



**Comptroller of the Currency
Administrator of National Banks**

Southern District Licensing
500 North Akard, Suite 1600
Dallas, Texas 75201-3323

October 26, 2011

**Conditional Approval #1012
November 2011**

Garold R. Base
CEO and President
ViewPoint Bank
1309 W. 15th Street, Suite 400
Plano, Texas 75075

Re: Conversion of ViewPoint Bank, Plano, Texas into ViewPoint Bank, National Association, Plano, Texas; Control No. 2011-SO-02-0002; and Branch Relocation Control No. 2011-SO-07-0026

Dear Mr. Base:

The Comptroller of the Currency has reviewed your request, dated May 10, 2011, to convert ViewPoint Bank, Plano, Texas ("ViewPoint") to a national bank and retain all its branches. After a thorough review of all information available, including the representations and commitments made in the application and by ViewPoint's representatives, we find that your request meets the requirements for conditional approval to convert to a national banking association pursuant to 12 C.F.R. Part 5.24 as follows:

Title: ViewPoint Bank, National Association
Location: 1309 W. 15th Street, Plano, Texas 75075

This conversion approval is subject to the following conditions:

1. ViewPoint: (i) shall give the Dallas Field Office at least sixty (60) days prior notice of the ViewPoint's intent to significantly deviate or change from its business plan or operations and (ii) shall obtain the OCC's written determination of no objection before ViewPoint engages in any significant deviation or change from its business plan or operations.¹ The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a ViewPoint's notice. This condition shall remain in effect for three years.

¹ For purposes of this Significant Deviation Requirement, the phrase "significantly deviate" and "significant deviation" shall be construed in light of the guidance provided in Appendix G (Significant Deviations After Opening) of the "Charters" booklet of the *Comptroller's Licensing Manual* (February 2009), and any subsequent revisions. The requirement that the Bank obtain the OCC's prior written determination of no supervisory objection to a significant deviation does not apply to transactions for which the Bank is required by statute or regulation to seek formal prior written OCC approval or no objection.

2. ViewPoint will maintain the liquidation account that was established as a result of its conversion from a mutual to a stock form of ownership

3. ViewPoint shall not declare or pay a dividend on its capital stock if the dividend would reduce ViewPoint's capital below the level required for the liquidation account and unless such dividend also complies with applicable regulatory capital distribution requirements.

The conditions of this approval are 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 and, as such, is enforceable under 12 U.S.C. § 1818.

The OCC approves ViewPoint's plans to continue the following activity in ViewPoint Bankers Mortgage, Inc., the bank's operating subsidiary. ViewPoint Bankers Mortgage performs mortgage lending related activities.

This letter constitutes official OCC authorization to operate the branches on the attached list.

This letter is also the official OCC authorization for ViewPoint to relocate Branch Number 150684A from 10203 East Northwest Highway, Dallas, Texas to 9625 Audelia, Dallas, Texas. Within 10 days after relocating the branch, the bank must advise this office of the branch's opening date, so the OCC may complete its records. Please reference the CAIS control number 2011-SO-07-0026 in your letter.

You should retain this letter as the official branch authorization. OCC branch numbers have been assigned to each of the branches. If, at some time in the future, the bank desires to close a branch, the requirements of 12 U.S.C. § 1831r-1 must be met, including the submission of a 90-day advance notice of the proposed branch closing to the OCC. Following the branch closing, a final closing notice should be submitted to the OCC and the branch authorization must be surrendered. In the event the branch is sold, the branch authorization should also be surrendered to the OCC.

ViewPoint has requested permission to retain two limited partnership investments that engage in community development projects as public welfare investments pursuant to 12 U.S.C. § 24(Eleventh) and 12 C.F.R. Part 24.

The first entity, Lone Star CRA Investment, Inc., L.P. (the "LSCRA"), is a limited partnership through which ViewPoint made investments totaling \$1,571,480. The LSCRA used those funds to make equity and equity-oriented investments in middle-market companies located in low- to moderate-income communities throughout the state of Texas. ViewPoint attests that the investments undertaken by the LSCRA comply with the public welfare, primary beneficiary requirement of 12 C.F.R. § 24.3 by primarily benefitting low- and moderate-income areas.

The second entity, the Lone Star New Markets, L.P. (the "LSNM"), is a Community Development Entity certified by the U.S. Department of the Treasury's CDFI Fund. ViewPoint made investments, totaling \$3,115,678, in the LSNM which qualify for Federal New Market Tax Credits. The LSNM used those funds to make qualifying equity investments to stimulate private

investment and economic growth and development in low-income urban neighborhoods and rural communities and small businesses in Texas. ViewPoint attests that investments undertaken by the LSNM comply with the public welfare, primary beneficiary requirement of 12 C.F.R. § 24.3 by primarily benefitting low- and moderate-income areas and areas targeted for redevelopment by a government entity, or the investments otherwise would be considered qualified investments under 12 C.F.R. § 25.23 of the Community Reinvestment Act.

ViewPoint indicates the aggregate investments and outstanding commitments in the LSCRA and LSNM that it would like to retain as public welfare investments under 12 C.F.R. Part 24 and 12 U.S.C. § 24 (Eleventh) total \$4,687,158. ViewPoint also attests that its investments in the LSCRA and LSNM comply with the investment limit requirements of 12 C.F.R. § 24.4. As such, the investments are structured so they will not expose ViewPoint to unlimited liability upon consummation of the transaction.

Further, the percentage of ViewPoint's capital and surplus represented by its total aggregate investments and outstanding commitments that are the subject of this transaction will be approximately 1.52 percent. In no event shall ViewPoint's aggregate public investments and commitments under 12 C.F.R. Part 24 and 12 U.S.C. § 24 (Eleventh) exceed 15 percent of its capital and surplus. If requested by the OCC, ViewPoint will provide reports concerning its public welfare investments.

Consequently, ViewPoint's retention of its investments in the LSCRA and LSNM after consummation of the conversion will promote the public welfare consistent with 12 U.S.C § 24(Eleventh) and 12 C.F.R. Part 24 and may be retained.

You are reminded that the following items must be satisfactorily addressed on or before the effective date of the conversion:

1. If a director, officer, employee, or principal shareholder of the bank (including an entity in which such person owns an interest of 10 percent or more) is involved in the sale of credit life insurance to loan customers, the bank should ensure compliance with 12 C.F.R. Part 2, which among other things, prohibits a covered person from retaining commissions or other income from the sale of credit life insurance connected with any loan the bank makes.
2. ViewPoint has represented that it intends to maintain its membership in the Federal Home Loan Bank (FHLB) system. If, at any time, ViewPoint ceases to be a member of the FHLB system, it must use its best efforts, including contacting the appropriate FHLB or the Federal Housing Finance Board, to dispose of any stock in the FHLB. The OCC will consider this stock a nonconforming asset for any period that ViewPoint is not a member of the FHLB system.
3. The board of directors must adopt and have in place policies, practices, and procedures to ensure the safe and sound operation of the bank. The Board also must review those policies, practices, and procedures continually and ensure the bank's compliance with them. We are enclosing the Minimum Policies and Procedures for national banks.

4. The converting institution must apply to the Federal Reserve for membership.
5. The directors must own qualifying shares in conformance with 12 U.S.C. § 72 and 12 C.F.R. Part 7.2005.
6. If the converting institution is subject to the Home Mortgage Disclosure Act (HMDA), the bank must ensure that its reporter identification number included on its HMDA transmittal sheet is changed to reflect its new OCC charter number.
7. The converting institution must notify the OCC if the facts described in the filing materially change at any time prior to consummation of the conversion.
8. The converting institution must ensure that all other required regulatory approvals have been obtained.

Upon completion of all steps required to convert to a national banking association, submit the "Conversion Completion Certification" (enclosed) certifying that you have done so.

When the institution has satisfactorily completed all of the above steps, the OCC will issue a Conversion Completion Acknowledgment officially authorizing the institution to commence business as a national banking association. At that time, you will receive the charter certificate. If the conversion is not consummated within six months from the date of the decision, the approval will automatically terminate unless the OCC grants an extension of the time period. The OCC is opposed to granting extensions, except under the most extenuating circumstances and expects the conversion to occur as soon as possible.

The OCC will send to you, under separate cover, an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the *Comptroller's Licensing Manual*, which is available in electronic form on our Web site <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

Regarding ViewPoint's notification to the OCC pursuant to 12 C.F.R. §§ 163.22(b)(1)(ii) and 163.22(h)(1) ("Notification"), the OCC concludes that ViewPoint has the legal authority to undertake the proposed transaction and does not have any additional comments on the Notification. Please surrender all official copies of ViewPoint's Federal savings association charter at the time you submit the Conversion Completion Certification.

This conditional approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our conditional approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the

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transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A separate letter is enclosed requesting your feedback on how we handled the referenced application. We would appreciate your response so that we may improve our service. All correspondence regarding this application should reference the CAIS control number. If you have any questions, please contact Senior Licensing Analyst Brenda E. McNeese at (214) 720-7052.

Yours truly,

Karen H. Bryant

Karen H. Bryant
Director for District Licensing

Enclosures: Branch Listing
Sample Conversion Completion Certification
Survey Letter