

## **Reduction of Permanent Capital and Capital Distribution Notice**

### **General Information and Instructions**

#### **Preparation and Use**

This notice is used to effect a transaction under 12 CFR 5.55 by federal savings associations (FSAs or applicant) for certain capital distributions. This notice informs the Office of the Comptroller of the Currency (OCC) that an FSA proposes a capital distribution involving a non-cash payment, distribution of property, payment in kind, or solely a reduction in permanent capital based on the requirements under the regulation. An FSA must file a notice with the OCC before making a capital distribution, based on the criteria specified in the regulation. 12 CFR 5.55 also specifies types of capital distributions that require the filing of an application (Reduction of Permanent Capital Application or Dividends Payable in Property Other than Cash).

FSA capital distributions involving solely a cash dividend from retained earnings, or involving a cash dividend from retained earnings that also results in a reduction in permanent capital, should be submitted to the appropriate OCC supervisory office.

All questions must be answered with complete and accurate information that is subject to verification. If the answer is “none,” “not applicable,” or “unknown,” so state. Answers of “unknown” should be explained.

The questions in the notice are not intended to limit the applicant’s presentation nor are the questions intended to duplicate information supplied on another form or in an exhibit. For such information, a cross-reference to the information is acceptable. Any cross-reference must be made to a specific citation or location in the documents, so the information can be found easily. Supporting information for all relevant factors, setting forth the basis for the applicant’s conclusions, should accompany the notice. The OCC may request additional information.

This notice form collects information that the OCC will need to evaluate the reason for, and the impact of, a capital distribution. The OCC must consider the applicable regulatory requirements set forth above when acting on this notice. For additional information regarding the regulatory requirements, as well as processing procedures and guidelines and any supplemental information that may be required, refer to the OCC’s procedural guidelines in the *Comptroller’s Licensing Manual*. The applicant may contact the OCC directly for specific instructions or visit the OCC’s Web site at [www.occ.gov](http://www.occ.gov).

#### **Submission**

In addition to an original notice and the appropriate number of signed copies, submit an electronic copy of the information in the notice, especially of the business plan’s financial projections, if applicable. For e-mail submissions, contact the OCC for instructions and information about secure transmission of confidential material.

## **Confidentiality**

Any applicant desiring confidential treatment of specific portions of the notice must submit a request in writing with the notice. The request must discuss the justification for the requested treatment. The applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position, invasion of privacy) that would result from public release of information (5 USC 552 or relevant state law). Information for which confidential treatment is requested should be (1) specifically identified in the public portion of the notice (by reference to the confidential section); (2) separately bound; and (3) labeled "Confidential." The applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the notice. Contact the OCC for any further questions regarding requests for confidential treatment.

## Reduction of Permanent Capital and Capital Distribution Notice

### Applicant

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Name

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Current street address

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City

State

Zip code

### Parent Company Identifying Information (if applicable)

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Name

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Street

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City

State

Zip code

### Contact Person

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Name

Title

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Employer

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Street

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City

State

Zip code

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Telephone no.

Fax no.

E-mail address

Overview: Please provide the pertinent information and answer all applicable questions.

1. Purpose and description of the distribution
2. Date(s) of distribution
3. Dollar amount of distribution
4. Does the distribution comply with all applicable laws and regulations?

Yes  No

If no, please explain.

5. For capital distributions payable in property other than cash, describe the property and indicate the actual current and book values. Discuss how the values were determined and provide an independent analysis of the actual current value.

6. Is the FSA currently subject to a capital plan filed with the OCC?

Yes  No

If yes, has the capital plan been approved by the OCC?

Yes  No

If yes, does the capital plan allow for capital distributions?

Yes  No

7. Is the FSA in compliance with the Qualified Thrift Lender test or operating per an exception under 12 USC 1467?

Yes  No

If operating per an exception, please describe. Also, if the capital distribution will violate any prohibitions/conditions imposed by the OCC or reduce capital below what is required for the FSA's liquidation account under 12 CFR 192, please explain.

**NOTE: Discuss and confirm any change in the bank's capital category and the legal lending limit with your supervisory office.**

**OCC CERTIFICATION**

**I certify that the bank’s board of directors, shareholders, or a designated official has authorized the filing of this notice.** I certify that the information contained in this notice has been examined carefully and is true, correct, complete and current as of the date of this submission.

I acknowledge that any misrepresentation or omission of a material fact with respect to this notice, any attachments to it, and any other documents or information provided in connection with this notice may be grounds for the OCC to require cessation of the proposed activity, and may subject the undersigned to legal sanctions, including the criminal sanctions provided for in Title 18 of the United States Code.

I acknowledge that 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. I further acknowledge that the foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

\_\_\_\_\_  
President or other authorized officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Employer