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SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 26 day of June, 1992, by and between Eagle Federal Bank for Savings, Waynesboro, Mississippi (OTS No. 7498) ("Institution") for itself and any wholly-owned or partly-owned subsidiary, 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 Sections 902 and 907 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73 ("FIRREA"), §§ 902 and 907, 103 Stat. 183 (1989) (codified as amended at 12 U.S.C. §§ 1818(b)(1) and (i)(2)).

WHEREAS, the OTS is of the opinion that the Institution has not complied with certain of the statutes and regulations to which the Institution is subject in conducting the business of the Institution, specifically including 12 C.F.R. §§ 563.160 and 564.8, thereby providing grounds for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Institution for its failure to comply with 12 C.F.R. §§ 563.160 and 564.8, as of, or before, November 20, 1991, so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, the Institution is willing to enter into this Agreement to avoid the initiation of such cease and desist proceedings:

NOW, THEREFORE, in consideration of the above-stated forbearance by the OTS from the initiation of cease and desist proceedings against the Institution, it is agreed between the parties hereto as follows:

Approval of Executive Officers and Directors

1. Pursuant to § 914 of FIRREA and any regulations promulgated thereunder, the board of directors of the Institution ("Board of Directors") shall notify the Regional Deputy Director for the Dallas Area, Midwest Region, OTS, or his successor or designee ("Regional Deputy Director") of the proposed addition or employment of any director or senior executive officer or transfer of any senior executive officer before such addition, employment, or transfer becomes effective. The Board of Directors may not add or employ any director or senior executive officer or transfer laterally any senior executive officer if the Regional Deputy Director issues a notice of disapproval before the end of 30 days from the date on which the notice was deemed complete by the Regional Deputy Director, beginning on the date the Regional Deputy Director receives notice of the proposed addition or employment.

Asset Classification

2. (a) Within sixty (60) days of the effective date of this Agreement, the Board of Directors shall adopt and submit to the Regional Deputy Director an updated asset classification policy in compliance with the standards set forth in 12 C.F.R. §§ 563.46, 563.160, and 571.26. Upon the direction of the Regional Director, the Board of Directors shall amend this policy as so directed. The Institution shall comply with this policy as so amended.

(b) The updated asset classification policy shall:

- (i) provide for specific procedures for classifying each type of asset;
- (ii) provide for the classification of REO as no better than substandard unless reasonable, written substantiation exists and is incorporated in quarterly asset classification summary reports provided to the Board of Directors and unless the REO satisfies the criteria set forth in the updated asset classification policy pursuant to subparagraph (iii) hereof;
- (iii) provide the criteria that must be satisfied in order for REO not to be classified as no better than substandard;
- (iv) provide a definition of "in-substance foreclosure";
- (v) provide that any "in-substance foreclosure", as defined pursuant to subparagraph (iv) hereof, shall be accounted for on the Institution's books and in reports to OTS as REO;
- (vi) provide for the review of, and accounting for, loans to facilitate to ensure compliance with SFAS #66; and
- (vii) provide a specific methodology for the calculation and evaluation of general valuation allowances ("GVAs") which would include, but not necessarily be limited to, a historical loss analysis for each type of asset subject to a classification review.

(c) A thorough record of each meeting of the Institution's asset classification committee shall be maintained by that committee.

General Valuation Allowances

3. The Board of Directors shall, during each calendar quarter, review the Institution's GVAs in order to ensure that adequate GVAs are maintained by the Institution and to ensure that the Institution is in compliance with 12 C.F.R. § 563.160 and the guidelines of 12 C.F.R. § 571.26. The findings of the Board of Directors pursuant to this paragraph shall, in the case of each quarterly review, be accurately and thoroughly reflected in the minutes of the following regular meeting of the Board of Directors.

Consumer Loan Delinquencies

4. Within sixty (60) days of the effective date of this Agreement, the Board of Directors shall adopt and submit to the Regional Deputy Director a written plan designed to reduce consumer loan delinquencies of that time and to minimize consumer loan delinquencies in the future. Upon the direction of the Regional Deputy Director, the Board of Directors shall amend this plan as so directed. The Institution shall act in good faith to attempt to comply with the plan, as so amended.

Conflict of Interest

5. (a) Within thirty (30) days of the effective date of this Agreement, the Board of Directors shall adopt and submit to the Regional Deputy Director a written conflict of interest policy designed to ensure compliance with the requirements and guidelines of 12 U.S.C. § 375b, 12 C.F.R. §§ 563.40, 563.41, 563.43, 571.7, and 571.9. The Board of Directors shall amend this policy, if directed, as directed by the Regional Director. The Institution and its agents shall comply with this policy as amended. The Board of Directors shall monitor compliance with this policy.

(b) The Institution shall comply with all statutory and regulatory provisions cited in Paragraph 5(a) hereof.

(c) The Institution shall not extend credit to any executive officer, director, principal shareholder, related interest of the foregoing, or any affiliate unless such extension of credit is made on substantially the same terms as those prevailing at the time for comparable transactions with other persons.

Compensation of Certain Officers

6. The Institution shall not increase the compensation of any executive officer of the Institution without the prior, written approval of the Regional Director.

Investment, Appraisal and Lending Policies

7. The Institution, through the Board of Directors, shall submit to the Regional Deputy Director, within 30 days of the effective date of this Agreement, revised investment, appraisal and lending policies addressing deficiencies referenced in the report of examination for the most recent OTS safety and soundness examination of the Institution. The Institution, through the Board of Directors, shall amend these policies as directed by the Regional Deputy Director, if so directed, and shall comply with these policies, as so amended if so amended.

Disclosures

8. Prior to making a loan for which the debtor obtains credit life insurance or credit disability insurance in any manner, directly or indirectly, with the help or guidance of the Institution, the Institution shall:

(a) Receive a signed statement, the form of which must receive the approval of the Regional Deputy Director, that clearly and conspicuously states that the debtor has been informed, and understands, that the Institution does not require the debtor to obtain credit life or credit disability insurance; and

(b) Make all disclosures required, if any, under Regulation Z of the Board of Governors of the Federal Reserve System and the Truth in Lending Act.

9. (a) Within sixty (60) days of the effective date of this Agreement, the Institution shall cause its independent auditors to survey the lesser of either 250 or 20% of its outstanding consumer debtors, to be selected on a random basis, as to whether they were led by any agent or document of the Institution to believe they were required to obtain any insurance from a given provider as a condition for obtaining a loan from the Institution, notwithstanding any written statements to the contrary.

(b) Within sixty (60) days of the effective date of this Agreement, the Institution shall cause its independent auditors to provide it and the Regional Deputy Director with a written opinion, based upon the survey conducted pursuant to subparagraph (a) hereof, as to whether the consumer debtors of the Institution, or any substantial portion thereof, were led by any agent or document of the Institution to believe they were required to obtain any insurance from a given provider as a condition for obtaining a loan from the Institution. Such an opinion shall include an analysis of the survey as support for its conclusion.

(c) If the written opinion provided by the independent auditors pursuant to subparagraph (b) hereof indicates that the Institution's consumer debtors, or any substantial portion thereof, were led by any agent or document of the Institution to believe they were required to obtain any insurance from a given provider as a condition of obtaining a loan from the Institution, then the Institution shall, within one hundred (100) days of the effective date of this Agreement, mail to each of its consumer debtors (past or present) who was granted a loan from the Institution on or after December 3, 1990, a written notice stating that the debtor was not required to have insurance from a given provider as a condition of receiving credit from the Institution, that the Institution shall take no adverse action against the debtor if coverage is canceled, and that the Institution shall reimburse the debtor, or arrange for such reimbursement, for premiums paid for such insurance if it is canceled. In the case that any such reimbursement is requested, the Institution shall make or arrange such reimbursement and shall make a good-faith effort to obtain reimbursement, for any loss it sustains as a result, from the agent(s) responsible for the loss.

Unfair Credit Practices

10. The Institution shall not engage in any act or practice which constitutes an unfair act or practice pursuant to 12 C.F.R. § 535.2 and shall take appropriate remedial action in the case of any outstanding loans that involved such an act or practice in the past.

Prior Agreement

11. Upon execution of this Agreement, the requirements of a supervisory agreement of May 1, 1991, between OTS and the Institution shall be replaced by the requirements of this Agreement such that future actions by the Institution shall be subject to the terms of this Agreement and not to the terms of the supervisory agreement of May 1, 1991.

General Provisions

12. The Board of Directors shall maintain for review by the Regional Deputy Director a resolution signed by each director, certifying that, to the best of his or her knowledge and belief, and based on a prudent review, during the previous calendar month, the Institution and its subsidiaries complied with each condition of this Agreement. This resolution shall set forth any exceptions to any conditions of this Agreement that were approved by the Regional Deputy Director. Upon the request of the Regional Deputy Director, the Institution shall submit to the Regional Deputy Director a copy of the minutes of each Board of Directors' meeting, the minutes of any board of directors meeting of any subsidiary, the minutes of Board of Directors' committee(s) meetings, the aforementioned resolution for each calendar month, and any management report of the Institution.
13. (a) As used in this Agreement, the Regional Deputy Director is the "senior supervisory official" within the meaning of Section 723(d) of the FIRREA, § 723(d), 103 Stat. 183 (1989).

(b) As used in this Agreement, the term "subsidiary" or "subsidiaries" shall be as defined in 12 C.F.R. § 567.1(dd).

(c) As used in this Agreement, the term "savings association" shall have the meaning as set forth in Section 2(4) of the HOLA, as amended by Section 301 of the FIRREA, § 301, 103 Stat. 183 (1989).

(d) As used in this Agreement, the term "affiliate" shall be as defined in 12 U.S.C. § 371c(b).

(e) Reference in this Agreement to provisions of statutes, regulations, and OTS Memoranda shall be deemed to include references to all amendments to such provisions as have been made as of the effective date of this Agreement pursuant to Section 401(h) of the FIRREA, § 401(h), 103 Stat. 183 (1989), and references to successor provisions as they become applicable.

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, HOLA, and Federal Deposit Insurance Act, as amended ("FDIA"). Any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Memoranda shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

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.

This Agreement shall remain in effect until terminated, modified or suspended by the OTS, acting through the Regional Deputy Director.

IN WITNESS WHEREOF, the OTS, acting through the Regional Deputy Director, and the Institution, by its duly elected directors, have executed this Agreement on the date first above written.

EAGLE FEDERAL BANK FOR SAVINGS
Waynesboro, Mississippi

By:

15/
~~Director~~

OFFICE OF THRIFT SUPERVISION

By: *15/*
Regional Deputy Director