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UNITED STATES OF AMERICA
BEFORE THE
OFFICE OF THRIFT SUPERVISION

In the Matter of)
)
BELL SAVINGS AND LOAN ASSOCIATION)
)
Upper Darby, Pennsylvania)
)
)
)

RE: Enforcement Review
Resolution No. ERC PITT-90-1

Dated: June 19, 1990

STIPULATION AND CONSENT TO
ISSUANCE OF ORDER TO CEASE AND DESIST

The Office of Thrift Supervision ("OTS"), by and through its Enforcement Review Committee ("ERC"), and BELL SAVINGS AND LOAN ASSOCIATION, Upper Darby, Pennsylvania ("BELL") stipulate and agree as follows:

1. Consideration. The OTS, based upon information reported to it, is of the opinion that the grounds exist to initiate an administrative cease and desist proceeding against BELL pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (to be codified at 12 U.S.C. § 1818(b)). BELL desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms in consideration of the forbearance by the OTS from initiating such administrative cease-and-desist litigation against BELL with respect to the matters covered in the accompanying Order to Cease and Desist ("Order").

2. Jurisdiction.

(a) BELL is a "savings association" within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act of 1933, as amended by FIRREA. Accordingly, it is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1813(c)).

(b) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such a savings association. Therefore, BELL is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)).

3. Consent. BELL consents to the issuance by the OTS of the Order. It further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)). Upon its issuance by the ERC, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(i)).

5. Waivers. BELL waives its right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA (to be codified at 12 U.S.C. § 1818(b)), and further waives any right to

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BELL SAVINGS AND LOAN ASSOCIATION
Upper Darby, Pennsylvania

RE: Enforcement Review Committee
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Dated: June 19, 1990

ORDER TO CEASE AND DESIST

WHEREAS, BELL SAVINGS AND LOAN ASSOCIATION, Upper Darby, Pennsylvania ("BELL") through its directors has executed a Stipulation and Consent to Issuance of Order to Cease and Desist, which is incorporated herein by reference ("Stipulation"), and is accepted and approved by the Office of Thrift Supervision ("OTS"), acting through its Enforcement Review Committee; and

WHEREAS, BELL in the Stipulation, has consented and agreed to the issuance of this ORDER to Cease and Desist ("ORDER") pursuant to Section 8(b) of the Federal Deposit Insurance Act, as amended by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (to be codified at 12 U.S.C. § 1818(b)).

NOW THEREFORE, IT IS ORDERED that BELL and its directors, officers, employees, agents and service corporations shall cease and desist from any violation of, or the aiding and abetting of any violation of:

- (i) The loans-to-one borrower limitations of the Home Owners' Loan Act of 1933, as amended by Title III, Section 301 of FIRREA;
- (ii) Section 545.74 of the Rules and Regulations of the Office of Thrift Supervision ("OTS Regulations")(12 C.F.R. § 545.74);
- (iii) Section 563.160 of the OTS Regulations (12 C.F.R. § 563.160);
- (iv) Section 563.170(c) of the OTS Regulations (12 C.F.R. § 563.170(c));
- (v) Section 563.171 of the OTS Regulations (12 C.F.R. § 563.171);
- (vi) Section 563.172 of the OTS Regulations (12 C.F.R. § 563.172);
- (vii) Section 563.176 of the OTS Regulations (12 C.F.R. § 563.176);
- (viii) Section 563.177 of the OTS Regulations (12 C.F.R. § 563.177);
- (ix) Section 567.2 of the OTS Regulations (12 C.F.R. § 567.2); and
- (x) Laws and/or regulations as enumerated on Pages 33 through 38 of the November 20, 1989, OTS Report of Compliance Examination of Bell.

IT IS FURTHER ORDERED THAT:

1. Bell's Board of Directors shall actively fulfill its fiduciary responsibilities to ensure that Bell is safely and soundly managed in accordance with OTS Memorandum R-62. Furthermore, the official minutes of all Board and committee meetings shall clearly and accurately reflect the level of supervision exercised over Bell by the Board and shall attest to the Board's active involvement.
2. Within thirty (30) days of the effective date of this ORDER, the Board shall employ an independent outside management consultant ("Management Consultant") selected from a list of management consultants provided by the District Director. The Board shall inform the District Director of its selection.
3. The management consultant shall review and make a written report on the management of Bell, including, but not limited to:
 - (a) adequacy of staffing for current levels of operations;
 - (b) qualification of each member of Bell's senior officers to perform assigned duties (for purpose of this Order, the term "officer" is defined as an officer not more junior than a vice president); and
 - (c) adequacy of Bell's policies and procedures to assure sound operations.
4. As part of the management report, the management consultant shall

take into account the overall condition of Bell, the present level of operation and projected level of operations. The management consultant shall address the question of why Bell's condition has deteriorated and, where possible, offer guidance designed to assist Bell in improving its condition. Specifically, the management consultant shall be required to reach specific conclusions and make specific recommendations in the following areas:

- (a) evaluation of current lines of authority, reporting responsibilities and delegation of duties for all officers, including identification of any overlapping duties or responsibilities;
- (b) adequacy of written job descriptions for each senior officer and any needed revisions;
- (c) adequacy of the Bell's staff to correct those deficiencies outlined in the October 2, 1989 Report of Examination ("Report") and November 20, 1989 Report of Compliance Examination ("Report of Compliance"), including needed additions to the staff;
- (d) evaluation of the performance of each officer of Bell, with a conclusion reached as to the adequacy of performance;
- (e) an evaluation of the Board's performance in conducting the affairs of Bell and oversight of management;
- (f) an evaluation of the amount of influence exercised by Chairman Jay M. Gross and President Nathaniel D. Gross over all Board decisions;
- (g) adequacy of oversight and quality control by Bell involving Bell's subsidiaries; and
- (h) adequacy of loan department staff in the areas of loan review, loan administration, and credit analysis.

5. The management consultant report shall be submitted to the Board within sixty (60) days of the management consultant's employment. A copy of the report shall be submitted to the District Director and he shall retain the right to determine the adequacy of the report and its compliance with the terms of this Order.

6. Within fifteen (15) days of receipt of the management consultant's report, the Board shall submit a plan of implementation ("Plan") to the District Director. The Plan shall specify actions to address each recommendation in the management consultant's report, including timeframes. Furthermore, the Plan shall address the following:
 - (a) Restructuring of the Executive, Compensation, Audit, and Stock Option Committees in order for all Board members to be members of at least one committee. Additionally, a majority of committee members shall be comprised of outside directors.
 - (b) Major goals, strategies and time frames for enhancing board oversight of management activities.
 - (c) Corrective action(s) to alleviate management/board weaknesses as noted on Report pages 8 through 11. Weaknesses identified included:
 - o ineffectiveness in recognizing and identifying problems confronting the institution;
 - o numerous violations of regulations;
 - o internal control deficiencies;

- o policy exceptions which point to weak controls and ineffective policies;
 - o inadequate monitoring systems by the Board to adequately review the effectiveness of senior management and adherence to Board policies;
 - o an inordinate amount of influence upon all board decisions by Chairman Jay M. Gross and President Nathaniel D. Gross;
 - o lax oversight and quality control involving Bell's subsidiaries;
 - o inadequate level of staff involving the loan department in the areas of loan review, loan administration, and credit analysis; and
 - o lack of written, detailed employee responsibilities and procedural manuals and/or the effective means to disseminate the aforesaid;
- (d) A written plan of management succession which shall address unforeseen situations and long term plans for management succession;
- (e) Departmental policies and procedures shall be formally reviewed on a semiannual basis by department supervisors and senior management with a report being conveyed to the Board detailing the results of such review(s).

It shall remain the responsibility of the Board to fully implement the Plan within specified timeframes. In the event the Plan, or any portion thereof, is

not implemented, the Board shall immediately advise the District Director, in writing, of specific reasons for deviating from the plan.

7. Within sixty (60) days of implementation of the Plan, BELL's Board shall submit to the District Director for review and approval, a plan for restructuring the board of directors ("Restructuring Plan"). The objective of the Restructuring Plan will be to enhance the Board and to expand the Board's membership with individuals possessing knowledge of and experience in the savings and loan industry or with public companies. Thereafter, the Board shall submit to the District Director, on a monthly basis, a written report outlining the steps it has taken to obtain qualified individuals to serve on the Board as set forth in the Restructuring Plan. In addition, the Board shall provide the District Director with the resumes of all individuals under consideration to be appointed to BELL for review. No individual shall be appointed to BELL's Board without the prior written approval of the District Director in accordance with Section 914 of FIRREA. The District Director shall act promptly in reviewing such appointments.

8. From the effective date of this Order, Bell or any of its subsidiaries shall not, except for legally binding commitments outstanding as of the effective date of this Order, make or commit to make, purchase or commit to purchase, refinance or commit to refinance, disburse or commit to disburse, all or any part of any of the following types of loans:

- (a) land acquisition and development;
- (b) commercial real estate;
- (c) commercial business loans;

- (d) land loans; and
- (e) construction loans, including but not limited to, those granted on a speculative basis to, builders/contractors, custom built homes for individuals, multi-family dwellings, acquisition and development, and commercial real estate.

The following types of loans are not prohibited by this provision:

- (i) loans secured by one-to-four family dwellings not to exceed \$500,000 to any one borrower provided, the appropriate underwriting is performed and documentation obtained;
- (ii) loans secured by savings accounts;
- (iii) consumer loans granted under 12 C.F.R. § 561.12, provided, the appropriate underwriting is performed and documentation obtained;
- (iv) non-speculative custom built homes for individuals not to exceed \$500,000 to any one borrower provided the appropriate underwriting is performed and documentation obtained. (For purposes of this Order, non-speculative custom built homes are defined as loans made to finance the construction of one-to-four family dwellings subject to an agreement to purchase or owned by the intended occupant, subject to a legally binding permanent mortgage financing commitment);
- (v) renewals and maturity extensions of non-criticized loans outstanding at the effective date of this Order, provided no additional funds are advanced and the Board performs the following:
 - o the Board determines that the institution's or subsidiaries' renewal and/or maturity extension to a non-criticized borrower is not

detrimental to the best interests of Bell or its subsidiaries; and
o prior to renewal and/or maturity extension, a majority of the full Board approves the renewal and/or maturity extension and certifies in writing, the specific reasons why failure to so act would be substantially detrimental to the best interests of Bell or its subsidiaries. A copy of the Board certification shall be maintained in the credit file of the affected borrower(s).

(vi) loans made for sale on a non-recourse basis to investors or other lenders to fill legally binding commitments to purchase. For purposes of this paragraph, loans are defined as loans secured by one-to-four family dwellings not to exceed \$500,000 to any one borrower provided, the appropriate underwriting is performed and documentation is obtained.

Furthermore, except as provided in clauses (i) through (vi) above, Bell or any of its subsidiaries shall not make or commit to make, refinance or commit to refinance, disburse or commit to disburse any direct real estate investments or investments in joint ventures.

The foregoing restrictions shall continue until the District Director has determined the following with respect to Bell and its subsidiaries:

- (a) Full compliance with 12 C.F.R. § 563.160, 563.170(c), 563.171, 563.172 and 545.74;
- (b) Full compliance with Provisions 2 through 18; and

(c) Safe and sound underwriting policies and procedures have been developed and adopted by the Board with regard to the loans restricted by this Provision.

9. Bell or any of its subsidiaries shall not, directly or indirectly extend credit (which for the purposes of this Order shall include renewals, extensions, or capitalization of accrued interest) to any borrower whose loans or other extensions of credit are criticized in the Report or any subsequent Report of Examination ("Criticized Borrower") and whose aggregate loans or other extensions of credit exceed one hundred thousand dollars (\$100,000).

10. The immediately preceding paragraph shall not apply if:

- (a) the Board determines that the institution's or subsidiaries' extension of credit to a Criticized Borrower is not detrimental to the best interests of Bell or its subsidiaries;
- (b) a comparison with the written program adopted pursuant to Provision No. 13 indicates that the Board's formal plan to collect or strengthen said criticized asset is not compromised; and
- (c) prior to extending any additional credit, a majority of the full Board approves the credit extension and certifies, in writing, the specific reasons why failure to so act would be substantially detrimental to the best interests of Bell or its subsidiaries. A copy of the Board certification shall be maintained in the credit file of the affected borrower(s).

11. Bell shall establish prudent general and specific valuation allowances in accordance with 12 C.F.R. § 563.160 and the Report in amounts not less than \$23,486,941 and \$4,852,155, respectively. The specific valuation allowance of \$4,852,155 shall be established immediately and the general valuation allowance of \$23,486,941 shall be established on or before September 30, 1990. Written Board confirmation of such action shall be provided to the District Director.

Furthermore, the Board shall review the general valuation allowance ("GVA") on a quarterly basis and ensure that it is maintained at an adequate level in accordance with 12 C.F.R. § 563.160 and the guidelines to be set forth in Bell's Internal Loan Review Policy (see Provision No. 15 of this Order). Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the GVA. Any deficiency in the GVA shall be remedied in the quarter it is discovered, prior to the filing of the institution's Thrift Financial Report, by additional provision of earnings.

12. Bell shall within sixty (60) days of the date of implementation of the Plan, submit to the District Director a strategic plan to address the institution's poor asset quality. Said plan shall, at the minimum, address the following:

(a) Board of Director's strategy to minimize future losses, control further deterioration in the institution's asset quality and return the institution's asset quality to a safe and sound level; and

- (b) Examiners' recommendations to improve asset quality as cited on Report Pages 19 and 20.

Furthermore, an institution officer shall be appointed by the Board of Directors to review on a quarterly basis the institution's compliance with this strategic plan and report any deviations therefrom directly to the Board of Directors.

13. In conjunction with Provision No. 15 of this Order, Bell shall within thirty (30) days of implementation of the Plan either engage an outside consulting firm or appoint an experienced full-time employee(s) to exclusively engage in the workout of existing classified loans and real estate owned. Prior to appointment, the qualifications of these individuals or firms shall be submitted to the District Director.

Additionally, individual strategic asset plans shall be developed and submitted to the District Director within thirty (30) days of the date of implementation of the Plan for each asset criticized in the Report as "Special Mentioned", "Substandard", or "Doubtful" and whose aggregate loans or other extensions of credit exceed two hundred thousand dollars (\$200,000). The individual plans 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 institution's lien on such collateral where applicable;
- (c) an analysis, to the extent available, of current and satisfactory

credit information, including cash flow analysis where loans are to be repaid from operations;

- (d) the proposed action to eliminate the basis of criticism and the anticipated time frame for its accomplishment; and
- (e) quarterly status report reflecting collection efforts, repayment, sales activity and/or rental status.

14. Within thirty (30) days of implementation of the Plan, Bell shall establish a problem asset committee of at least three Directors. The specific function of the committee shall be:

- (a) To monitor all assets classified and/or special mentioned within the Report;
- (b) To develop programs which help minimize the institution's loss exposure for problem loans and real estate owned; and
- (c) To provide quarterly status reports on all assets classified and/or special mentioned within the Report. Such reports shall be provided to the District Director on a quarterly basis beginning with the quarter ending September 30, 1990. The reports are due within fifteen (15) days of the close of each month or quarter. The report required by this paragraph can be the same as that required within Provision No. 13(e) of this Order provided, the committee affirms the report's findings.

The committee established pursuant to this provision shall meet at least monthly and minutes of its meetings shall be duly recorded. The committee shall report its findings each month at the Board of

Directors meeting. The first meeting of the committee shall be held no later than thirty (30) days following the implementation of the Plan.

15. Bell shall within thirty (30) days of implementation of the Plan, submit to the District Director, an internal loan review program which has been expanded in order to provide criteria to identify potential problem credits, to assure the adequacy of valuation allowances, to adequately monitor all problem loans and related lines on an ongoing basis, and to provide senior management and the Board with an objective assessment of the overall quality of the loan portfolio. Subject program shall, at a minimum, comply with the following:

- (a) Establish criteria to promote the early identification of credit weaknesses to minimize losses;
- (b) Internal loan review requirements and procedures outlined within Section 210 of the OTS Thrift Activities Regulatory Handbook titled "Lending Risk Assessment";
- (c) Establish guidelines for maintaining adequate general valuation allowances in conformance with the criteria set forth in Section 261 of the OTS Thrift Activities Regulatory Handbook;
- (d) Provide for monitoring procedures to ascertain compliance with policies, procedures, laws and regulations;
- (e) 12 C.F.R. § 563.160;
- (f) Address the internal loan monitoring deficiencies cited by the examiners within the Report;
- (g) Provide for adequate and competent personnel; and

- (h) Provide senior management and the board of directors with an objective assessment of the overall quality of the institution's loan portfolio.

The internal loan review program shall also apply to loans serviced by Bell's subsidiaries and/or other outside servicers. Additionally, an institution officer or a committee of outside directors shall be appointed to review compliance with this program on a quarterly basis. Any deviations shall be reported to the full Board of Directors.

16. In conjunction with the Internal Loan Review Program, Bell shall within thirty (30) days of implementation of the Plan, submit to the District Director, loan administration policies and procedures which provide for a prudent and on-going credit administration and evaluation of the institution's loan portfolio. Said program shall ensure that the institution's loan records as well as its wholly-owned subsidiaries' loan records include loan documentation required by 12 C.F.R. § 563.170(c) and where applicable, shall contain signed and duly attested current financial statements; current certified rent rolls, pre-leases or lease commitments; and documented analysis of such documents. Furthermore, an institution officer or a committee of outside directors shall be appointed to review compliance with this policy on a quarterly basis. Any deviations shall be reported to the full Board of Directors.

17. Bell shall immediately comply with the appraisal requirements of 12 C.F.R. § 563.170(c)(1)(iv), § 563.171 and § 563.172. Additionally, Bell's appraisal policies and procedures shall be amended to alleviate the appraisal exceptions noted on Pages 18 and A-12.2 through A-12.63 of the Report.

Additionally, the appraisal exceptions noted on aforesaid Report pages shall be corrected in order to achieve compliance with the previously mentioned appraisal regulations.

18. The Board shall revise all of Bell's loan underwriting policies and procedures to establish definitive lending limitations in addition to limitations imposed by the loans-to-one borrower limitations of the Home Owners' Loan Act of 1933, as amended by Title III, Section 301 of FIRREA. The limitations shall, at a minimum, address; loans to value ratios, location parameters, downpayment requirements; and borrower equity participation requirements.
19. Bell shall within thirty (30) days of implementation of the Plan, submit to the District Director a revised consumer loan underwriting policy, as well as underwriting procedures to alleviate the underwriting deficiencies noted on Page 18 and 19 of the Report.
20. Within thirty (30) days of implementation of the Plan, the Board shall provide to the District Director, a copy of the report produced by HRA Services, Inc. (Refer to Report Page 11).
21. Bell shall within thirty (30) days of the date of this Order submit to the District Director for approval, a capital plan in compliance with the requirements of Thrift Bulletin 36a (TB36a) dated March 8, 1990.
22. Bell shall immediately restrict liability growth to interest credited on liabilities in accordance with Regulatory Bulletin RB 3a-1, dated January 9,

1990, titled "Policy Statement on Growth for Savings Associations". Furthermore, on a quarterly basis and within fifteen (15) days of the close of the reporting quarter, Bell shall file with the District Director, a written report indicating the institution's compliance with RB 3a-1.

23. Bell shall within thirty (30) days of implementation of the Plan, file with the District Director, a written interest rate risk management policy in accordance with 12 C.F.R. § 563.176 and Thrift Bulletins TB 13 and 13-2, dated January 26, 1989 and December 27, 1989, respectively. Additionally, the institution's interest rate risk management policy shall address the policy exceptions noted by the examiners within the Report.
24. On a quarterly basis coinciding with the institution's own fiscal year and within forty-five (45) days of the close of each quarter with the exception of the fourth quarter which shall be filed within ninety (90) days, the Board of Directors shall file with the District Director, a written report documenting its review of the institution's operating results for the quarter just ended and year-to-date. Such report shall include a comparison of actual results against the projections in the institution's budget. A written explanation of any deviation in the budget projections will be included in the report along with a specific description of the measures that have been implemented or proposed to correct, abate, or improve any such deviations.
25. Within forty-five (45) days of implementation of the Plan, the Board shall file with the District Director a comprehensive plan for reducing the institution's operating expenses. The Plan shall identify a ratio of

operating expenses to total assets acceptable to the Board and management. Furthermore, the Plan shall discuss particular actions that the Board and management will pursue to reduce operating expenses, and outline reasonable timeframes for achieving this goal. The Plan shall be subject to review and approval of the District Director.

26. Bell shall within one-hundred twenty (120) days of the effective date of this Order, comply with the service corporation investment limitations of 12 C.F.R. § 545.74. Written Board confirmation of compliance with 12 C.F.R. § 545.74 shall be provided to the District Director within fifteen (15) days of the expiration of the one-hundred twenty (120) day period.
27. Within thirty (30) days of implementation of the Plan, Bell shall submit to the District Director, advice as to the corrective actions for the various exceptions discussed in the Report involving non-accrual policy and procedures (Pages 15 and 16) and dual control/internal procedures relative to investment activities (Pages 27 and 28).
28. Within thirty (30) days of implementation of the Plan, the Board shall adopt and submit to the District Director a conflict of interest policy consistent with the requirements of 12 C.F.R. § 571.7 for Bell covering all officers, directors, employees and affiliated persons. Furthermore, subject policy shall preclude transactions in which officers, directors, employees and/or other affiliated persons have an interest in the transaction(s) without the prior approval of the District Director.
29. Bell's internal auditor shall report directly to a committee of the Board

which is entirely comprised of outside directors. Confirmation of this reporting structure shall be provided within thirty (30) days of implementation of the Plan.

30. Within thirty (30) days of implementation of the Plan, Bell shall develop and file with the District Director, a board-approved program for improving the Board's marginal performance in meeting the objectives of the Community Reinvestment Act and its overall record of meeting community credit needs. The program submitted shall specifically address the deficiencies recited in the November 20, 1989 OTS Report of Compliance.

31. Bell shall within thirty (30) days of implementation of the Plan, develop and file with the District Director, a Compliance Review Program. Subject program shall, at the minimum, comply with the compliance program outlined within the OTS Compliance manual titled "Compliance: A Self-Assessment Guide" and OTS Memorandum R 62. Additionally, a compliance officer shall be appointed by the Board of Directors to implement the compliance review program. Furthermore, the compliance officer's findings, conclusions and recommendations shall be reported quarterly to the full Board of Directors.

32. Bell shall within thirty (30) days of implementation of the Plan, file with the District Director a revised Bank Secrecy Act Policy as well as a system of internal controls to monitor the institution's compliance with the Bank Secrecy Act, and 12 C.F.R. § 563.177(b)(c). The policy submitted shall specifically address the deficiencies recited on Pages 8 through 15 of the Report of Compliance.

33. Within thirty (30) days of implementation of the Plan, the Board of Bell shall submit to the District Director advice as to the corrective actions taken for the various compliance deficiencies discussed in the Report of Compliance involving the following:

- (a) Loan underwriting standards (mortgage and consumer loans, Pages 15 and 16),
- (b) Rejected loan applications (Pages 16 and 17),
- (c) Equal Credit Opportunity Act (Page 18),
- (d) Home Mortgage Disclosure Act (Page 19),
- (e) Truth-in-Lending Act (Page 20),
- (f) Expedited Funds Availability Act (Page 20),
- (g) Regulation CC (Page 21),
- (h) Electronic Funds Transfer Act (Page 22),
- (i) Bank Protection Act (Pages 22 and 23),
- (j) Criminal Referral Forms (Page 23),
- (k) Right to Financial Privacy Act (Pages 23 and 24); and
- (l) Kirk Mortgage Company (Page 24).

34. The adequacy of and compliance with the various policies and procedures required to be submitted to the District Director by this Order, as well as overall compliance with this Order shall be determined by the District Director in conjunction with the next examination as well as future examinations of Bell and its subsidiaries.

The Board shall use its best efforts to take whatever steps are necessary to ensure full compliance by BELL with the requirements of this ORDER.

All technical words or terms used in this ORDER, for which meanings are not specified or otherwise provided by the provisions of this ORDER, shall insofar as applicable, have meanings as defined in Chapter V of Title 12 Code of Federal Regulations, and any such technical words or terms used in this ORDER and undefined in said Code of Federal Regulations, shall have meanings that accord with the best custom and usage in the savings and loan industry.

OFFICE OF THRIFT SUPERVISION

By: 15/

Richard B. Pow
District Director, Pittsburgh
Office of Thrift Supervision

WITH THE CONCURRENCE OF, the
Department of Banking, Savings
Association Bureau, of the
Commonwealth of Pennsylvania

By: _____

Warren J. Callaway
Assistant Director