



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Corporate Decision #249
July 1997

June 30, 1997

Mr. R. Keith Cullinan
Spokesperson
New Covenant Trust Company, National Association (Proposed)
200 E. 12th Street
Jeffersonville, Indiana 47310

Re: Application by Presbyterian Church (U.S.A.) Foundation to charter a national trust bank with the title "New Covenant Trust Company, National Association,"
Jeffersonville, Indiana
Application Control Number: 97-CE-01-0023

Dear Mr. Cullinan:

The Office of the Comptroller of the Currency ("OCC") has reviewed your application to establish a new national trust bank with the title of New Covenant Trust Company, National Association, Jeffersonville, Indiana ("Bank"). The Bank will engage solely in fiduciary activities. After a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval.

We have based our decision to grant preliminary conditional approval based on a thorough review of all information available, including representations and commitments made in the application and by the applicant.

We also made our decision to grant preliminary conditional approval with the understanding that the proposed national trust bank will not be insured by the FDIC and the expectation that the proposed Bank will obtain membership in the Federal Reserve System.

Major deviations from the operating plan or changes in the composition of the board of directors, ownership, or chief executive officers that the OCC has not approved may result in withdrawal of preliminary conditional approval.

The charter approval is subject to the following conditions:

1. The Bank's initial Tier 1 capital, net of all organizational and pre-opening expenses, shall be no less than \$2 million.

2. The Bank shall maintain a minimum of \$2 million in Tier 1 capital at all times. As detailed in your application, you have represented that the Foundation will enter into an agreement with the Bank that the capital of the Bank will not be allowed to fall below \$2 million.
3. The Bank shall ensure that its operations are limited to that of a trust bank and that deposits other than trust funds are not accepted.
4. The limitations of the Bank's activities must be fully enumerated in the Bank's Articles of Association. Specifically, the articles must state clearly that:
 - The business of the association will be limited to that of a national trust bank.
 - The Bank must obtain the prior written OCC approval before amending its Articles of Association to expand the scope of its activities and services.
5. The Bank must maintain on file on its premises current financial information on the Presbyterian Church (U.S.A.) Foundation, (e.g. audited financial reports, quarterly financial statements, 10-K and 10-Q reports, 8-K reports as appropriate). The financial information must be provided to the Bank's supervisory office once it becomes available.

Please be advised that the above listed conditions of this approval shall be deemed to be conditions "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. §1818(b)(1). The conditions are enforceable under 12 U.S.C. §1818 as specifically applied to uninsured national banking associations under section 1818(b)(5).

You may now form a body corporate and begin organizing the Bank, as soon as you adopt and forward the Articles of Association and Organization Certificate to the Central District Office. As a body corporate or legal entity, you may begin to take those steps necessary for obtaining final approval, but you may not accept any appointment as fiduciary until you fulfill all requirements for a bank in organization and final approval is granted. (See Corporate Organization Booklet enclosed.)

The trust officers and staff should become thoroughly familiar with "Fiduciary Powers of National Banks and Collective Investment Funds" at 12 CFR 9 and 12 CFR 5.26.

Enclosed are procedural requirements that must be met before the Bank will be allowed to commence business. Please note that some of the requirements referenced in the enclosed package may not be applicable since the Bank's activities will be limited to those of a national trust bank. It is the responsibility of management to ensure that the applicable policies and procedures are established and adopted by the Board of Directors before the Bank commences business.

We require that, prior to opening, the Bank engage an independent, external auditor to perform an audit according to generally accepted auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the Bank (or consolidated holding company), taken as a whole. The audit period shall commence on the date that the organizing group forms a body corporate and may end on any calendar quarter-end no later than 12 months after the Bank opens. We expect that such audits will be performed on an annual basis for at least five years following commencement of operations. The Bank will also need to have an annual independent fiduciary audit as required in 12 CFR 9. Engagement of an auditor will be verified during the pre-opening examination.

The OCC has no objection to the following persons serving as executive officers and directors of the proposed bank:

<u>Name</u>	<u>Proposed Position</u>
R. Keith Cullinan	Director/ President/ CEO
Ralph R. Allen	Director
Larry D. Carr	Director
Stewart Clifford	Director
Chapman B. Cox	Director
Frank Stout Deming	Director
Edwin Thomas Johnson	Director
John S. Keck	Director
William Lauderbach	Director
Dennis J. Murphy	Director
Aubrey Patterson	Director
Merrell Peters	Director
Bridget O'Leary Piper	Director
W. Taylor Reveley, III	Director
Ray Tanner	Director

Additional executive officers are subject to the prior review and clearance of the OCC. Also please note that OCC requires that you obtain prior approval of additions or changes in directors or executive officers for two years after the bank opens for business.

Mr. R. Keith Cullinan
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The OCC hereby grants your waiver request of the residency requirements of 12 U.S.C. 72 for the majority of the board of directors of New Covenant Trust Company, N.A., subject to modifications to the bank's plan that provide for monthly meetings of the board. Given the physical distance of the majority of directors from the bank, teleconferencing and/or videoconferencing options may be utilized. The board should be mindful of its responsibility to consistently operate the bank in a safe, sound, and legal manner regardless of the directors' residencies. Please understand that the OCC reserves the right to withdraw or modify this waiver and, at our discretion, to request additional information at any time in the future.

The Articles of Association and Organization Certificate should be forwarded to the OCC within thirty days.

The OCC will send you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications under separate cover.

You should direct any questions concerning this preliminary conditional approval to Carolina Ledesma, Senior Corporate Analyst or Dave Rogers, Licensing Manager, in the Central District Office, at (312) 360-8850.

Sincerely,

/s/,

John O. Stein
Acting Director for Corporate Activity
Bank Organization and Structure

Enclosures

Corporate Organization Booklet
Procedural Requirements
Minimum Policies and Procedures