

2601 North Lamar - Suite 201  
Austin, Texas 78705  
Telephone: (512) 475-1350



## **APPLICATION FOR CHARTER FOR A TEXAS SAVINGS BANK**

### **INTRODUCTION**

This application shall be prepared by five or more incorporators who are adult residents of the State of Texas. The application must demonstrate that the applicants comply with the provisions of the *Texas Finance Code*, Subtitle C. Texas Savings Banks (the "Act") and the Rules and Regulations Applicable to Texas Savings Banks (the "Rules") and shall include all information required in the Act, §§92.051 and 92.058. Two complete originally signed copies with all exhibits, accompanied by the application fee as provided in §79.91 of the Rules, shall be filed with the Commissioner, Texas Savings and Mortgage Lending Department, 2601 North Lamar, Suite 201, Austin, Texas 78705.

The required application format is set forth beginning on page 3 and the submission should clearly identify the item to which each response applies. The application and all required supporting information shall be executed by the incorporators submitting the application.

### **Confidential Treatment**

All materials filed as part of this application are available for public inspection, except the personal financial data supplied and identified as "CONFIDENTIAL" and that which the Commissioner determines to hold from public availability because of its confidential nature. If the applicant submits information it deems to be confidential, such information must be separately bound and labeled "CONFIDENTIAL" and a statement shall be submitted briefly setting forth the grounds on which such information should be treated as confidential.

## CHARTER APPLICATION PROCEDURE

The application for charter for a Texas Savings Bank is initiated by five or more incorporators who are adult residents of the State of Texas. Upon receipt of the application, the Commissioner and the Department will review the application and determine whether any additional information will be required. After review of the filed material, the applicant may be requested to furnish additional information as an amendment to the application. Further, the applicant may amend the application at its discretion to within 10 days of the hearing date. All amendments shall be clearly identified as such, numbered consecutively and shall comply with all pertinent requirements of the application, including signature. Upon receipt of all necessary information, the application will be deemed complete and the applicant so advised in writing.

The application will be set for hearing and the incorporators will publish notice in the county where the proposed savings bank will be located. The Commissioner will also notify the industry and other interested parties that such an application has been filed pursuant to §75.3 of the Rules. If a protest is received the hearing may be rescheduled at a date agreeable to all parties.

An application to charter a savings bank will be heard before an Administrative Law Judge at the Finance Commission of Texas Building, 2601 North Lamar, Austin, Texas 78705. The hearing will be conducted pursuant to 7 Texas Administrative Code Chapter 9, Rules of Procedure for Contested Case Hearings, Appeals.

The Commissioner may for good cause, after notice and hearing, impose direct administrative costs incurred by the Department related to hearings on applications filed pursuant to the Act, in addition to other sanctions and cost recoveries provided by law or these rules. Direct administrative costs include, but are not limited to, charges by the Administrative Law Judge, reasonable attorney's fees and deposition expenses, witnesses' travel expenses, reasonable fees for professional services of expert witnesses, the reasonable cost of a study, analysis, audit or other project the Commissioner finds necessary in preparation of the State's cause.

If the Commissioner is satisfied that the applicants have complied with all statutes and rules governing state savings banks, he may issue an order approving the application stating the findings required by §92.058(b) of the Act and issuing under official seal a certificate of incorporation. A copy of the approved articles of incorporation and bylaws will be delivered to the incorporators.

The Commissioner's approval will be subject to the institution receiving Federal Insurance of Deposit Accounts.

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**TEXAS SAVINGS AND MORTGAGE LENDING DEPARTMENT**

2601 North Lamar Suite 201

Austin, Texas 78705

**APPLICATION FOR CHARTER FOR A TEXAS SAVINGS BANK**

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(Exact Name of Proposed Savings Bank)

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(Street Address of Proposed Savings Bank)

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(City, State and Zip Code)

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(Date of Application)

Additional Information Concerning This Application May Be Obtained From:

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(Name and Title)

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(Address)

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(Telephone Number)

The undersigned hereby makes this application to the Savings and Loan Commissioner for

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approval for a charter to be named \_\_\_\_\_  
pursuant to Chapter 92 of the *Texas Finance Code*, Subtitle C. Savings Banks, (the "Act") and Chapter 75 of the Rules and Regulations Applicable to Texas Savings Banks, 7 TAC 75.01, *et seq.* (the "Rules"), and submits this application and other information and exhibits required by the Commissioner.

Upon the receipt of a completed application, the Commissioner shall set a date for a hearing on the application which shall be conducted before an administrative law judge. The applicants shall be responsible for the payment of all costs incurred by the Department in connection with this hearing. If no protest is received, the Commissioner may waive the hearing.

**Item 1.** The name of the proposed savings bank is:

\_\_\_\_\_

**Item 2.** The savings bank shall be located at: \_\_\_\_\_

\_\_\_\_\_, Texas.

City

County

**Item 3.** DIRECTORS AND OFFICERS. (A) The following is a list of the names, addresses, ages and principal occupations of each member of the applicant's board of directors:

(B) The following is a list of the names, addresses and ages and officer designations of each of the proposed officers of the proposed savings bank:

**Item 4.** CAPITAL. A separate statement must be included giving the name and address of each subscriber, the amount subscribed by each, and the amount of paid-in surplus with which the savings bank will begin business. Included also should be evidences of funds on deposit or available to the credit of the proposed savings bank.

**Item 5.** BUSINESS PLAN. A three-year business plan shall be included. The business plan shall contain a brief narrative and a three-year detailed budget projection (i.e., annual proforma balance sheet and income and expense statements) for the proposed savings bank, including a complete description of all significant assumptions made in developing the plan. The plan should detail projected volumes of business and estimated income and expenses of the savings bank during each of its first three years. Provide expanded details, by year, of real estate loans, (e.g., commercial real estate, construction, single family residential, etc.) and relative percentage expected to be included in the bank's real estate loan portfolio.

**Item 6.** LOCAL SERVICE AREA DESIGNATION. A description of the applicant's local service area shall be provided consistent with §94.201 of the Act and §77.74(b) of the Rules. The applicant may submit such statements, maps, exhibits or other information necessary to effectively describe its local service area. The applicant may seek approval from the Commissioner of the definition of its local service area and once agreed to by the applicant and the Commissioner such definition may be relied on for the duration of the institution's corporate existence.

**Item 7.** ARTICLES OF INCORPORATION AND BYLAWS. The application shall include two executed copies of the proposed Articles of Incorporation signed by the incorporators and two copies of the proposed bylaws consistent with 92.051(b) of the Act signed by the savings bank's initial directors.

**Item 8.** INFORMATION REGARDING INCORPORATORS, DIRECTORS, OFFICERS AND CONTROLLING SHAREHOLDERS. The application shall include a completed Schedule A executed by each incorporator, director, officer and controlling person, which includes information regarding affiliations with other insured depository institutions and their subsidiaries for the last five (5) years, and certain other information pertaining to them. As Schedule A indicates, the managing officer and each controlling shareholder (10% or more ownership) must also provide a financial statement and tax return. Additionally, all parties shall complete the Authority to Release Information Form so that an adequate background check may be conducted.

**Item 9.** EXPENSES OF INCORPORATION. The application shall include a list of the estimated expenses incurred by the applicant in connection with the incorporation of the proposed savings bank.

**Item 10.** ADDITIONAL INFORMATION AS REQUIRED FOR FINDINGS. The Commissioner may not approve an application to incorporate unless the findings listed in Section 92.058(b) of the Act can be made. Please provide substantive information and data to support these findings:

- Finding 1. The prerequisites to incorporation required by Chapter 92 have been satisfied -- This would include FDIC insurance of accounts (Section 92.206), affirmation of the applicant's intention to meet the thrift asset test of the Internal Revenue Code (Section 92.204), and initial capital requirements (Section 92.054).
- Finding 2. The character, responsibility, and general fitness of the persons named in the articles of incorporation -- Provide biographical information and any other information to support this finding as it pertains to directors, officers and controlling shareholders.
- Finding 3. The public need for the proposed savings bank -- This would include a detailed description of the community, including current demographic information and any growth projections from authoritative sources to indicate that the volume of business exists supporting that a profitable operation is probable.
- Finding 4. The operation of the proposed savings bank will not unduly harm any existing savings bank or state or federal savings and loan association -- Provide information on existing institutions within the market area, including a description of the community's ability to support another financial institution without significantly affecting the existing institutions as listed.

**Item 11. HOLDING COMPANIES.** If, under federal or state law, the proposed savings bank will be owned by an entity that would be considered a depository institution holding company, the application shall also include:

1. The names and addresses of all holding company directors and executive officers;
2. The names and addresses of all persons or entities that own, control, hold with power to vote, or hold proxies representing 10% or more of the voting shares of the holding company; and
3. The names and addresses of all affiliates and subsidiaries of the holding company.

If a savings bank charter is granted, the applicant and its holding company parent shall be required to submit a holding company registration within 90 days of the issuance of the charter.

**Item 12. ACKNOWLEDGMENT OF INCORPORATORS.** The incorporators are required to sign and acknowledge the application for charter before a Notary Public.

STATE OF TEXAS )

COUNTY OF \_\_\_\_\_ )

We, the undersigned Texas residents, hereby execute this application as incorporators. We, being duly sworn, state that we have reviewed all statements, facts and graphic representations contained in this application, and that they are true and correct to the best of our knowledge. We further state that the application is made in good faith with the purpose and intent that the affairs and business of the proposed savings bank shall be honestly conducted upon good and sound business principles. We as incorporators also certify, pursuant to the requirements of the Texas Savings Bank Act, that there are reasonable grounds to believe that this application meets all of the requirements for filing this application.

Name and Address of Incorporator

Name and Address of Incorporator

Name and Address of Incorporator

Name and Address of Incorporator

Name and Address of Incorporator

(Notary Acknowledgments on following two pages.)

ACKNOWLEDGMENTS TO SIGNATURE PAGE

STATE OF TEXAS )  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, \_\_\_\_\_, a notary public, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public Signature

STATE OF TEXAS )  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, \_\_\_\_\_, a notary public, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public Signature

STATE OF TEXAS )  
COUNTY OF \_\_\_\_\_ )

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Given under my hand and seal of office this \_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public Signature



Acknowledgments to Signature Page -- continued

STATE OF TEXAS )  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, \_\_\_\_\_, a notary public, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

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Notary Public Signature

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COUNTY OF \_\_\_\_\_ )

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Given under my hand and seal of office this \_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public Signature