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SUPERVISORY AGREEMENT

This Agreement ("Agreement") is made and is effective this 8th day of May 1992 ("Effective Date"), by and between First Federal Savings Bank of Dover, (OTS No. 04088), Dover Ohio ("First" or "Institution") for itself and the Office of Thrift Supervision ("OTS"). 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 OTS within the meaning of 12 U.S.C. Sections 1818(b)(1) and (i)(2).

WHEREAS, the OTS is of the opinion that First has not complied with certain regulations to which the Institution is subject in conducting the business of the Institution, specifically 12 C.F.R. Sections 202.9, 202.12, 205.8, 205.9, 226.17, 226.18, 226.19, 528.2a, 528.6, 563.35, 563.99, 563.177, 24 C.F.R. Sections 3500.7, 3500.21, 31 C.F.R. Sections 103.27, 103.28, and 12 U.S.C. Section 2609(c), and has through violations of these sections engaged in unsafe or unsound practices in conducting the business of the Institution, thereby providing grounds for the initiation of proceedings against First by the OTS pursuant to 12 U.S.C. 1818(b)(Supp. I 1989); and

WHEREAS, the OTS is willing to forbear at this time from the initiation of proceedings pursuant to 12 U.S.C. 1818(b)(Supp. I 1989) against First for its failure to comply with statutes and regulations, and unsafe and/or unsound practices as set forth in the Institution's Regular Compliance

Report of Examination dated January 6, 1992 for so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, First, by its Board of Directors ("Board"), is willing to enter into this Agreement to avoid the initiation of such proceedings;

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

Statutes and Regulations

1. First shall correct existing violations cited in this section and in the Report of Examination dated January 6, 1992, and shall not knowingly initiate any action which would result in a violation of, or the aiding and abetting of any violation of 12 C.F.R. Sections 202.9, 202.12, 205.8, 205.9, 226.17, 226.18, 226.19, 528.2a, 528.6, 563.99, 563.35, 563.177, 24 C.F.R. Sections 3500.7, 3500.21, 31 C.F.R. Sections 103.27, 103.28, and 12 U.S.C. Section 2609(c).

Policies and Procedures

2. Within 30 days of the effective date of this Agreement, the Board shall address the duties and responsibilities of executive management and delegation of responsibilities to assure management succession and adequate attention to all areas of operation, including the areas of Compliance and Community Reinvestment Act (CRA).

3. Within 90 days of the effective date of this Agreement, First shall establish policies and procedures to eliminate contractual inconsistencies affecting consumer loans, as discussed in the January 6, 1992 Report of Examination (Comment 1).

4. Within 30 days of the date of this Agreement, First shall establish written policies and procedures to ensure that initial disclosures required by Regulation Z (12 C.F.R. Part 226) are provided to all applicants within the prescribed time period.

5. Within 30 days of the date of this Agreement, First shall establish written policies and procedures to ensure compliance with the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.) with respect to providers of services, the delivery and content of good faith estimate notices, and servicing disclosures for all applicants subject to the requirements of RESPA. First shall also establish written policies and procedures to ensure that all escrow account holders subject to RESPA receive both the initial and annual escrow disclosure notices. In addition, First shall establish written policies and procedures to ensure that attorney disclosure statements, similar to that required by RESPA for providers of services, are provided as required by OTS regulations.

6. Within 30 days of the date of this Agreement, First shall establish written policies and procedures to ensure compliance with the OTS Mortgage Regulation (12 C.F.R. Section 563.99) as relates to adjustable rate mortgage (ARM) loans. Specifically, the adjustment notices shall be revised to provide the projected loan balance at the time of adjustment and written procedures shall be instituted to ensure that the required disclosures are provided to all applicants. First shall also revise its loan program disclosures for ARM loans so that the loan example accurately displays the history of the index used by First.

7. Within 90 days of the date of this Agreement, First shall revise the mortgage and consumer loan underwriting guidelines to clearly state the requirements for all types of loans available so as to avoid unclear or ambiguous terms as required by 12 C.F.R. Section 528.2a. The revised guidelines shall provide for nondiscriminatory lending on an equal opportunity basis. First shall adopt written policies and procedures to ensure nondiscriminatory underwriting standards are applied to all applicants.

8. Within 30 days of the date of this Agreement, First shall develop written procedures that will ensure that adverse action notices are sent to all applicants as required by the Equal Credit Opportunity Credit Act (Title VII, 15 U.S.C. 1601 et seq. and 12 C.F.R. Part 202). Additionally, First shall institute the necessary procedures to ensure that all rejected loan applications are retained for the minimum time periods prescribed by regulation.

9. Within 90 days of the date of this Agreement, First shall develop procedures that will allow its electronic funds transfer account holders to receive the necessary notice and ensure that First complies with requirements of the Electronic Funds Transfer Act (Title IX, 15 U.S.C. 1601 et seq. and 12 C.F.R. Part 205).

10. Within 60 days of the date of this Agreement, First shall revise its written program to include specific training procedures to ensure compliance with the Bank Secrecy Act (BSA) (31 U.S.C. 5311, 31 C.F.R. Part 103 and 12 C.F.R. Section 563.177). Such training shall include development of internal procedures to identify reportable transactions; review Currency Transaction Reports for completeness and accuracy before filing; and standardize methods of verifying customer identity. A written record of all BSA training shall be maintained.

11. Within 60 days of the date of this Agreement, First shall develop a written job description for the Compliance Officer. The duties shall include, but not be limited to developing and updating First's compliance program (including CRA) to ensure compliance with applicable laws and regulations, periodic reporting to the Board, and developing and implementing a program to train personnel in their compliance responsibilities.

12. Within 90 days of the date of this Agreement, First shall demonstrate an increased commitment to the goals of the Community Reinvestment Act (CRA). The Board shall establish a CRA program which shall address on-going ascertainment of community credit needs, marketing, community development and periodic review of the geographic distribution of loan applications, denials and extensions of credit throughout First's lending community. Furthermore, First shall prepare a demographic analysis of the Institution's delineated community which shall include, but not be limited to, information on low and moderate income areas within First's community, income levels of applicants and other demographic information pertaining to the community.

13. Within 120 days of the date of this Agreement, the Board shall provide a report to the OTS Assistant Director concerning the actions taken with respect to items 1 through 13 above. Any policies or procedures required by this Agreement shall be strictly adhered to by First, its officers, directors, employees and agents.

Closings

14. (a) Although the Board is by this Agreement required to submit certain proposed actions and programs for the review or approval of the Deputy Regional Director or his/her designee, the Board has the ultimate responsibility for proper and sound management of the Institution. In exercising and fulfilling its fiduciary duties, the Board may consider the reports of management, counsel, and other agents and consultants of the Board. Nothing contained herein shall require the Board or any member or agent thereof to take any action or omit to take any action inconsistent with his or her fiduciary duties.

(b) It is expressly and clearly understood that if, at any time, the OTS deems it appropriate in fulfilling the lawful responsibilities placed upon it by the several laws of the United States of America to undertake any lawful action affecting the Institution, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the OTS from doing so.

(c) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time limitations may be extended by the Deputy Regional Director or his/her designee for good cause upon written application by the Board.

(d) All technical words or terms used in this Agreement, for which meanings are not specified or otherwise provided by the provision of this Agreement, shall, insofar as applicable, have meanings as defined in the rules and regulations adopted by the OTS (including, without limitation, Chapter V of Title 12 Code of Federal Regulation). Any such technical words or terms used in this Agreement and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.

(e) The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

(f) It is understood that the execution of this Agreement shall not be construed as an approval of any application or notices that are contemplated by the Institution.

(g) Any report or other document required by this Agreement to be submitted to the OTS shall be filed with the Office of Thrift Supervision, 525 Vine Street, Suite 700, Cincinnati, Ohio 45202, Attn: Assistant Director. All reports and other documents shall be deemed filed when received by the OTS.

(h) In the event any provision of this Agreement shall be declared invalid, illegal, or unenforceable; the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(i) The section headings used in this Agreement are for convenience of reference only and are not to affect the construction of or be taken into consideration in the interpretation of this Agreement.

(j) This Agreement shall remain in effect until terminated, modified, or suspended by the OTS, acting through the Regional Director or his designee.

