

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS
"An Equal Opportunity Employer and Service Provider"

APPLICATION FOR TRUST POWERS BY A
STATE-CHARTED SAVINGS AND LOAN ASSOCIATION

A savings and loan association seeking authority to offer trust services must make application to the Superintendent of Financial Institutions pursuant to Section 1151.348 of the Ohio Revised Code. The application consists of the following information:

1. A copy of the association's last audited financial statement showing sufficient capital to exercise trust powers (see Section 1111.05 of the Ohio Revised Code).
2. A statement identifying the types of trust services to be offered by the applicant and the proposed schedule of fees for each type of service.
3. A description of the needs of the community for trust services and the probable volume of trust business available to the applicant, including a description of the market area and the trust services already available in the area, a list of the names and addresses of the existing providers of trust services in the area, and the need for additional trust services
4. A pro-forma statement of fiduciary income and expense for three years (form attached).
5. A description of the supervision to be given to the trust department, which should include a trust department audit conducted at least annually by independent auditors (a copy of which must be sent promptly to the Division); acknowledgment by the Board of Directors that the Board is responsible for the proper exercise of trust powers; an annual review by the Board of all trust assets to determine if the investments should be retained or disposed of and whether the investments were made in accordance with the governing instrument and the applicant's policies and procedures; and a copy of the minutes of the Board meeting at which the administration of trust powers was assigned to any directors, officers, employees, or committees.
6. A description of the qualifications, experience, character, job descriptions, salary or other remuneration, and titles of the trust officers and members of the trust committee.
7. The identity, experience and remuneration of the legal counsel retained to advise and pass upon trust matters.
8. A copy of the Board of Directors resolution authorizing creation of the trust department.
9. A copy of any application for trust powers submitted to any federal regulatory agency, including comments and responses.

10. A detailed description of the fidelity insurance, directors' and officers' liability insurance, and fiduciary errors and omissions insurance as they relate to trust activities. Indicate whether the trust activities of outside counsel will be covered by such insurance.
11. If fiduciary services will be offered at other than the main office, a statement of where and what personnel will be utilized at those facilities.
12. A description of the proposed physical facilities (e.g., location in institution, vault, number of offices, conference room, etc.) of the trust department. If additional facilities will be acquired or leased, provide details as to total expenses and whether the prospective seller or lessor of such facilities is a shareholder, director, officer, or employee of the institution. Provide a copy of the purchase or lease agreement.
13. A description of the methods to be used for record keeping of fiduciary accounts. If computerized, indicate the type of system and whether it will be maintained on- or off-premises. Include a copy of any contract for off-premises servicing.
14. A copy of the written policies and procedures of the trust department, which should address the requirements set forth in Section 1151.348 of the Revised Code.

Upon consideration of the information provided, the Superintendent may grant full or limited trust powers to the association, provided that:

1. The association deposits \$100,000 in cash or acceptable securities (see Section 1111.04 of the Revised Code) with the Federal Reserve Bank of Cleveland or a trust company qualified under Section 1111.04(F) of the Revised Code to secure the faithful discharge of trust duties pursuant to Section 1151.348(E) of the Ohio Revised Code. Such deposits must be approved by the Superintendent of Financial Institutions by filing an original signed copy of the Authority to Deposit Securities (Trust Form 4 enclosed) prior to depositing the securities.
2. If required, an amendment to the association's Articles of Incorporation must be properly filed with the Secretary of State reflecting the authority to engage in trust business. Evidence of shareholder approval of the amendment must be submitted to the Superintendent, along with the Certificate of Amended Articles of Incorporation and the necessary filing fee.

Upon receipt of Trust Form 4 evidencing the deposit of \$100,000 in securities with the Federal Reserve Bank of Cleveland or a qualified trustee and the filing of the amendment to the Articles of Incorporation, if required, the Superintendent will authorize the association to engage in trust business.

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Application for authority to **deposit** securities with

(Qualified Trustee)

This form must be completed and an original forwarded to the Division of Financial Institutions in order to deposit the following described security with a qualified trustee pursuant to Section 1151.348(E) of the Ohio Revised Code as security for the faithful discharge of trust duties. ***A certified copy of the resolution of the Board of Directors of the savings and loan association authorizing the two undersigned officers of the association to deposit and withdraw, from time to time, securities pledged to secure trust powers must accompany this form.***

Name of Savings and Loan Association _____

Address _____

Serial/CUSIP Number	Kind and Description	Maturity	Par Value

The undersigned hereby certify that the aforesaid security is not in default as to the payment of principal or interest and that it meets the eligibility requirements of Section 1111.04 of the Ohio Revised Code.

IN WITNESS WHEREOF, _____ and
(Name and Title)

_____ of _____
(Name and Title)

_____, acting for and on behalf of said corporation, have hereunto subscribed their names and caused the seal of said corporation to be hereunto affixed this _____ day of _____, 20__.

By _____
Signature

By _____
Signature

Pro Forma for Fiduciary Income and Expense Projections

(in 000's dollars)

	Year One	Year Two	Year Three
Operating Income			
Estates and Trusts	\$	\$	\$
Custodial and Agency Accounts			
Corporate Trusts (e.g., Indentured Trustee, Transfer Agent)			
Employee Benefit Trusts			
Other Operating Income			
TOTAL OPERATING INCOME	\$	\$	\$
Operating Expense			
Officers' Salaries and Benefits	\$	\$	\$
Employees' Salaries and Benefits			
Bank Premises - Net Occupancy Expense			
Furniture and Equipment Expense			
Other Expenses (use separate schedule)			
TOTAL OPERATING EXPENSE	\$	\$	\$
NET OPERATING INCOME	\$	\$	\$
Income Taxes			
Net Operating Income (Loss)			
Number of Officers			
Number of Employees			
Number of Accounts			