

#2000-86

**AGREEMENT BY AND BETWEEN
STEBBINS NATIONAL BANK
CRESTON, OHIO
AND
THE OFFICE OF THE COMPTROLLER OF THE CURRENCY**

Stebbins National Bank, Creston, Ohio (Bank) and the Comptroller of the Currency of the United States of America (Comptroller) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller, through his National Bank Examiner, has examined the Bank, and his findings are contained in the Report of Examination, dated February 14, 2000 (ROE).

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors (Board), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

- (1) This Agreement shall be construed to be a "written agreement entered into with the agency" within the meaning of 12 U.S.C. § 1818(b)(1).
- (2) This Agreement shall be construed to be a "written agreement between such depository institution and such agency" within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).
- (3) This Agreement shall be construed to be a "formal written agreement" within the

meaning of 12 C.F.R. § 5.51(c)(6)(ii). See 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a "written agreement" within the meaning of 12 U.S.C. § 1818(u).

(5) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to:

Lance Cirolì, Assistant Deputy Comptroller

Cleveland Field Office

3 Summit Park Drive, Suite 530

Independence, Ohio 44131

ARTICLE II

COMPLIANCE COMMITTEE

- (1) Within thirty (30) days, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) shall be an employee of the Bank or any of its affiliates (as the term "affiliate" is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee shall be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Agreement.
- (2) The Compliance Committee shall meet at least bi-monthly.

- (3) Within thirty (30) days of the appointment of the Committee and bi-monthly thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:
 - (a) actions taken to comply with each Article of this Agreement; and
 - (b) the results of those actions.
- (4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller.

ARTICLE III

APPOINTMENT OF NEW DIRECTORS

- (1) The Board shall immediately take action to add, at a minimum, two (2) new independent directors. The term "independent director" means a person who is not an officer or employee of the Bank, and who is not a relative of President James C. Stebbins.
- (2) Prior to appointing any new director, the Bank must provide the Assistant Deputy Comptroller with written notice as required by 12 C.F.R. § 5.51 (notice forms and instructions are in the "Changes in Directors and Senior Executive Officers" booklet of the Comptroller's Corporate Manual).
- (3) The Assistant Deputy Comptroller shall have the power of veto over the appointment of the proposed new director. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed director.

- (4) The requirement to submit information and the prior veto provisions of this Article are based on the authority of 12 U.S.C. 1818(b) and do not require the Comptroller to complete his review and act on any such information or authority within ninety (90) days.
- (5) If the Board is unable to identify any qualified director candidates within thirty (30) days, the Board shall document its efforts to locate such candidates, and notify the Assistant Deputy Comptroller in writing. Thereafter, the Board shall provide monthly reports to the Assistant Deputy Comptroller summarizing its continuing efforts to locate such candidates.

ARTICLE IV

CONSUMER COMPLIANCE PROGRAM

- (1) Within one hundred eighty (180) days, the Bank shall develop, adopt, implement, and thereafter ensure adherence to a written consumer compliance program designed to ensure that the Bank is operating in compliance with all applicable consumer protection laws, rules and regulations. This program shall include, but not be limited to:
 - (a) the designation of a Board-appointed Compliance Officer;
 - (b) a written description of the duties and responsibilities of the compliance officer;
 - (c) adequate internal controls to ensure compliance with consumer protection laws, rules, and regulations;

- (d) the preparation of a policies and procedures manual covering all consumer protection laws, rules and regulations for use by appropriate Bank personnel in the performance of their duties and responsibilities; such manual must address at a minimum the Bank Secrecy Act, Truth-In-Lending Act, Real Estate Settlement Procedures Act, Flood Disaster Protection Act, Truth-In-Savings Act, Expedited Funds Availability Act, Electronic Funds Transfer Act, Reserve Requirements of Depository Institutions, and Equal Credit Opportunity Act;
- (e) semiannual updates to the written policies and procedures manual to ensure it remains current;
- (f) a compliance audit program, with an annual compliance review schedule, to test for compliance with consumer protection laws, rules and regulations; such audit program shall include a written description of the scope of the compliance review, and all steps for each audit shall be comprehensively documented and maintained;
- (g) procedures to ensure that exceptions noted in the audit reports are corrected and responded to in writing by the appropriate Bank personnel;
- (h) provisions for the education and training of all appropriate Bank personnel in the requirements of all federal and state consumer protection laws, rules and regulations; and
- (i) periodic reporting of the results of the consumer compliance audit to the Board or a committee thereof.

- (2) The Assistant Deputy Comptroller shall have the power of veto over the appointment of the proposed compliance officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed officer.
- (3) The requirement to submit information and the prior veto provisions of this Article are based on the authority of 12 U.S.C. 1818(b) and do not require the Comptroller to complete his review and act on any such information or authority within ninety (90) days.
- (4) Upon adoption, a copy of the program shall be forwarded to the Assistant Deputy Comptroller for review.
- (5) If the Bank chooses to contract for compliance services from an external third party, the Bank must:
 - (a) describe in detail how compliance functions and monitoring duties will be allocated between the external third party and Bank personnel; and
 - (b) appoint a Bank employee as Compliance Officer to act as an internal contact resource and be responsible for ensuring compliance on a daily basis.
- (6) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE V

BANK SECRECY ACT - COMPLIANCE PROGRAM

- (1) Within ninety (90) days, the Board shall review, revise, adopt, implement, and thereafter ensure adherence to a revised written Bank Secrecy Act compliance program designed to monitor and assure compliance with the recordkeeping and reporting requirements of Bank Secrecy Act and its implementing regulations at 31 C.F.R. Part 103. This written program shall, at a minimum:
 - (a) designate a capable officer of the Bank who shall be vested with sufficient authority to monitor and ensure the Bank's compliance with the Bank Secrecy Act and suspicious activity reporting requirements. This compliance officer shall report directly to the Board and shall be completely independent of the Bank's management. This officer shall be responsible for the ongoing operation of the system of internal controls under subparagraph (b) of this Article, including at a minimum:
 - (i) the complete and timely filing of Currency Transaction Reports (CTRs), Suspicious Activity Reports (SARs), Reports of International Transportation of Currency or Monetary Instruments (CMIRs), and Report of Foreign Bank and Financial Accounts (FBARs); and
 - (ii) the recordkeeping requirements for the sales of monetary instruments and wire transfers.
 - (b) provide for a system of internal controls to assure ongoing compliance, including a requirement that the compliance officer periodically monitor

the Bank's compliance with the Bank Secrecy Act and SAR reporting requirements;

- (c) provide for independent testing for compliance to be conducted by bank personnel or by an outside party the scope of which includes, at a minimum, the periodic sampling of currency transactions to determine whether the Bank is complying with Bank Secrecy Act reporting and recordkeeping requirements, and SAR reporting requirements; and
- (d) provide for the ongoing training of appropriate personnel on the Bank Secrecy Act reporting and recordkeeping requirements, SAR reporting requirements, and requires that such training be documented in Bank records.

- (2) The Assistant Deputy Comptroller shall have the power of veto over the appointment of the proposed compliance officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed officer.
- (3) The requirement to submit information and the prior veto provisions of this Article are based on the authority of 12 U.S.C. 1818(b) and do not require the Comptroller to complete his review and act on any such information or authority within ninety (90) days.
- (4) Upon completion, a copy of this written program shall be submitted to the Assistant Deputy Comptroller for review.

- (5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VI

SUSPICIOUS ACTIVITY REPORTS

- (1) Within ninety (90) days, the Board shall develop, adopt, implement, and thereafter ensure Bank adherence to a written program that establishes a system of internal controls and processes to ensure compliance with the requirements to file Suspicious Activity Reports set forth in 12 C.F.R. § 21.11, as amended. At a minimum, this written program shall establish procedures for identifying and reporting known or suspected violations of Federal law, violations of the Bank Secrecy Act, or suspicious transactions related to money laundering activity, including suspicious activity relating to the opening of new accounts, the monitoring of current accounts, and the transfer of funds through the Bank.
- (2) Upon completion, a copy of this written program shall be submitted to the Assistant Deputy Comptroller for review.
- (3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VII

LOAN PORTFOLIO MANAGEMENT

- (1) The Board shall, within ninety (90) days, develop, adopt, implement, and thereafter ensure Bank adherence to a written program to improve the Bank's loan portfolio management. The written program shall include, but not be limited to:
 - (a) procedures to ensure satisfactory and perfected collateral documentation;
 - (b) procedures to ensure that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining and analyzing current and satisfactory credit information;
 - (c) procedures to ensure conformance with loan approval requirements;
 - (d) a system to track and analyze exceptions;
 - (e) procedures to ensure conformance with Call Report instructions, including the identification and proper accounting treatment of nonaccrual loans;
 - (f) procedures to ensure the accuracy of internal management information systems;
 - (g) a formal, ongoing training program designed to ensure that officers and employees who are, or will be, involved in lending or loan administration are adequately trained to carry out their responsibilities. At a minimum, such a training program shall address:
 - (i) loan structuring, credit analysis, underwriting standards and credit administration; and
 - (ii) identified weaknesses in the skills and abilities of the Bank's lenders;

- (h) a performance appraisal process, including performance appraisals, job descriptions, and incentive programs for loan officers, which adequately considers their performance relative to policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters;
 - (i) procedures to track and analyze concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan and lease portfolios;
 - (j) a program designed to assure the timely identification and rating of criticized loans and leases; and
 - (k) procedures to ensure compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function.
- (2) Upon completion, a copy of the written program shall be forwarded to the Assistant Deputy Comptroller.
- (3) Beginning December 31, 2000, on a quarterly basis management will provide the Board with written reports including, at a minimum, the following information:
- (a) the identification, type, rating, and amount of problem loans and leases;
 - (b) the identification and amount of delinquent loans and leases;
 - (c) credit and collateral documentation exceptions;
 - (d) the identification and status of credit related violations of law, rule or regulation;

- (e) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (a) through (d) of this Article and Paragraph;
 - (f) an analysis of concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan and lease portfolios;
 - (g) the identification and amount of loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and
 - (h) the identification of loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies.
- (4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure adequate implementation of and adherence to the written program and systems developed pursuant to this Article.

ARTICLE VIII

CRITICIZED ASSETS

- (1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized in the Report of Examination, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination.

- (2) Within 60 days, for all criticized relationships where total borrowings equal or exceed \$50,000, the Board shall develop, adopt, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of criticism in those assets criticized in the Report of Examination, in any subsequent Report of Examination, or by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." This written program shall include, at a minimum:
 - (a) an identification of the expected sources of repayment;
 - (b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable;
 - (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations; and
 - (d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.
- (3) Upon adoption, a copy of the written program, for all criticized relationships where total borrowings equal or exceed \$50,000 dollars, shall be forwarded to the Assistant Deputy Comptroller.
- (4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the written programs developed pursuant to this Article.
- (5) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, to determine:

- (a) the status of each criticized relationship where total borrowings equal or exceed \$50,000 dollars;
 - (b) management's adherence to the program adopted pursuant to this Article;
 - (c) the status and effectiveness of the written program; and
 - (d) the need to revise the program or take alternative action.
- (6) A copy of each Board review shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis in a format similar to Appendix A, attached hereto.
- (7) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the Report of Examination, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions exceed \$50,000 dollars only if each of the following conditions is met:
 - (a) the Board or designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending or capitalizing any additional credit, a majority of the full Board (or designated committee) approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and

- (b) a comparison to the written program adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised.
- (8) A copy of the approval of the Board or of the designated committee shall be maintained in the file of the affected borrower.

ARTICLE IX

CREDIT AND COLLATERAL EXCEPTIONS

- (1) Within sixty (60) days the Board shall obtain current and satisfactory credit information on all loans lacking such information, which were criticized in the Report of Examination, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.
- (2) Within sixty (60) days the Board shall ensure proper collateral documentation is maintained and correct each collateral exception listed for any loans criticized in the Report of Examination, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.
- (3) Effective immediately, the Bank may grant, extend, renew, alter or restructure any loan or other extension of credit only after:
 - (a) documenting the specific reason or purpose for the extension of credit;

- (b) identifying the expected source of repayment in writing;
 - (c) structuring the repayment terms to coincide with the expected source of repayment;
 - (d) obtaining and analyzing current and satisfactory credit information, including:
 - (i) cash flow analysis for loans that are to be repaid from operations; and
 - (ii) credit bureau reports for consumer instalment loans equal to or exceeding \$5,000;
 - (e) failure to obtain the information in (d) shall require a majority of the full Board (or a delegated committee thereof) to certify in writing the specific reasons why obtaining and analyzing the information in (d) would be detrimental to the best interests of the Bank;
 - (f) a copy of the Board certification shall be maintained in the credit file of the affected borrower(s). The certification will be reviewed by this Office in subsequent examinations of the Bank;
 - (g) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable.
- (4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE X
LENDING RESTRICTIONS

- (1) The Board should immediately transfer lending authority and responsibility over loans extended to James C. Stebbins and his related interests (as that term is defined in Regulation O, 12 C.F.R. 215) to a loan officer of the Bank other than James C. Stebbins.
- (2) The Board should immediately transfer lending authority and responsibility over loans extended to J. Carol Schlauch and her related interests (as that term is defined in Regulation O, 12 C.F.R. 215) to a loan officer of the Bank other than J. Carol Schlauch.
- (3) The Board should immediately ensure all lenders at the Bank are uniquely identified in the Bank's loan files, on the Bank's loan trials, in the Bank's computer system, and in reports to management and the Board so that responsibility for individual borrowers and credits may be reasonably ascertained.

ARTICLE XI
AGRICULTURAL LENDING POLICY AND PRACTICES

- (1) Within 60 days, the Board shall review, revise, adopt, implement, and thereafter ensure Bank adherence to a written lending policy incorporating, at a minimum, policies to ensure that all loans secured by farmland, all loans to finance agricultural production, and all other loans to farmers (as defined in Instructions for Preparation of Consolidated Reports of Condition and Income) are structured and supervised according to prudent banking practices. This review and written

program shall be designed in light of the comments in the Agricultural Lending booklet, A-Ag, of the Comptroller's Handbook. Effectively immediately, the Bank may grant, extend, renew, alter or restructure any loan or other extension of credit only after following these guidelines. The Bank's revised policy shall:

- (a) provide for segregation and classification of loans according to use of proceeds in the following categories:
 - (i) current year operating expenses,
 - (ii) carry over debt from previous years operating loans,
 - (iii) loans secured by livestock or commodities,
 - (iv) intermediate term loans for purchase of equipment and machinery,
 - (v) loans for acquisition of land and loans for capital improvements;
- (b) ensure current, independent appraisals are maintained on all collateral for loans exceeding \$100,000;
- (c) provide for periodic on-site inspections with written reports detailing the condition of farm assets and farm operations;
- (d) require identification of repayment source(s) and establishment of specific repayment terms for each loan cited in 1(a)(i) through 1(a)(v) commensurate with the type and purpose of the loan, and the borrower's expected cash flow;
- (e) require an annual analysis of the cash flow and profitability of each borrower including:
 - (i) documentation of assumptions used in cash flow analysis, including product prices, anticipated expenses, and production levels;

- (ii) analysis of the borrower's ability to retire current operating loans and to meet established repayment terms on other loans; and
 - (iii) determination of the period of time necessary to retire carry over debt, and the extent of reliance on liquidation of capital assets; and
- (f) require periodic review of the Bank's adherence to the revised lending policy.
- (2) Upon adoption, a copy of the policy shall be forwarded to the Assistant Deputy Comptroller.
- (3) The Board shall ensure the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE XII

ALLOWANCE FOR LOAN AND LEASE LOSSES

- (1) The Board shall review the adequacy of the Bank's Allowance for Loan and Lease Losses (Allowance) and shall establish a written program for the maintenance of an adequate Allowance. This review and written program shall be designed in light of the comments on maintaining a proper Allowance found in the Allowance for Loan and Lease Losses booklet, A-ALLL, of the Comptroller's Handbook, and shall focus particular attention on the following factors:
 - (a) results of the Bank's internal loan review;
 - (b) results of the Bank's external loan review;

- (c) an estimate of inherent loss exposure on each credit in excess of fifty thousand dollars (\$50,000);
 - (d) loan loss experience;
 - (e) trends of delinquent and nonaccrual loans;
 - (f) concentrations of credit in the Bank;
 - (g) present and prospective economic conditions; and
- (2) The program shall provide for a review of the Allowance by the Board at least once each calendar quarter. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.
- (3) A copy of the Board's program shall be submitted to the Assistant Deputy Comptroller for review and approval.
- (4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the written program developed pursuant to this Article.

ARTICLE XIII

VIOLATIONS OF LAW

- (1) Within 30 days, the Board shall develop, adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations of Regulation

O (12 C.F.R. 215), as cited in the Report of Examination and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

- (2) Within 30 days of receipt of any subsequent Report of Examination which cites violations of law, rule, or regulation, the Board shall develop, adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the Report of Examination and shall develop, adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.
- (3) Upon adoption, a copy of these written procedures shall be promptly forwarded to the Assistant Deputy Comptroller.
- (4) The Board shall ensure that the Bank has policies, processes, personnel, and control systems to ensure implementation of and adherence to the procedures developed pursuant to this Article.

ARTICLE XIV

QUARTERLY PROGRESS REPORTING

- (1) The Board shall submit quarterly progress reports to Assistant Deputy Comptroller Lance Cirolì at the Cleveland Field Office. These reports shall set forth in detail:

- (a) actions taken to comply with each Article of the Memorandum;
 - (b) results of those actions; and
 - (c) a description of the actions still needed to achieve full compliance with each Article of this Agreement.
- (2) The progress reports should also include any actions initiated by the Board and the Bank pursuant to the criticisms and comments in the Report of Examination or in any future Report of Examination.
- (3) The first progress report shall be submitted for the period ending December 31, 2000 and will be due within 15 days of that date. Thereafter, progress reports will be due within 15 days after each quarter end.

ARTICLE XV

- (1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or approval, the Board has the ultimate responsibility for proper and sound management of the Bank.
- (2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.
- (3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

Signed

9-26-00

Lance J. Cioli
Assistant Deputy Comptroller
Central District

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/Jeffrey M. Coffey

9-26-00

Date

/s/Sally Ann Stebbins

9-26-00

Date

/s/Charles Stebbins

9-26-00

Date

/s/ Robert J. Reynolds

9-26-00

Date

/s/James C. Stebbins

9-26-00

Date

Date

Date

□

APPENDIX A

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Stebbins National Bank
Creston, Ohio

CRITICIZED ASSET REPORT AS OF:

BORROWER(S):

ASSET BALANCE(S) \$ _____

OCC RATING (SM, SUBSTANDARD, DOUBTFUL OR LOSS):

AMOUNT CHARGED OFF TO DATE:

FUTURE POTENTIAL CHARGE-OFF:

PRESENT STATUS (Fully explain any increase in outstanding balance; include past due status, nonperforming, significant progress or deterioration, etc.):

FINANCIAL AND/OR COLLATERAL SUPPORT (include brief summary of most current financial information, appraised value of collateral and/or estimated value and date thereof, bank's lien position and amount of available equity, if any, guarantor(s) info, etc.):

PROPOSED PLAN OF ACTION TO ELIMINATE ASSET CRITICISM(S) AND TIME FRAME FOR ITS ACCOMPLISHMENT:

IDENTIFIED SOURCE OF REPAYMENT AND DEFINED REPAYMENT PROGRAM (repayment program should coincide with source of repayment):

Use this form for reporting each criticized relationship that exceeds fifty thousand dollars (\$50,000) and retain the original in the credit file for review by the examiners. Submit your reports **quarterly** until notified otherwise, in writing, by the Assistant Deputy Comptroller.