

Application for, Reduction of Permanent Capital

Dividends Payable in Property Other Than Cash, or Capital Distribution

General Information and Instructions

Preparation and Use

This application is used to seek approval for a reduction of permanent capital under 12 CFR 5.46 (national banks) or a capital distribution under 12 CFR 5.55 (federal savings associations) (collectively, a bank or applicant). This application should also be used to seek approval for a dividend by a national bank payable in property other than cash under 12 CFR 5.66.

A national bank shall submit an application to the appropriate OCC licensing office and obtain prior approval for any reduction of permanent capital under 12 CFR 5.46 or transaction under 12 CFR 5.66.

A federal savings association must file an application with the appropriate OCC licensing office and obtain prior approval under 12 CFR 5.55 for a capital distribution; except that

a capital distribution involving solely a cash dividend from retained earnings, or involving a cash dividend from retained earnings that also results in a concurrent cash distribution from other capital accounts, must be submitted to the appropriate OCC supervisory office.

All questions must be answered with complete and accurate information that is subject to verification. If the answer is “none,” “not applicable,” or “unknown,” so state. Answers of “unknown” should be explained.

The questions in the application are not intended to limit the applicant’s presentation nor are the questions intended to 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 citation 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 reduction of permanent capital or dividend payable in property other than cash by a national bank or a capital distribution by a federal savings association. The OCC must consider the applicable statutory requirements set forth above, as well as applicable regulatory requirements, when acting on this application. For additional information regarding these statutory and regulatory requirements, as well as processing procedures and guidelines and any supplemental information that may be required, refer to the OCC’s procedural guidelines in the *Comptroller’s Licensing Manual*. The

applicant may contact the OCC directly for specific instruction or visit the OCC's Web site at www.OCC.gov.

Notice of Publication

Generally, public notice under 12 CFR 5.8 does not apply to a reduction of permanent capital, dividend payable in property other than cash by a national bank, or capital distribution, 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 this 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 transaction 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 of the business plan's financial projections, if applicable. For email 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, 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.

**Application for Reduction of Permanent Capital Application
Or
Dividends Payable in Property Other Than Cash**

Applicant

Name			Charter Number
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Street Address

City	County	State	Zip Code
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Parent Company Identifying Information (if applicable)

Name

Street Address

City		State	Zip Code
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Contact Person

Name			Title
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Employer

Street Address

City		State	Zip Code
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Phone No.			Email
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Reduction of Permanent Capital or Capital Distribution

1. Purpose of reduction (explain the business reason for the reduction).
2. Describe how the reduction will be accomplished.
3. Include pro forma analysis of the change in the equity accounts and capital ratios, to include the present and proposed capital structure. In addition, if any portion of the reduction in capital relates to a previously approved material noncash contribution, provide the method of valuing the contribution.

4. Is the bank currently subject to a capital plan?

Yes No

If yes, has the capital plan been approved by the OCC?

Yes No

If yes, does the capital plan allow for a reduction in permanent capital?

Yes No

5. What is the dollar amount, number, and type of shares (common or preferred) and the amount of surplus reduction?

6. For federal savings associations only, is the bank in compliance with the Qualified Thrift Lender (QTL) test or operating per an exception under 12 USC 1467?

Yes No

If operating per an exception, please describe. Also, if the capital distribution will violate any prohibitions/conditions imposed by the OCC or reduce capital below what is required for the bank's liquidation account under 12 CFR 192, please explain.

Dividends Payable in Property Other than Cash

For dividends payable in property other than cash, describe the property and indicate the actual current and book values. Discuss how the values were determined. If an independent valuation was performed, provide the independent analysis of the actual current value. Include pro forma analysis of the change in the equity accounts and capital ratios that reflect the declaration of the dividends.

7. Desired action date: mm/dd/yyyy

NOTE: Discuss and confirm any change in the bank's capital category and the legal lending limit with your supervisory office.

OCC CERTIFICATION

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 transaction. I acknowledge that any misrepresentations or omissions of material facts 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 or revocation of the approval, or grounds for an objection to the undersigned as a proposed director or officer of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014.

I acknowledge that approval of this application is in the discretion of the OCC. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing and in connection with any additions, modifications, or amendments to this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

President or other authorized officer

Typed name

Title

Employer