

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY

In the Matter of:

Corus Bank, National Association
Chicago, Illinois

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AA-EC-09-71

PROMPT CORRECTIVE ACTION DIRECTIVE

WHEREAS, Corus Bank, National Association (“Bank”) is a national bank subject to the provisions of 12 U.S.C § 1831o and 12 C.F.R. Part 6; and

WHEREAS, the Office of the Comptroller of the Currency (“OCC”) is authorized, pursuant to 12 U.S.C. § 1831o and 12 C.F.R. Part 6, to issue directives to take prompt corrective action (“PCA”) to resolve the problems of national banks at the least long term cost to the Deposit Insurance Fund, thereby effecting the purposes of 12 U.S.C. § 1831o;

WHEREAS, the on July 30, 2009, the Bank filed its June 30, 2009 Consolidated Report of Condition and Income (“Call Report”), which reported that the Bank’s capital places it in the “critically undercapitalized” category for PCA purposes. The Bank is deemed to be on notice of its capital category as of the date its Call Report was filed; and

WHEREAS, the Bank is in substantial noncompliance with the Consent Cease and Desist Order issued to the Bank on February 18, 2009, which requires the Bank to address numerous unsafe or unsound practices at the Bank; and

WHEREAS, on August 31, 2009, the OCC issued a Notice of Intent to issue this Prompt Corrective Action Directive (“Notice of Intent”) pursuant to 12 U.S.C. § 1831o and 12 C.F.R. Part 6; and

WHEREAS, on September 3, 2009, the Bank responded to the OCC's Notice of Intent;
and

WHEREAS, the OCC has carefully considered the Bank's response to the Notice of Intent to Issue a Prompt Corrective Actions Directive; and

WHEREAS, the OCC has determined to issue this PCA Directive in order to resolve the Bank's problems at the least long-term cost to the Deposit Insurance Fund, thereby effecting the purposes of 12 U.S.C. § 1831o;

NOW, THEREFORE, pursuant to 12 U.S.C. § 1831o and 12 C.F.R. Part 6, the OCC directs the Bank and its Board of Directors ("Board") to do the following:

1. The Bank is subject to a continuing obligation to submit a Capital Restoration Plan ("CRP") that is acceptable to the OCC. The bank shall immediately submit an acceptable CRP to the OCC, conforming to the requirements of 12 U.S.C. § 1831o(e)(2) and 12 C.F.R. § 6.5, and to the criteria set forth in the OCC's letters to the Bank, dated May 1, 2009 and August 4, 2009.

2. Immediately upon issuance of this PCA Directive, the Bank shall not make any payment to any Bank director or his or her related interests, as defined in 12 C.F.R. Part 215, without first receiving the prior written supervisory non-objection of the OCC. Nothing herein shall prevent the Bank from paying salary, benefits, reimbursements, or other routine payments to or for an individual solely in his or her capacity as an employee of the Bank.

3. The Bank, including its Board of Directors, immediately shall take any and all actions in furtherance of or necessary to support the operations of the Bank and to avoid any loss to, and to minimize exposure of potential loss to, the Deposit Insurance Fund. Such required actions include, but are not limited to, making written demand on the Bank's holding company,

Corus Bankshares, Inc. (“CORS”), for all assets held by CORS that are not encumbered, by binding legal obligations, to be contributed immediately to the Bank as capital. The Bank’s Board of Directors immediately shall take any and all actions to obtain a capital contribution from Corus Bankshares, in the amount of its unencumbered assets, and by not later than 5:00 p.m. EDT, September 8, 2009, shall file a written report with the OCC detailing its actions in compliance with paragraph 3 of this Directive, and the actions of Corus Bankshares in response to the written demand required by this Directive.

4. Immediately upon issuance of the PCA Directive, the Bank shall ensure that all of its books and records are accurately maintained and preserved.

5. Immediately upon issuance of the PCA Directive, the Bank shall not do any of the following without first receiving the prior written supervisory non-objection of the OCC¹:

- (a) Enter into any material transaction other than in the usual course of business, including any investment, expansion, acquisition, or other similar action;
- (b) Engage in the sale or transfer of any Bank asset or pool of assets exceeding a fair market value of ten million dollars (\$10,000,000). Any asset sale or transfer less than \$10,000,000 should be reported to the OCC after the sale;
- (c) Transfer any asset to the holding company or other affiliated party or person;
- (d) Extend any new credit in an amount greater than \$100,000 to any classified borrower without prudent justification;
- (e) Amend the Bank’s charter or bylaws, except to the extent necessary to carry out any other requirement of law, regulation, or order;
- (f) Make any change in accounting methods;

¹ This is in addition to the required approval of the FDIC for certain of these provisions. See 12 U.S.C. § 1831o(i).

- (g) Increase compensation or other payments, including bonuses, to employees, directors, agents or independent contractors;
- (h) Enter into any new product or service, or undertake a significant expansion of any existing product or service.

6. This PCA Directive constitutes a final order under 12 U.S.C. § 1831o and is enforceable under 12 U.S.C. § 1818(i).

7. Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the PCA Directive to be made upon, given or furnished to, delivered to, or filed with the OCC shall be in writing and sent by first class U.S. mail (or by reputable overnight courier or hand delivery via messenger) addressed as follows:

Director
Special Supervision Division
250 E Street, S.W.
Washington, D.C. 20219

8. If any provision in this PCA Directive is ruled to be invalid, illegal or unenforceable by the decision of any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby unless the OCC, in its sole discretion, determines otherwise.

9. Each provision of this PCA Directive shall be binding upon the Bank, its directors, officers, employees, agents, successors, assigns, and other persons participating in the affairs of the Bank.

10. It is expressly and clearly understood that if, at any time, the OCC 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, or any institution-affiliated party

of the Bank, nothing in this PCA Directive shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

11. If the Bank determines that: (i) it is unable to comply with any provision of this PCA Directive; (ii) compliance with any provision of this PCA Directive will cause undue hardship to the Bank; or (iii) the Bank requires an extension of any timeframe within this PCA Directive, the Bank shall submit a written request to the Director asking for relief. Any written request submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that supports the Bank's request. All such requests shall be accompanied by relevant supporting documentation, together with a copy of a Board Resolution authorizing the request. The Director's decision pertaining to the request is final.

12. The provisions of this PCA Directive are effective upon issuance of this Directive by the OCC, through the Director whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this PCA Directive shall have been amended, suspended, waived, or terminated in writing by the OCC. This PCA Directive is effective as of the date indicated below.

IT IS SO ORDERED, this 8th day of September, 2009.

/s/

Ronald G. Schneck
Director for Special Supervision