Ashe Federal Bank, West Jefferson, North Carolina, has applied pursuant to section 10(o) of the Home Owners’ Loan Act ("HOLA"), 12 U.S.C. § 1467a(o), and 12 C.F.R. § 575.7 for approval for its proposed successor savings association, Ashe Federal Bank, West Jefferson, North Carolina, (the "Association"), which would be a subsidiary of a mutual holding company, AsheCo, M.H.C. ("Mutual Holding Company"), to issue between 37.9% and 46.3% of its common stock to persons other than the Mutual Holding Company (the "Offering").

The OTS has considered the application under section 10(o) of the HOLA, and 12 C.F.R. § 575.7, and all other applicable statutes and regulations. In addition, the OTS has considered the digest submitted by the OTS Southeast Regional Office, a legal opinion from the Business Transactions Division, and an analysis by Corporate Activities. Based on its review, the OTS has determined that approval of the application is appropriate, provided the conditions set forth below are satisfied. Accordingly, the application is approved subject to the following conditions:

1. The Association’s capital stock to be sold in the Offering shall be sold in accordance with the application on Form MHC-2, and the restrictions set forth at 12 C.F.R. § 563.76;

2. Any additional offering materials not authorized for use by this Order are filed with and approved by the Chief Counsel, or his designee, prior to use;

3. Prior to the closing of the Offering, the Association shall submit an updated appraisal that is acceptable to the OTS; and
4. Promptly after the completion of the sale of all the shares of capital stock to be sold in connection with the Offering, the Association shall submit a certification by its chief executive officer stating the exact number of shares acquired in the Offering by persons other than the Mutual Holding Company, the gross and net proceeds of the Offering, and the date of completion of the Offering.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective October 2, 1996.

[Signature]

John F. Downey
Executive Director, Supervision