sign, with a minimum of five signatures required. The Organization Certificate is not effective until the conversion is consummated. If converting to an FSA, submit a board resolution authorizing the transaction.
- (g) If converting to a national bank, submit the [Articles of Association](#), with original signatures and [Authority for Conversion to National Bank](#). At least a majority of the board must sign, with a minimum of five signatures required. The [Articles of Association](#) are not effective until the conversion is consummated.

- (h) If converting to an FSA, submit the [Federal Stock Association Charter](#) or [Federal Mutual Association Charter](#) with original signatures and the [Certification of Application for Conversion to a FSA](#). The charter is not effective until the conversion is consummated.
- (i) An applicant converting to either a national bank or FSA must submit [Bylaws](#). The board must adopt the Bylaws, but it should not execute them. The Secretary or Cashier must certify that the board adopted the Bylaws, but they are not effective until the conversion is consummated.
- (j) If the institution is not currently insured by the Federal Deposit Insurance Corporation (FDIC), indicate its plans to apply for insurance.
- (k) Provide a copy of the institution's business plan. The [Business Plan Guidelines](#) (from the Interagency Charter and Federal Deposit Insurance Application) are available for your use.

At a minimum, the business plan should address or include

- any anticipated changes in operations, strategy, market area, funding, loan composition, portfolio, products, or services.
  - future business objectives of the resulting national bank.
  - any plans to raise additional capital.
  - projected financial statements for a period of three years that reflect the effects of conversion, along with any adjusting entries that result from the conversion.
- (l) Submit the most recent Community Reinvestment Act (CRA) public evaluation and discuss any material changes in the institution's plans to meet CRA obligations. If the institution is not now subject to CRA, describe how CRA obligations will be met, if applicable.

## **Section 2. Management**

- (a) Provide a list of any individual or group of shareholders that owns or will own or control 10 percent or more of the institution's stock. Indicate any positions and offices currently held, or to be held, by these individuals with the institution, the institution's holding company, or its affiliates. Submit [Interagency Biographical and Financial Reports](#) and fingerprint cards for these individuals. For more information, refer to the "[Background Investigations](#)" booklet of the *Comptroller's Licensing Manual*.
- (b) Provide a list of directors and senior executive officers. Indicate any positions and offices currently held, or to be held, by these individuals with the institution, the institution's holding company, or its affiliates. Submit [Interagency Biographical and Financial Reports](#) and fingerprint cards for these individuals. For more information, refer to the "Directors and Officers" section of the "[Conversions](#)" and the "[Background Investigations](#)" booklets of the *Comptroller's Licensing Manual*.

- (c) Submit a [Corporate Background and Financial Report](#) if the institution is owned by a company that is not a regulated bank or thrift holding company. See the “[Background Investigations](#)” booklet of the *Comptroller’s Licensing Manual*.
- (d) Describe the actions planned or taken by directors and management to familiarize themselves with federal banking laws, rules, and regulations.
- (e) Indicate any anticipated changes in management or the directorship.
- (f) If converting to a national bank, submit the signed [Oath of Director](#) for each director (individual or joint).
- (g) Describe all outstanding or proposed stock awards, options, warrants, or other similar stock-based compensation plans offered as compensation to bank directors, executive officers, principle shareholders, and other bank insiders by the bank or holding company. Include in the description
- the duration limits.
  - the vesting requirements.
  - transferability restrictions.
  - exercise price requirements.
  - rights upon termination.
  - any “exercise or forfeiture” clause.
  - number of shares to be issued or covered by the plans.
- (h) For any plan described above, provide a list of participants, allocation of benefits to each participant, and a copy of each plan, proposed or current. If the compensation is part of an employment agreement, submit the portion of the agreement relative to the plan. All plans must conform to applicable regulatory guidelines.

### **Section 3. Financial Information**

- (a) Submit the most recent quarterly balance sheet, income statement, and risk-based capital schedule. The capital schedule should detail the elements of tier 1 and tier 2 capital and show the calculation of the risk-based capital and leverage ratios on a present and three-year projected basis. The call report (see [Reports of Condition and Income Forms and User Guides](#)) may be used. In addition, for capital information, FDIC call report [Schedule RC-R – Regulatory Capital](#) may be used.
- (b) Submit the most recent audited financial statements. If an external audit is not available, submit the directors’ audit or other appropriate documents.
- (c) Submit the most recent annual report for the institution and 10-K for the parent company, if applicable.

- (d) Submit the most recent data on trust assets in the format of FDIC call report [Schedule RC-T – Fiduciary and Related Services](#). See the [call report instructions](#).
- (e) Discuss any differences between accounting used by the institution and generally accepted accounting principles.

**Section 4. Capital**

- (a) Discuss the adequacy of the capital structure relative to internal and external risks; operational and financial assumptions, including technology, branching, and operating expenses; and any off-balance sheet activities.
- (b) Provide a representation that the institution’s current capital meets federal standards (12 CFR 3, 12 CFR 6, and 12 CFR 167). Provide the following information:

Capital stock	\$(amount)
Surplus	\$(amount)
Total capitalization	\$(amount)
Number of shares authorized	(amount)
Number of shares issued	(amount)
Par value per share	\$(amount)

- (c) Identify the institution’s capital category for purposes of Prompt Corrective Action.

**Section 5. Premises and Fixed Assets**

- (a) Identify the converted institution’s full home or main office address, including county. Consult with the OCC if the location is different from the institution’s current home or main office location.
- (b) Provide a list of (1) existing branches that will continue to operate after the conversion, including what would be considered the popular name and complete address; (2) branches approved, but unopened, including their complete address, plans for operation, and a copy of the state and federal approvals; and (3) the addresses of any operating facilities that are not currently considered branches, but would be considered branches if operated by a national bank or FSA. All list(s) should be followed by a certification that each location is a permissible location for a federal depository institution to operate a branch. Applicable federal and state branch law should be discussed, as well as any geographic limitations, quantitative factors, and qualitative factors.
- (c) Provide a representation of compliance with 12 USC 371d, 12 CFR 5.37, and 12 CFR 7.1000 regarding investment limits in bank premises (see the “[Investment in Bank Premises](#)” booklet of the *Comptroller’s Licensing Manual*). If not in compliance, submit a request to the OCC supervisory field office for excess investment pursuant to 12 CFR 5.37.

**Section 6. Subsidiaries and Investments**



- (a) Provide a list of all subsidiaries, service corporation investments, bank service company investments, and other equity investments that will be retained following the conversion. Provide information and analysis of the subsidiaries' activities and the service corporation investments and other equity investments that would be required if the converting institution were a national bank, mutual FSA, or stock FSA, as applicable. See 12 CFR 5.34, 12 CFR 5.35, 12 CFR 5.36, 12 CFR 5.38, 12 CFR 5.39, 12 CFR 5.58, 12 CFR 5.59, and 12 CFR 1 or other applicable law and regulation. If the applicant has a public welfare investment subject to 12 CFR 24, submit this information to the OCC, Community Affairs Department, Washington, DC 20219.
- (b) Provide a list of any nonconforming assets currently held where permanent retention is desired. Full details regarding the asset should be provided, including a description, when it was acquired, and its value. Include a legal opinion describing the converting institution's authority to hold the asset.
- (c) Provide a list of any nonconforming assets or activities currently held, including nonconforming subsidiaries, where temporary retention is desired while conforming or divesting of the assets or activities. Include the nature of the asset or activity, the plan to divest or conform the asset or activity, and the time frame needed to divest or conform the asset or activity.
- (d) Provide a list of any noncontrolling interests currently held in other entities and other equity investments where retention is desired and it is consistent with applicable law. The applicant should identify whether it desires permanent or temporary retention, whether conformance or divestiture will be necessary, and any time frame necessary for conformance or divestiture. In addition, include information that is required if applying to establish or acquire a noncontrolling interest pursuant to 12 CFR 5.36(e) and 12 CFR 5.58.

## **Section 7. Other Information**

- (a) Discuss the institution's planned and existing electronic banking services.
- (b) Provide a representation that the institution has sufficient fidelity coverage (see the "Fidelity Bond" section of the "[Conversions](#)" booklet of the *Comptroller's Licensing Manual*, 12 CFR 7.2013, and 12 CFR 163.190).
- (c) Provide a statement indicating whether the institution is a member of the Federal Reserve System or Federal Home Loan Bank (FHLB) System. Also state whether the institution holds any FHLB stock or advances if it does not plan to continue its FHLB membership.
- (d) Provide a statement indicating whether the institution has a liquidation account (see the "Liquidation Account" section of the "[Conversions](#)" booklet of the *Comptroller's Licensing Manual*).
- (e) For a parent company other than a bank holding company (BHC) or a savings and loan holding company (SLHC): Provide a copy of the parent company's application to become a

BHC or SLHC. If it is not the intent of the parent company to become a BHC or SLHC, discuss the resolution plans for the parent company or provide the legal authority for the parent company to continue to own the national bank or FSA following the conversion.

- (f) If the institution is converting to an FSA and does not meet the qualified thrift lender test of 12 USC 1467a(m), include a plan to achieve compliance within a reasonable time and a request for an exception from the OCC.
- (g) Submit the converting institution's current regulatory and any state requirements for and plans to obtain shareholder (or member) approval, as applicable. Submit plans to obtain all necessary regulatory and shareholder (or member) approval. For a national bank converting to an FSA, submit information demonstrating compliance with applicable requirements of 12 USC 214a. For an FSA converting to a national bank, submit information demonstrating compliance with laws regarding permissibility, requirements, and procedures for conversions, including applicable stockholder and account holder approval requirements. See 12 CFR 5.23(f) or 12 CFR 5.24(f), as applicable.
- (h) Provide a copy of the Notice of Publication and affidavit, if publication is required.
- (i) Submit the filing fee (see the [Licensing Fee Schedule](#)).

## OCC CERTIFICATION

**I certify that the bank's board of directors, shareholders, or a designated official has authorized the filing of this application.** I certify that the information contained in this application has been examined carefully and is true, correct, complete, and current as of the date of this submission. Additionally, I agree to notify the OCC if the facts described in the filing materially change prior to receiving a decision or at any time prior to consummation of the action contemplated herein.

I acknowledge that any misrepresentation or omission of a material fact with respect to this application, any attachments to it, and any other documents or information provided in connection with this application may be grounds for denial of the application or revocation of its approval, and may subject the undersigned to legal sanctions, including the criminal sanctions provided for in Title 18 of the United States Code.

I acknowledge that the approval of this application is in the discretion of the OCC. The activities and communications by OCC employees in connection with the filing, including approval of the application, if granted, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

President or other authorized officer

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Typed name

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Title

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Employer