

STATE BANK APPLICATIONS - PROCEDURE

May 29, 1917.

1. Upon receiving a request for a blank form upon which to make application for membership in the Federal Reserve System, the Federal Reserve Agent will instruct the applicant institution -
  - (a) To return the application and required exhibits, when completed, to the Federal Reserve Agent
  - (b) To request the State Bank Supervisor to send to the Federal Reserve Agent two certified copies of the report of its last examination, together with a certificate based upon such report, a form of which is hereto attached.
  - (c) To furnish to the Federal Reserve Agent the information called for in the attached memorandum under "General Information Desired."
  
2. The Federal Reserve Agent will -
  - (a) Immediately notify the Federal Reserve Board of the receipt of the application.
  - (b) Submit the application to Counsel for the Federal Reserve Bank for his certification.
  - (c) If the Federal Reserve Agent and the Governor of the Federal Reserve Bank consider the standard of State examinations to be satisfactory, and a copy of the last report has been furnished, together with the certificate above mentioned, the Federal Reserve Agent will submit the application and other papers in connection therewith to a committee composed of himself, the Governor of the Federal Reserve Bank, and at least one other member of the Board of Directors. No Class A director whose bank is in the same city or town as the applying bank or trust company shall be a member of such committee.

3. If a special examination is deemed necessary by the Committee above mentioned, or later considered desirable by the Federal Reserve Board, the Federal Reserve Agent should proceed -
  - (a) To arrange with the State Supervisor to have the applicant bank examined by a State examiner with the request that he submit a report in duplicate and a certificate of condition; or
  - (b) To arrange with the State Supervisor to have the applicant bank examined by a State examiner jointly with an examiner designated by the Federal Reserve Bank or the Federal Reserve Board. The State Supervisor should be asked to file two copies of the report of examination. If the report of examination to be furnished by the State authorities is voluminous, a digest containing the material items will be satisfactory. The report or digest should contain the examiner's comments and criticisms, a complete list of investments, giving book and current values, based upon the last available quotations, a memorandum of direct and indirect liabilities of officers and directors, and a memorandum of outside corporations under the control or operated in behalf of the applicant bank; or
  - (c) To arrange to have an examination made by a member of the staff of the Federal Reserve Bank who has previously been designated as a special examiner by the Federal Reserve Board. A form of certificate for use by the examiner is hereto attached. Suggestions as to the points to be considered in connection with special examinations will be sent on request to the members of the staff who have been designated as special examiners. If not possible to obtain State examination forms the report should be made on blanks used by the national examiners. An investigation made by a representative of the Reserve Bank should cover a detailed examination and report of the investments, loans and discounts with particular attention paid to the

credit standing of borrowers and the valuation of investments and collateral; or

(d) If the applicant bank is subject to periodical examinations by a clearing house examiner, and a comparatively recent examination has been made, the Reserve Bank Committee may authorize the applying bank to file the report of such examination, with a memorandum of the material changes to date of application.

4. When the Reserve Bank Committee have considered the matter and reached a conclusion, the Federal Reserve Agent will forward the application and all papers in connection therewith, together with the report and recommendation of the Reserve Bank Committee, to the Federal Reserve Board. The recommendation should be signed by each member of the Committee. One copy of the report of examination may be retained for the files of the Federal Reserve Bank.
5. The Federal Reserve Board will, on the basis of the application and information submitted therewith, and the recommendation of the Reserve Bank Committee, approve or disapprove the application.
6. The Federal Reserve Agent will be duly advised as to the action taken by the Board. Duplicate copies of letters addressed to applicant banks will be transmitted to the Federal Reserve Agent.

5/26/17

Form 34

EXAMINATION OF STATE BANKS OR TRUST COMPANIES. 310.

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 CERTIFICATE OF EXAMINER

I hereby certify that I have been duly (authorized) by  
 (appointed )  
 \_\_\_\_\_ to make an examination of the  
 affairs and conditions of the \_\_\_\_\_  
 that on the \_\_\_\_\_ day of \_\_\_\_\_, 191 , I examined  
 fully into the books, papers and affairs of the said corporation  
 and that the annexed report shows its true condition to the best  
 of my knowledge and belief.

I further certify, from my knowledge of its affairs based  
 upon such examination, that such corporation is solvent and its  
 capital stock unimpaired.

Dated: \_\_\_\_\_

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 Name of Examiner.

SUGGESTED FORM OF LETTER OR CERTIFICATE TO BE SIGNED  
BY THE STATE BANK SUPERVISOR.

An examination of the affairs of the \_\_\_\_\_ (Name) \_\_\_\_\_  
\_\_\_\_\_, was made under my direction on \_\_\_\_\_ (date) \_\_\_\_\_.

From my knowledge of its affairs, based upon the report of such examination and upon subsequent reports of condition made to me, it is my opinion that the bank is solvent, its capital is unimpaired and that the report filed by the examiner as of (date) \_\_\_\_\_, shows its true condition at that time, to the best of my knowledge and belief, and further, it is my opinion that there has been no material change in the condition of the institution since the examination made by my Department.

7/2/15

STATE BANK MEMBERSHIP

GENERAL INFORMATION DESIRED.

1. Bank filing application is requested to communicate with the State Bank Supervisor requesting that he forward to the Federal Reserve Agent a copy of the report of the last examination.
2. Copies of all letters of criticisms (if any) received from the Bank Commissioner or State Examiner in connection with last two examinations. State what action has been taken.
3. General character of business in the community served by the institution.
4. State Law Limitations: Unsecured Loans - Real Estate loans - Loans on other collateral - Acceptances - Investments in securities - Loans upon bank stock - Real estate owned.
5. Memorandum - Names of corporation or other concerns owned or controlled by or operated in the interest of the applying institution.
6. List of officers and directors - address - number of shares owned - business - firm or other outside affiliations.

List of loans to officers, directors and employees. Arrange loans in groups showing indebtedness of each official as maker, endorser or guarantor; loans to firms and corporations in which he is interested either as member, officer or director; loans to relatives and business associates of officers and directors; loans collateralized by securities issued by corporations in which directors or officers are interested.

Give:

Borrower -	Amount -	Director interested.
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7. General information as to loans -
  - a. Demand loans - upon which no interest has been paid for six months or more.
  - b. Notes and other loans in default six months or more and which are not secured or in process of collection.

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- c. Other past due notes and loans. Include overdrafts.  
Exclusive of loans secured by agricultural commodities and live stock.
- d. Notes renewed from time to time with interest added.

(In answers under paragraph 7, give Name, -- Borrower, Amount, Maturity, Security, if any, and Estimated loss.)

8. Other loan information.

1. Loans to officers of other banks: - name - amount - bank identified with. Security, if any.
  2. Loans on own bank stock. Amount of loan - shares held.
  3. Real Estate Loans. List of loans in excess of 3% of capital and surplus. Give name of borrower - amount of loan - maturity - prior liens - location of property - valuation - when and by whom appraised.
  4. Large lines - (not previously listed) In excess of 3% of capital and surplus. Give name of Borrower - Business - Postoffice address - Amount of liability - Remarks.
9. Real Estate Owned. Give location of property - book value - original cost - prior lien if any - estimated value - when and by whom appraised - how and for what purpose acquired.
10. Investments. List in detail, giving name of issuing corporation - par value - book value - rate of interest or dividend - (date of last payment) - estimated present value.

Please give latest information as to securities upon which interest is in default. If bank owns securities of small private or local corporations, enclose with this memorandum a copy of the latest financial statement issued by such corporations.

11. Notes and Bills rediscounted. Bills payable and certificates of deposit representing borrowed money.  
Give a memorandum of present indebtedness - From whom borrowed - rate - maturity - assets pledged as security for indebtedness - totals only.
12. Assets pledged as security for deposits or other purposes (except money borrowed) - give particulars.
13. Assets and liabilities which are not entered as such upon the books of the banking institution.
14. Money borrowed by officers or directors for or in behalf of the bank.
15. Contingent liabilities. Nature and extent - On bills endorsed and sold - guarantees - notes and securities pledged or sold with agreement to repurchase - all other.
16. Estimated losses or deductions from assets:

	<u>Estimated losses.</u>	<u>Doubtful.</u>
Loans		
Investments		
Real Estate		
Furniture and fixtures		
Cash items		
Total		

17. List of balances due from and to other banks.
18. List of affiliated banking institutions.

5/29/17