



Comptroller of the Currency
Administrator of National Banks

Licensing Department
250 E. Street, S.W.
Washington, DC 20219

Conditional Approval #1029
May 2012

March 29, 2012

David P. Minton
President and CEO
Heartland Bank
212 South Central Avenue
St. Louis, MO 63105-3506

Re: Heartland Bank, St. Louis, MO – (Charter Reference No. 702165)
Application to Establish an Operating Subsidiary (OCC Control No. R4-2011-0185)
Love Funding Corporation, Washington, D.C.

Dear Mr. Minton:

This is in response to your operating subsidiary application, filed on behalf of Heartland Bank (“Bank”) requesting approval pursuant to 12 U.S.C. 1828(m)(1) and 12 C.F.R. Part 159, for the establishment of a wholly-owned operating subsidiary, Love Funding Corporation (“LFC”), headquartered in Washington, D.C. LFC is an existing company that is currently owned by the Bank’s parent holding company, Love Savings Holding Company (“LSHC”), and is engaged in the origination of FHA commercial mortgage loans to be sold as GNMA securities. LSHC will contribute LFC to the Bank and LFC will become a wholly-owned subsidiary of the Bank.

12 C.F.R. Part 159 requires that the Office of the Comptroller of the Currency (“OCC”), in determining whether to approve an operating subsidiary application, consider whether: (1) the subsidiary will engage only in activities permissible for federal associations to engage in directly; (2) the federal association will own, directly or indirectly, more than 50 percent of the voting shares of the operating subsidiary; and (3) any person or entity other than the federal association will exercise effective operating control over the operating subsidiary.¹ In addition, the OCC may, at any time, limit a savings association’s investment in operating subsidiaries, or may limit or refuse to permit any activities of an operating subsidiary, for supervisory, legal, or safety and soundness reasons.²

Based on a thorough review of all available information, including the representations and commitments made in the application and by the Bank’s representative, the OCC concludes that

¹ 12 C.F.R. §§ 159.2, 159.3(c)(1), and (e)(1).

² 12 C.F.R. § 159.1(a).

the activities of LFC are legally permissible for federal savings associations and their operating subsidiaries.

The OCC approves the Bank's proposal to establish LFC and operate it as a wholly-owned subsidiary, subject to the following conditions:

1. The Bank's Board of Directors and Management shall take all steps necessary to ensure that the commitments set forth in the letter dated February 21, 2012, by David P. Minton, President and Chief Executive Officer of the Bank, to Travis W. Wilbert, Director for District Licensing, are fully adopted, timely implemented and adhered to thereafter.
2. For a period of three years from the date of consummation of the subject transaction, the Bank shall: (i) give the OCC St. Louis Field Office at least 60 days prior written notice of its intent to significantly deviate or change from the business plan or operations,³ and (ii) obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's notice.
3. Within 30 days of the date of this letter and prior to consummation of the transaction, the Bank shall enter into, and thereafter implement and adhere to, a written Operating Agreement with the OCC, in a form acceptable to the OCC, which will require the Bank to enter into an indemnification agreement with its parent holding company.

The conditions of this approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

This 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 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 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.

³ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

Heartland Bank
St. Louis, MO
OCC Control No. R4-2011-0185

Please provide this office with written notification on the effective date of the transaction and confirmation that the transaction was consummated in accordance with applicable laws and regulations and the Bank's application.

I am enclosing a letter requesting your feedback on how we handled the referenced application. We would appreciate your response so we may continue to improve our service. If you have any questions contact Valarina Oliver-Dumont, Central District Licensing Analyst, at (312) 360-8886 or email Valarina.Oliver-Dumont@occ.treas.gov.

Sincerely,

signed

Stephen A. Lybarger
Deputy Comptroller for Licensing

Enclosure