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SUPERVISORY AGREEMENT

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 This Supervisory Agreement ("Agreement") is made and is effective this 22 day of July, 1993 (the "Effective Date"), by and between First Northern Savings and Loan Association (the "Association"), a state chartered stock association, having its main office located at 924 11th Street, Greeley, Colorado, and the Office of Thrift Supervision ("OTS"), an office within the United States Department of the Treasury, having its principal executive offices located at 1700 G Street, N.W., Washington, D.C.

WHEREAS, the OTS is the primary federal regulator of the Association; and

WHEREAS, based on the Report of Compliance Examination dated March 29, 1993 ("ROCE"), the OTS, by and through the Regional Director for the Midwest Region or his designee or successor ("Regional Director") is of the opinion that the Association has engaged in acts and practices in operating the business of the Association that: (i) have resulted in violations of certain of the laws or regulations to which the Association is subject and/or (ii) are considered to be unsafe and unsound; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of administrative proceedings against the Association; and

WHEREAS, the OTS is of the view that it is appropriate to take measures intended to ensure that the Association will: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices; and

WHEREAS, the Board of Directors of the Association (the "Board"), without admitting or denying any violations of laws or regulations and/or unsafe and unsound practices, wishes to cooperate with the OTS and to evidence their intent to: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices.

NOW THEREFORE, in consideration of the above premises, the mutual undertakings set forth herein, the parties hereto agree as follows:

COMPLIANCE WITH LAWS AND REGULATIONS

1. The Association shall take all necessary and appropriate actions to achieve compliance with the following laws and regulations:
 - (a) Section 202.9(a) of Regulation B of the Board of Governors of the Federal Reserve System ("Federal Reserve"), 12 C.F.R. § 202.9(a) (regarding notification of loan applicants);
 - (b) Section 202.9(c) of Regulation B of the Federal Reserve, 12 C.F.R. § 202.9(c) (regarding incomplete applications);
 - (c) Section 203.4(a) of Regulation C of the Federal Reserve, 12 C.F.R. § 203.4(a) (regarding format and itemization in the compilation of loan data);

- (d) Section 226.18(d) of Regulation Z of the Federal Reserve, 12 C.F.R. § 226.18(d) (regarding finance charges);
- (e) Section 226.18(r) of Regulation Z of the Federal Reserve, 12 C.F.R. § 226.18(r) (regarding required deposits);
- (f) Section 226.20(a) of Regulation Z of the Federal Reserve, 12 C.F.R. § 226.20(a) (regarding refinancings);
- (g) Section 226.22(a) of Regulation Z of the Federal Reserve, 12 C.F.R. § 226.22(a) (regarding accuracy of annual percentage rate);
- (h) Section 563.177 of the OTS Regulations, 12 C.F.R. § 563.177 (regarding procedures for monitoring Bank Secrecy Act compliance);
- (i) Section 3500.21 of Regulation X of the Department of Housing and Urban Development, 24 C.F.R. § 3500.21 (regarding mortgage servicing transfers); and
- (j) Section 10(c)(2) of the Real Estate Settlement Procedures Act, 12 U.S.C. § 2609(c)(2) (regarding escrow account statements).

CORRECTIVE PROVISIONS

Consumer Compliance Program

- 2. (a) Unless the Association has already done so since the issuance of the ROCE, within 90 days after the Effective Date, the Board shall establish and adopt a written program designed to ensure compliance ("Compliance Program") with the applicable consumer and public-interest related laws and regulations, including, but not limited to, those referenced in Paragraph 1 hereof.
- (b) The Compliance Program (regardless of whether adopted before or after the Effective Date) shall provide for written policies and procedures that set forth the requirements of the applicable laws and regulations, including those referenced in subparagraph (a) hereof, as well as incorporate the OTS regulatory guidelines, and shall, at a minimum, include:
 - (i) a designated individual(s) (compliance officer(s)) to coordinate and monitor the program;
 - (ii) internal control;
 - (iii) independent testing of compliance;
 - (iv) training; and
 - (v) any other specific requirements of the applicable laws and regulations.
- (c) Within 30 days after the Effective Date, the Board shall designate or reaffirm a qualified Consumer Compliance Officer to coordinate and monitor the program.

- (d) The Association, acting through its Board, shall amend its Compliance Program (regardless of whether adopted before or after the Effective Date), or any portion thereof, as directed (if directed) by the Regional Director, and shall, acting through its Board, officers, employees, and other agents, comply with the Compliance Program, as so amended (if so amended), and with the statutes and regulations referenced in this Agreement.

Monitoring of Bank Secrecy Act

3. Within 60 days of the Effective Date, the Association, through its Board, shall develop and provide for the continued administration of a program reasonably designed to assure and monitor compliance with the recordkeeping and reporting requirements of the Bank Secrecy Act and the implementing regulations promulgated thereunder, including, but not limited to, those requirements regarding completion of currency transaction reports, completion of monetary instrument logs, maintenance of an exemption list, and completion of a proper record of the purpose of loans in excess of \$10,000 unsecured by an interest in real property.

Truth In Lending

4. (a) The Association shall properly calculate annual percentage rates and finance charges and disclose the annual percentage rates and finance charges accordingly in its Truth in Lending disclosures on consumer loans.
- (b) The Association shall properly disclose to the consumer a statement that the annual percentage rate does not reflect the required deposit in each case in which the Association makes a consumer loan to a consumer, requires the consumer to maintain a deposit as a condition of such consumer loan, and such required deposit earns less than 5% per year.
- (c) The Association shall properly provide new Truth in Lending Disclosures on all refinancings of consumer loans.
- (d) Within 60 days of the Effective Date, the Association shall cause a file search of all consumer loans originated or refinanced since the last OTS examination of the Association prior to the compliance examination commenced on March 29, 1993 in order to determine whether annual percentage rates and finance charges were properly disclosed. With regard to such loans in which disclosure of annual percentage rates or finance charges were improperly disclosed, the Association shall accordingly make, within 120 days of the Effective Date, appropriate restitution in accordance with the Truth in Lending Act and the Interagency Policy Guide for Restitution.

Home Mortgage Disclosure

5. The Association shall properly maintain its Home Mortgage Disclosure Act Loan/Application Register by providing identifying application and loan numbers, by providing the correct amount of the requested loan in

applications, by providing correct application dates, by providing the date of action taken on applications, and by making appropriate entries on all applications for, and originations and purchases of, home-purchase and home-improvement loans.

Equal Credit Opportunity

6. (a) The Association shall, within 30 days after receiving each completed application for credit, notify the applicant of the approval of, counteroffer to, or adverse action on the application.
- (b) In each case in which the Association receives an incomplete application for credit, the Association shall provide the applicant with a proper notice of incompleteness.
- (c) In each notice of adverse action provided to an applicant for credit, the Association shall provide the correct name and address of the federal agency that administers compliance with respect to the Association (i.e., the OTS or its successor, as appropriate).

Real Estate Settlement Procedures

7. (a) The Association shall provide proper notification of servicing transfers on federally-related mortgage loans.
- (b) The Association shall provide properly-completed escrow statements to borrowers on federally related mortgage loans in accordance with Section 10(c)(2) of the Real Estate Settlement Procedures Act, 12 U.S.C. § 2609(c)(2).

BOARD OF DIRECTORS

Compliance with Agreement

8. (a) The Board and executive officers of the Association shall take immediate action to cause the Association to comply with the terms of this Agreement and shall take all actions necessary or appropriate thereafter to cause the Association to continue to carry out the provisions of this Agreement.
- (b) The Board, on a monthly basis, shall adopt a Board Resolution (the "Compliance Resolution") formally resolving that, following a diligent inquiry of relevant information (including reports of management), to the best of its knowledge and belief, during the immediately preceding calendar month, the Association has complied with each provision of this Agreement currently in effect, except as otherwise stated. The Compliance Resolution shall: (i) specify in detail how, if at all, full compliance was found not to exist, and (ii) identify all notices of exemption issued by the Regional Director that were outstanding as of the date of its adoption.

- (c) The minutes of the meeting of the Board shall set forth the following information with respect to the adoption of each Compliance Resolution: (i) the identity of each Director voting in favor of its adoption; and (ii) the identity of each Director voting in opposition to its adoption or abstaining from voting thereon, setting forth each such Director's reasoning for opposing or abstaining.
- (d) No later than the 25th calendar day of the month following the end of a calendar quarter, beginning with the end of the first calendar quarter following the Effective Date, the Association shall provide to the Regional Director a certified true copy of the Compliance Resolution adopted at the Board meeting of each month in such calendar quarter. The Board, by virtue of the Association's submission of a certified true copy of each such Compliance Resolution to the Regional Director, shall be deemed to have certified to the accuracy of the statements set forth in each Compliance Resolution, except as provided below. In the event that one or more Directors do not agree with the representations set forth in a Compliance Resolution, such disagreement shall be noted in the minutes of the Association.

MISCELLANEOUS

Definitions

9. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires: (a) the terms used in this Agreement have the meanings assigned to them in this Section 9 and include the plural as well as the singular; (b) all accounting terms not otherwise defined have the meanings assigned to them in accordance with generally accepted accounting principles in the United States, except that if such terms are defined in the Rules and Regulations of the OTS, such regulatory definitions shall be controlling; (c) all terms not otherwise defined herein that are defined in the Home Owners' Loan Act, as amended, the FDIA, the Rules and Regulations of the OTS or its publicly available bulletins and Advisory Memoranda shall have the meanings assigned to them in such statutes, Rules and Regulations, Bulletins, and Advisory Memoranda; and (d) all technical words or terms not subject to a definition in this Agreement shall have the meanings that accord with the best custom and usage in the thrift and banking industries.

"Advisory Memoranda" refers, to inter alia, R Memoranda and T Memoranda issued by the staff (or agents) of the OTS (or its predecessors in interest).

"Board Resolution" means a resolution duly adopted by the Board at a duly called and held meeting of the Board (or a Committee thereof) at which a quorum was present.

The Regional Director is the senior supervisory official in the Midwest region of OTS.

"FDIA" means the Federal Deposit Insurance Act, as amended.

Successor Statutes, Regulations, Guidance, Amendments

10. 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 and references to successor provisions as they become applicable.

Duration, Termination or Suspension of Agreement

11. (a) This Agreement shall: (i) become effective upon its execution by the OTS, through its authorized representative whose signature appears below and (ii) remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director or the Regional Director.
- (b) The Regional Director, in his or her sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

Time Limits

12. Time limitations for compliance with the terms of this Agreement run from the Effective Date, unless otherwise noted.

Effect of Headings

13. The Section headings herein are for convenience only and shall not affect the construction hereof.

Separability Clause

14. In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his/her sole discretion determines otherwise.

No Violations of Law, Rule, Regulation or Policy Statement Authorized;
OTS Not Restricted

15. Nothing in this Agreement shall be construed as: (i) allowing the Association to violate any law, rule, regulation, or policy statement to which it is subject or (ii) restricting or estopping the OTS from taking any action(s) that it believes are appropriate in fulfilling the responsibilities placed upon it by law.

Successors in Interest/Benefit

16. 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. Nothing in this Agreement, express or implied, shall give to any person or

entity, other than the parties hereto, the Resolution Trust Corporation, and the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

Signature of Directors

17. Each Director signing the Agreement attests, by such act, that she or he, as the case may be, voted in favor of the resolution, in the form attached to this Agreement, authorizing the execution of this Agreement by the Association.

Enforceability of Agreement

18. The Association represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Association. The Association acknowledges that this Agreement is a "written agreement" entered into with the OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. §1818.

IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director, and the Association, in accordance with a duly adopted resolution of its Board (copy attached hereto), hereby execute this Agreement as of the Effective Date.

OFFICE OF THRIFT SUPERVISION

THE ASSOCIATION

By:

By:

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Harlan Halsne
Regional Deputy Director
Designee of Regional Director

151
John Kundert
Chief Executive Officer

DIRECTORS OF THE ASSOCIATION

Director

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Director

Director

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Director

Director

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Director

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Director~~

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly appointed and qualified Secretary of First Northern Savings and Loan Association, Greeley, Colorado ("the Association") hereby certify as follows:

1. A duly called meeting of the Board of Directors of the Association was held on July 12, 1993;
2. At said meeting a quorum was present and voting throughout;
3. The following is a true copy of resolutions duly adopted by the Association's Board of Directors, which resolutions have not been rescinded or modified and are now in full force and effect:

WHEREAS, the Board of Directors of the Association wishes to cooperate with the Office of Thrift Supervision and to demonstrate that said Board and the Association have the intent and ability to: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices; and

WHEREAS the Directors of the Association have read and considered the proposed Supervisory Agreement ("Agreement") which shall be attached to the minutes of this meeting; and

WHEREAS after due consideration, the Directors of the Association have determined to cause the Association to enter into the proposed Agreement which is in the best interest of the Association;

NOW THEREFORE, BE IT RESOLVED, that the Association be and it hereby is authorized to enter into the Agreement in the form attached to the minutes of the meeting,

FURTHER RESOLVED, that the execution and delivery of, and performance of all of the provisions of the Agreement be, and they hereby are, authorized and approved,

FURTHER RESOLVED, that the Directors and Officers of the Association be, and they hereby are, authorized and directed to execute and deliver the Agreement and to take all steps necessary or appropriate to implement the terms of the Agreement and to cause the Association to comply in all respects with the terms of the Agreement.

4. All members of the Board of Directors were present and voted at the meeting (except _____) and all members of the Board of Directors (except _____) voted in favor of the resolution;

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IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of the Association on this 14 day of July, 1993.

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Name: [Signature]
Title: Secretary

(SEAL)