

OFFICE OF THRIFT SUPERVISION

**APPROVAL OF AN APPLICATION FOR CONVERSION TO
FEDERAL SAVINGS BANK CHARTER**

ORDER NO.: 98-67

DATE: June 30, 1998

IGA Federal Credit Union, Feasterville, Pennsylvania (the "Credit Union"), seeks approval of the Office of Thrift Supervision (the "OTS") pursuant to 12 C.F.R. §§ 543.8 and 543.9 for permission to convert from a federally-chartered credit union to a federal mutual savings bank to be known as IGA Federal Savings Bank, Feasterville, Pennsylvania (the "Savings Bank"). The Savings Bank will be a member of the Savings Association Insurance Fund. In addition, the Credit Union has applied under 12 C.F.R. § 559.11 for permission to retain control of its wholly owned subsidiary CUIGA Service Corporation (the "Subsidiary") upon consummation of the conversion. (Collectively, the "Applications.")

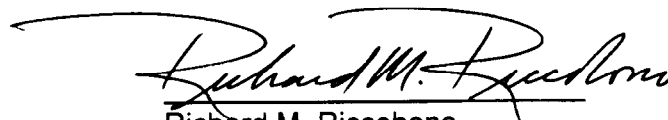
The OTS has considered the Applications under the factors set forth in 12 U.S.C. § 1464(e) and 12 C.F.R. §§ 543.2(g)(1), 543.8, 543.9, 559.3 and 559.11. The OTS has also considered the Applications under the Community Reinvestment Act and OTS regulations thereunder. In addition, the OTS has considered a digest from the Northeast Regional Office, an analysis prepared by Corporate Activities and a legal opinion from the Business Transactions Division (the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the Director, or her designee (the "Director") finds that the Applications satisfy the applicable approval standards, provided that the conditions set forth below are satisfied.

1. The proposed transaction shall be consummated no later than 120 calendar days after the date of this approval order, unless an extension is granted for good cause by the Northeast Regional Director, or his designee ("Regional Director");
2. On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officer of the Credit Union shall certify in writing to the Northeast Regional Office that no material adverse changes have occurred with respect to the financial condition or operation of the Credit Union since the date of the financial statements submitted with the Applications;
3. The Savings Bank must advise the Northeast Regional Office, in writing, within five (5) calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications and this Order;
4. The Savings Bank shall operate within the parameters of the submitted business plan. Any proposed major deviations or material changes from the submitted plan shall receive the prior written approval of the Regional Director. The request for approval shall be submitted a minimum of 30 days before the proposed change is anticipated. In the event of a proposed contractual change involving service providers, a revised plan shall be submitted a minimum of 15 days prior to entering into the contract;

5. Any changes that the Savings Bank initiates to its CRA plan within the three year period following approval of the application shall be subject to the approval of the Regional Director;
6. The Savings Bank shall be subject to an annual audit by an independent accountant, pursuant to 12 C.F.R. § 562.4, for the three (3) fiscal years following consummation of the proposed transaction;
7. The Savings Bank must comply with all asset investment limitations contained within Section 5(c) of the Home Owners' Loan Act at the earliest possible date without material loss to the Savings Bank, but no later than two years from the date of the transaction, unless such period is extended for good cause by the Regional Director;
8. The permanent appointment of Messrs. Incollingo, McBride, Warden, O'Connell, and Adelsberger and Ms. Bourlier as officers and/or directors of the Savings Bank is conditioned upon receipt of FBI clearance; and
9. The Savings Bank's Year 2000 Project Management Program must adhere to the terms, deadlines, requirements and conditions contained in the Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council ("FFIEC") including the May 5, 1997 *FFIEC Year 2000 Project Management Awareness* statement, the December 17, 1997 *FFIEC Safety and Soundness Guidelines Concerning the Year 2000 Business Risk*, the March 17, 1998 *FFIEC Guidance Concerning Institution Due Diligence in Connection with Service Provider and Software Vendor Year 2000 Readiness*, the March 17, 1998 *FFIEC Guidance Concerning the year 2000 Impact on Customers*, the April 10, 1998 *Guidance Concerning Testing for Year 2000 Readiness*, the May 13, 1998 *Guidance Concerning Contingency Planning in Connection with Year 2000 Readiness*, the May 13, 1998 *Guidance on Year 2000 Customer Awareness Programs* and any subsequent OTS or FFIEC Year 2000 guidance, regulations or other requirements.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By Order of the Director of the Office of Thrift Supervision, or her designee, effective June 30, 1998.


Richard M. Riccobono
Deputy Director