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## SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 19<sup>th</sup> day of November, 1992 ("effective date"), by and between Key Florida Bank, F.S.B., Bradenton, Florida, OTS No. 8330, for itself and its wholly owned service corporations and subsidiaries ("Key" or "Institution") and the Office of Thrift Supervision ("OTS"), acting through its Southeast Regional Director or his designee ("Regional Director").

WHEREAS, the OTS is of the opinion that, based upon the results of the Institution's April 20, 1992 OTS Report of Compliance Examination ("1992 Compliance Examination Report") covering that period of time from February 4, 1991 to April 20, 1992, grounds exist to initiate administrative proceedings against Key pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. § 1818(b) (West 1989 & Supp. 1992); and

WHEREAS, prior to the effective date of this Agreement, the previous President of Key resigned and new senior management was engaged by the Board of Directors of Key; and

WHEREAS, prior to the effective date of this Agreement, the new senior management of Key submitted to the OTS Southeast Regional Office responses to the issues raised in the 1992 Compliance Examination Report; and

WHEREAS, Key, in the interest of regulatory compliance and cooperation, is willing to enter into this Agreement to avoid the initiation of such administrative proceedings on the matters covered by this Agreement; and

WHEREAS, the OTS is willing to forebear from the initiation of such administrative proceedings against Key to require the actions specifically covered by this Agreement for so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, it is understood by the parties that execution of this Agreement does not preclude the OTS from taking further supervisory or enforcement measures on matters not specifically covered by this Agreement that the OTS considers appropriate under the circumstances; and

NOW, THEREFORE, in consideration of the above-stated forbearance, it is agreed between the parties hereto as follows:

### COMPLIANCE MANAGEMENT

1. Within 30 days after the effective date of this Agreement, the Board shall adopt, implement, and submit to the Regional Director for review a written plan to improve the Institution's record of compliance with applicable Federal consumer protection laws and regulations ("consumer laws and regulations"). In said plan, the Board shall, at a minimum:

- a.    appoint a qualified Compliance Officer for Key who is responsible for developing, implementing, and administering a program to ensure the Institution's compliance with applicable consumer laws and regulations, and who has sufficient authority, responsibility, and autonomy to monitor the operations of the Institution and effect, as needed, corrections to ensure such compliance;
- b.    require the Compliance Officer to develop, within 60 days after the effective date of this Agreement, and periodically review and update, written policies and procedures, for adoption by the Board, to ensure compliance with applicable consumer laws and regulations;
- c.    require the Compliance Officer to develop and implement, within 60 days after the effective date of this Agreement, a quality control program with sufficient internal controls to review and monitor, on a regular basis, the various operations of the Institution for compliance with applicable consumer laws and regulations;
- d.    require the Compliance Officer to develop, within 60 days after the effective date of this Agreement, and maintain, a training program addressing the Institution's compliance policies and procedures, as well as applicable consumer laws and regulations;
- e.    require the Compliance Officer to prepare and present, on a quarterly basis, reports to the Board that set forth the Compliance Officer's findings, conclusions, recommendations, and corrections concerning the Institution's current record of compliance with applicable consumer laws and regulations, including a specific assessment of:
  - i.    the Institution's performance relative to the Truth in Lending Act, as amended;
  - ii.   the Institution's performance relative to laws and regulations concerning nondiscrimination, including, specifically, the provisions of 12 C.F.R. Part 528 (Nondiscrimination Requirements), the policy statement set forth in 12 C.F.R. 571.24, and the guidance provided by Thrift Bulletin ("TB") 25 and TB 47-2;
  - iii. the Institution's performance relative to the Equal Credit Opportunity Act, as amended; and

- iv. the Institution's progress in correcting the compliance deficiencies described in the Institution's 1992 Compliance Examination Report.

#### TRUTH IN LENDING

2. a. Key shall comply with the provisions of 12 C.F.R. Part 226 (Truth in Lending).
- b. Within 60 days after the effective date of this Agreement, the Board shall submit documentation satisfactory to the Regional Director indicating that the Institution has completed restitution with regard to those loans identified by the Institution, pursuant to the examiner's findings, as set forth in Section 3.2 of the 1992 Compliance Examination Report.
- c. Within 60 days after the effective date of this Agreement, the Board shall adopt, implement, and submit for review by the Regional Director, a Truth in Lending program for Key that includes procedures to ensure that the Institution complies with 12 C.F.R. §§ 226.17(c)(1), 226.18(b) and (d), 226.22(a), and 226.30.

#### NONDISCRIMINATION

3. a. Key shall comply with the provisions of 12 C.F.R. Part 528 (Nondiscrimination Requirements).
- b. Within 60 days after the effective date of this Agreement, the Board shall review and update the Institution's loan underwriting guidelines in accordance with the provisions of 12 C.F.R. § 528.3(a) to ensure that the application fee listed therein is appropriate and does not operate to discourage potential loan applicants on a prohibited basis. The Institution shall comply with its loan underwriting guidelines, as amended.
- c. The Institution shall maintain a complete and accurate loan/application register ("LAR") in accordance with 12 C.F.R. § 528.6(d) and the recommendations set forth in Sections 3.3 and 3.4 of the 1992 Compliance Examination Report. Specifically, the Institution shall: (1) promptly record all applicable loans on the LAR, whether originated or purchased; (2) review and analyze, on a monthly basis, its lending patterns in accordance with OTS Thrift Bulletins ("TB") 25 and 47-2 and the guidance contained in the policy statement set forth in 12 C.F.R. § 571.24; and (3) identify, analyze, and address any disparate lending patterns.

EQUAL CREDIT OPPORTUNITY ACT

4. a. Key shall comply with the provisions of 12 C.F.R. Part 202 (Equal Credit Opportunity).
- b. Within 60 days after the effective date of this Agreement, the Institution shall develop and implement written policies and procedures to ensure that the Institution complies with 12 C.F.R. § 202.9(a) by providing credit applicants with written notice of action taken by the Institution, as required by 12 C.F.R. § 202.9(a)(2), within the timeframes set forth 12 C.F.R. § Section 202.9(a)(1).

MORTGAGE DISCLOSURES

5. Within 60 days after the effective date of this Agreement, the Institution shall develop and implement written policies and procedures to ensure that all of the Institution's adjustable rate mortgage loan disclosure statements comply with 12 C.F.R. § 563.99.

BANK SECRECY ACT

6. a. The Institution shall comply with the provisions of 31 C.F.R. Part 103 (Financial Recordkeeping and Reporting of Currency and Foreign Transactions) and 12 C.F.R. § 563.177.
- b. Within 60 days after the effective date of this Agreement, the Board shall review and update its Bank Secrecy Act program to address the violations of 31 C.F.R. §§ 103.22(d), 103.22(f), and 12 C.F.R. § 563.177 described in Section 3.5 of the 1992 Compliance Examination Report.

All technical words or terms used in this Agreement, for which meanings are not specified or otherwise provided by the provisions of this Agreement, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, and any such technical words or terms used in this Agreement 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. For purposes of this Agreement, references to regulations, bulletins, memoranda, and publications shall include any successor regulations, bulletins, memoranda, and publications.

This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Institution. It is understood and agreed that this Agreement is a "written agreement entered into with the agency" as that phrase is used in Section 8(b)(1) of the FDIA, 12 U.S.C.A. § 1818(b)(1).



DIRECTORS' WAIVER OF NOTICE

I hereby waive notice of the meeting of the Board of Directors of Key Florida Bank, FSB, Bradenton, Florida, OTS No. 8330, held on the 19<sup>th</sup> day of November, 1992, at which the Board of Directors considered and adopted the attached resolution concerning a Supervisory Agreement between Key Florida Bank, FSB and the Office of Thrift Supervision,

By: [Signature] <sup>151</sup> Director      By: [Signature] <sup>151</sup> Director

By: [Signature] <sup>151</sup> Director

CERTIFIED COPY OF  
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Key Florida Bank, FSB, Bradenton, Florida, OTS No. 8330 ("Institution"), hereby certify that the following is a true copy of a resolution duly adopted by the Institution's Board of Directors at a meeting duly called and held on this 19th day of November, 1992, and at said meeting a quorum was present and voting throughout, and that said resolution has not been rescinded or modified and is now in full force and effect:

**RESOLUTION**

**WHEREAS**, the officers and directors of the Institution have been advised that the Office of Thrift Supervision ("OTS") is of the opinion that the grounds exist to initiate administrative proceedings against the Institution pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C.A. 1818(b) (West 1989 & Supp. 1992); and

**WHEREAS**, said officers and directors have been informed that the OTS will forbear from the initiation of such administrative proceedings in connection with the matters referred to in the attached Supervisory Agreement ("Agreement") if the Agreement is executed by the Institution and if its terms are thereafter complied with by the Institution; and

**WHEREAS**, the directors of the Institution have read and considered the proposed Agreement attached to the minutes of the meeting of the Board of Directors held on the 19th day of November, 1992, and, after due consideration and in the interest of regulatory compliance and cooperation, and without admitting or denying that such grounds exist, have determined to enter into the proposed Agreement:

**NOW, THEREFORE, BE IT RESOLVED**, that the proposed Agreement, a copy of which is attached hereto and the provisions of which are incorporated herein by reference, be and is hereby approved by the Board of Directors of the Institution. The officers and employees of the Institution are directed and authorized to take all necessary steps to implement immediately the terms of the Agreement.

**IN WITNESS WHEREOF**, I have hereto subscribed my name and affixed the seal of Key Florida Bank, FSB, this 19TH day of NOVEMBER, 1992.

/s/  
\_\_\_\_\_  
Secretary