# **APPLICATION TO ORGANIZE A NEW STATE BANK**

# **General Information**

Per Iowa Administrative Code (IAC) Chapter 187-2.1, persons desiring to organize a state-chartered bank should first meet with the Superintendent of Banking (Superintendent) to discuss the proposal. The meeting can be scheduled by contacting the Iowa Division of Banking (IDOB) at (515)-281-4014.

All sections of the application should be completed. Indicate if a section is not applicable (N/A).

The applicant should contact its primary Federal regulatory authority to determine any Federal requirements for the application.

The bank may consult an attorney to draft or review the applicable legal documents, if desired.

All correspondence will be sent to the contact person listed on the application.

**Fees and Submission**

Submit via mail one executed copy of the completed application, the Articles of Incorporation, and a copy of the Application for Deposit Insurance provided to the Federal Deposit Insurance Corporation (FDIC). Include payment of the $15,050 application fee via a check made payable to the IDOB. The application fee will be refunded if the application is not accepted. After the application is accepted, the fee is not refundable.

**Public Disclosure of Information**

The Superintendent may treat all information submitted with this application as public information unless the applicant properly requests that information be treated as confidential at the time of submitting the application. The Superintendent’s release of information is governed by Iowa Code Chapters 22 and 524 and IAC Chapter 187-7. The Superintendent will copy public records as required to comply with the public records laws.

Any request for confidential treatment of information must be included in a cover letter submitted with the application. In addition, the applicant must enumerate the specific grounds in Iowa Code Chapter 22 or other applicable law which supports treatment of the material as confidential.

Each page of the application upon which confidential information appears must be conspicuously marked as containing confidential information. **Applicants may not identify the entire application as confidential.**

If the applicant designates any portion of the application as confidential, the applicant must submit a “public” copy of the application from which the confidential information has been excised. The public copy must be clearly marked as “Public Copy – Excludes Confidential Information” and will be made available for public inspection and copying in accordance with the IDOB’s fee schedule. The confidential material must be excised from the public copy in such a way as to allow the public to determine the general nature of the material removed.

The Superintendent will treat the information marked confidential as confidential information if the Superintendent or a court of competent jurisdiction determines the information is entitled to confidential treatment under Iowa Code Chapter 22 or other applicable law. The Superintendent reserves the right to release information designated as confidential if the Superintendent determines there is no legal basis to withhold the information from public inspection.

It is the applicant’s responsibility to identify and properly excise the information it believes to be confidential from the public copy. The applicant’s failure to request confidential treatment of material or failure to provide a public copy with the confidential information excised will be deemed by the Superintendent as a waiver of any right to confidentiality which the applicant may have had and shall relieve the Superintendent from any responsibility if the information is viewed by the public or a competitor.

# **Publication**

Within 30 days of acceptance of the application by the Superintendent, a notice of the application is to be published once in a newspaper of general circulation in the city/town in which the principal place of business of the proposed new state bank is to be located. Proof of publication is to be furnished to the IDOB as soon as possible following the publication. Templates are provided below under “Public Notice of Application to Approve a New State Bank” and “Proof of Publication.”

Interested persons may submit written comments or request a hearing within 30 days following the date of the publication notice. If a public hearing is to be held in connection with the application, the Superintendent sets the hearing date and provides notice to interested parties.

# **Incorporation Information**

* Incorporators — One or more individuals 18 years of age or older, a majority of whom must be residents of Iowa and U.S. citizens.
* Directors — Five or more individuals 18 years of age or older, a majority of whom must be residents of Iowa and U.S. citizens.
* Articles of Incorporation — Must comply with Iowa Code Section 524.302.
* Officers— At least three officers including a president, one vice president, and a cashier, with no more than two of such positions held by the same individual. One officer must be named chief executive officer who must be a member of the board of directors.

# **Application Processing**

* The Superintendent reviews the submitted application and supplemental items. The application is accepted for processing once the information is deemed accurate and complete. If accepted for processing, a letter will be forwarded to the contact person informing them of the acceptance date with instructions to commence publication.
* The IDOB will conduct a review of the application to determine satisfactory compliance with the requirements of Iowa Code Section 524.305. The review will ensure the following:
	+ The Articles of Incorporation and supporting items are satisfactory. A template is provided below under “Articles of Incorporation.”
	+ The convenience and needs of the public will be served.
	+ Population density and economic characteristics of the area to be served are sufficient to provide adequate support for the proposed new bank.
	+ Character and fitness of the incorporators or organizers and the initial board will command the confidence of the community to be served and the business of the proposed new bank will be conducted honestly and efficiently.
	+ The proposed capital structure is adequate.
* The Superintendent notifies the applicant in writing of approval or denial within 180 days of the applications’ acceptance. The approval will be contingent on applicant(s) receiving approval from the FDIC to provide deposit insurance.
* If approved, an Order will be prepared and signed by the Superintendent.
* The Superintendent will deliver the Articles of Incorporation to the Secretary of State for filing and recording. The filing date will be the effective date unless a later date is specified in the Articles of Incorporation. The Articles of Incorporation can be filed with the Secretary of State up to 90 days prior to the effective date.
* The following pre-opening forms are furnished to the Superintendent:
	+ Certification by a correspondent bank that capital funds are on deposit. A template is provided below under ‘Certification.”
	+ Statement by the chief executive officer that the required capital has been paid in and that the bank will be operated in compliance with Iowa Code Chapter 524.
* An Authorization to do Business will be issued as of the date the new bank is opened for business.
* The Notice of Issuance of Authorization to do Business must be published once within two weeks following commencement of operations in a newspaper of general circulation in the city/town in which the principal place of business of the new bank is located with an affidavit of publication furnished to the Superintendent of Banking. Templates are included under “Proof of Publication” and “Notice of Issuance of Authorization to do Business.”

**The Superintendent reserves the right to request additional information beyond the items noted above.**

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# **APPLICATION TO ORGANIZE A NEW STATE BANK**

**Applicant(s)**

|  |  |
| --- | --- |
| Name: |  |
| Address: |  |
| City: |  | County: |  |
| State: |  | ZIP Code: |  |
| Contact person: |  |
| Email address: |  | Phone: |  |

[The below information can be deleted if there is only one applicant.]

|  |  |
| --- | --- |
| Name: |  |
| Address: |  |
| City: |  | County: |  |
| State: |  | ZIP Code: |  |
| Phone: |  |
| Email address: |  |

## **History**

Provide a brief history of any banking institution of which the assets and liabilities are to be assumed in whole or in part by the proposed new state bank.

Describe the services to be provided by the proposed new state bank and the days and hours the bank is to be open for business.

## **Facility**

Describe the premises to be occupied. If the property is to be purchased, include a copy of the purchase agreement and a summary of the costs to be incurred to prepare the facility for occupancy, including furniture, fixtures, and equipment. In the case of new construction, provide a summary of the costs. Describe any plans for temporary quarters. If the property is to be leased, provide a copy of the proposed lease and a summary of the costs to prepare the leased premises for occupancy.

Describe any business or personal affiliations between the seller or lessor of the property and the bank, bank holding company, or any other affiliate of the proposed new state bank and any of the directors, officers, and shareholders of the proposed new state bank, bank holding company, or other affiliate.

Indicate the name that will be used for the proposed new state bank. List all financial institutions either headquartered or with offices in your proposed market area. If another institution uses the same or similar name, indicate what steps you have taken to reduce the new state bank’s exposure to a trademark dispute over the name.

## **Capital Structure and Earnings Prospects**

The proposed new state bank is to maintain adequate total capital accounts in relation to the true value of its total assets. In addition, the proposed new state bank is not to refinance, either directly or indirectly, any loan, advance, or credit extension made to any prospective shareholder by any existing financial institution or by others, if such loan, advance, or credit extension was made to a prospective shareholder to obtain funds for purchase of stock in the proposed new state bank.

Complete the information regarding the capital structure of the proposed state bank.

| CAPITAL | NUMBER OF SHARES | PAR VALUE PER SHARE | AMOUNT |
| --- | --- | --- | --- |
| Preferred stock |  |  |  |
| Common stock |  |  |  |
| Surplus |  |  |  |
| Undivided profits |  |  |  |
| TOTAL  |  |  |  |

Describe what contingencies are in place for additional capital should growth exceed expectations.

Provide three-year proforma balance sheets and income statements for the proposed new state bank and the bank holding company, if applicable. Estimates should include business generated by any proposed office(s).

## **Management**

The proposed new state bank is to maintain sufficient surety bond coverage in conformance with generally accepted banking practices.

Provide names of the directors and officers for the proposed new state bank. Include a brief description of his/her past business and banking experience and other qualifications and a brief statement of his/her proposed duties in connection with the operation of the proposed new state bank.

| DIRECTORS | OCCUPATION, EXPERIENCE, AND PAR VALUE OF STOCK OWNED |
| --- | --- |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

| OFFICERS | TITLE, DUTIES, AND EXPERIENCE |
| --- | --- |
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Describe any anticipated changes in the proposed directorate or officers of the new state bank in the first year of operation.

List any proposed directors, officers, or employees of the new state bank that have been convicted of a criminal offense involving dishonesty or a breach of trust.

Detail the indebtedness of the above directors and officers and their unincorporated companies to any predecessor institution, the indebtedness of corporations in which any of the above directors or officers are substantially interested to any predecessor institution, securities held by any predecessor institution issued by corporations in which any of the above directors or officers are substantially interested, and the indebtedness of others to any predecessor institution collateralized by securities issued by corporations in which any of the above directors or officers are substantially interested. The term indebtedness includes direct and indirect liabilities.

Detail each prospective shareholder, excluding officers and directors, who will own 10 percent or more of the aggregate par value of stock to be issued by the proposed new state bank and the aggregate par value of common or preferred stock to be purchased by each prospective shareholder.

## **Needs of the Community, Population Density, and Economic Characteristics**

Describe the trade area, including the population, to be served by the proposed bank office(s).

Indicate the projected deposits to be generated by operation of the proposed new state bank in the first three years after establishment.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year one: | $ | Year two: | $ | Year three: | $ |

Explain how the proposed new state bank intends to meet the convenience and needs of the residents of the city/town and trade area to be served. Also, describe whether the population density and other economic characteristics of the area provide reasonable promise of adequate support for the bank.

# **ACKNOWLEDGEMENT**

In connection with this application, the applicant(s) of the proposed new state bank has read the following applicable provisions of the Iowa Code and IAC which govern the organization of new state banks, namely:

524 Subchapter III Incorporation

Section 524.302 Articles of incorporation

Section 524.401 Minimum capital

IAC 187-2.1 Organization of a state-chartered bank

The applicant(s) hereby acknowledges that he/she has also read the explanation about public disclosure of information contained in the application instructions and that he/she understands that the information submitted with the application will be treated as public information unless the applicant has requested confidential treatment of material in the application and submitted a “public” copy of the application from which the confidential information has been excised.

The undersigned hereby certify that the statements contained in this application are true to their best knowledge and belief.

|  |
| --- |
|  |
| Signature |
|  |
| Signature |
|  |
| Date |

# **ARTICLES OF INCORPORATION****OF*(BANK)**(CITY/TOWN)*, IOWA**

 Pursuant to Iowa Code Chapter 524, the undersigned incorporator(s) do hereby adopt the following Articles of Incorporation.

**ARTICLE I**

 The name of the state bank shall be ***(name — Iowa Code Section 524.310)***.

**ARTICLE II**

 The location of the principal place of business will be ***(physical address) (city/town)***, ***(county)*** County, State of Iowa.

**ARTICLE III**

 The state bank is incorporated under the Iowa Banking Act for the purpose of conducting the business of banking as a state bank ***(with or without)*** fiduciary powers, subject to the powers and duties conferred by Iowa Code Chapter 524.

**ARTICLE IV**

 The duration of the state bank shall be perpetual.

**ARTICLE V**

 The aggregate number of shares which this bank has authority to issue is ***(number)*** shares of common stock, with a par value of ***(dollars)***, totaling ***(dollars)***. [Express the number of common stock, par value, and total in words.]

**ARTICLE VI**

 The initial board of directors shall be composed of ***(number)*** directors who shall serve until the first annual meeting of the shareholders or until their successors are elected and qualify. The names and addresses of the individuals who shall serve as directors are as follows (minimum of five directors, 18 years or older, the majority must be Iowa residents and U.S. citizens per Iowa Code Section 524.601(1)).

| NAME | ADDRESS |
| --- | --- |
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**ARTICLE VII**

 The name(s) and address(es) of the incorporator(s) is:

| NAME | ADDRESS |
| --- | --- |
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**ARTICLE VIII**

 The annual meeting of the shareholders shall take place at ***(place)*** (for example: the principal office of the state bank) on ***(day/month of meeting)*** (for example: the second Monday of January or the specific month). [See Sections 524.532 and 524.302(1)(g) of the Iowa Code.]

**ARTICLE \_\_\_\_\_**

 Other provisions not inconsistent with law which the shareholders elect to set forth for management of the internal affairs of the state bank.

 I/We, the undersigned incorporator(s), have signed the Articles of Incorporation on ***(date)***.

|  |
| --- |
|  |
| Name of Bank Adopting the Articles of Incorporation |
|  |
| Signature |
|  |
| Signature |

|  |  |  |  |
| --- | --- | --- | --- |
| State of Iowa |  | ) |  |
|  |  | ) | SS |
| County of  |  | ) |  |

 On ***(date),*** before me, a Notary Public in and for the State of Iowa, personally appeared ***(name)*** and ***(name)***, who, being by me duly sworn, did say that they are the person(s) named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

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|  |
| Notary Public in and for Said County and State |

# **PUBLIC NOTICE OFAPPLICATION FOR APPROVAL OF A NEW STATE BANK**

 The undersigned incorporator(s) has delivered to the Superintendent of Banking an application to organize a new state bank to be known as ***(name)***, to be located at ***(address)****,* ***(city/town)****,* ***(county)*** County, Iowa.

 The proposed state bank will be incorporated under Iowa Code Chapter 524, for the purpose of conducting the business of banking as a state bank ***(with or without)*** fiduciary powers, subject to the duties and possessing all of the powers now or hereafter provided in Iowa Code Chapter 524.

 The names and addresses of the initial board of directors are as follows:

***(insert names and addresses)***

 The application was accepted for processing on ***(date)***.

 You are hereby notified that any interested person may submit written comments and information to the Superintendent of Banking concerning the application within 30 days after the publication of this notice.

 You are hereby further notified that any interested person may submit a written request to the Superintendent of Banking for a hearing on the application within 30 days after the publication of this notice. The request shall state the nature of the issues or facts to be presented and the reasons why written submissions would not be sufficient to make an adequate presentation to the Superintendent of Banking.

 Comments or request for a hearing shall be addressed to: Superintendent of Banking, 200 East Grand Avenue, Suite 300, Des Moines, Iowa 50309.

 This notice is published pursuant to Iowa Code Sections 524.304 and 524.305(3).

|  |
| --- |
|  |
| Name and Address of Incorporator |
|  |
| Name and Address of Incorporator |
|  |
| Date |

**PROOF OF PUBLICATION**

|  |
| --- |
|  The undersigned, an officer of ***(name of newspaper)***, a newspaper published in ***(city/town)***, ***(county)*** County, Iowa, states that the Notice of Application for Approval of a New State Bank by ***(name)***, was published in the newspaper on ***(date)***, and that a copy of the notice as published is affixed. |
|

|  |
| --- |
| Signature |
|  |
| Printed Name and Title |
|  |
| Date |

|  |  |  |  |
| --- | --- | --- | --- |
| State of Iowa |  | ) |  |
|  |  | ) | SS |
| County of  |  | ) |  |

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|  |
| **Attach Clipping** |
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|  |
|  Subscribed and sworn to before me this ***(date).***

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| Notary Public in and for Said County and State |

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# **CERTIFICATION**

Superintendent of Banking

State of Iowa

Des Moines, Iowa

RE: ***(bank)***

 ***(city/town)***, Iowa

 This is to certify that there is on deposit as of ***(date),*** in the ***(bank)***, located at ***(city/town)***, State of ***(state)***, the sum of ***(dollars)*** to the credit of the above-named state bank.

 That no part of said deposit has been directly or indirectly loaned by this bank for the purpose of showing that the capital structure of the bank is fully paid in cash with the understanding that such loan or loans will be repaid after the bank receives authorization to do the business of banking, and

that this bank has no lien of any kind against the deposit.

|  |
| --- |
|  |
| Bank |
|  |
| Name and Title |
|  |
| Date |

|  |  |  |  |
| --- | --- | --- | --- |
| State of Iowa |  | ) |  |
|  |  | ) | SS |
| County of  |  | ) |  |

Sworn and subscribed to in my presence by ***(name)***, ***(title)***, of ***(bank)***, ***(city/town)***, ***(state)***, on***(date)***.

|  |
| --- |
|  |
| Notary Public in and for Said County and State |

TO: Superintendent of Banking, State of Iowa, Des Moines, Iowa

 The undersigned chief executive officer of ***(bank)***, a state bank organized under Iowa Code Chapter 524, does solemnly swear that:

The original capital, surplus, and undivided profits of ***(bank)*** has been paid in by the stockholders and allocated as follows:

|  |  |
| --- | --- |
| CAPITAL | AMOUNT |
| Capital |  |
| Surplus |  |
| Undivided profits |  |
| TOTAL  |  |

The business of ***(bank)*** will be conducted in compliance with Iowa Code Chapter 524.

This statement, under oath, is given pursuant to Iowa Code Section 524.308(1), to provide for issuance by the Superintendent of Banking of an authorization to do business, provided that in no event shall ***(bank)*** initiate any banking business, including but not limited to accepting deposits, unless and until Federal Deposit Insurance is acquired by ***(bank)***.

|  |
| --- |
|  |
| Signature of Chief Executive Officer |

|  |  |  |  |
| --- | --- | --- | --- |
| State of Iowa |  | ) |  |
|  |  | ) | SS |
| County of  |  | ) |  |

 On ***(date),*** before me, a Notary Public, personally appeared ***(name)***, who, being duly sworn, executed the foregoing instrument and acknowledged that ***(he or she)*** executed the same as ***(his or her)*** voluntary act and deed.

|  |
| --- |
|  |
| Notary Public in and for Said County and State |

# **NOTICE OF ISSUANCE OFAUTHORIZATION TO DO BUSINESS**

***(bank)***, with its principal place of business located at ***(address),*** *(****city/town)****,* ***(county)*** County, Iowa, was granted an authorization to do business as a state bank ***(with or without)*** fiduciary powers by the Superintendent of Banking of the State of Iowa on ***(date)***. The shareholders of ***(bank)*** shall not be personally liable for the debts and obligations of the state bank.

The names and addresses of the initial board of directors are as follows:

| NAME | ADDRESS |
| --- | --- |
|  |  |
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|  |  |

**PROOF OF PUBLICATION**

|  |
| --- |
|  The undersigned, an officer of ***(name of newspaper)***, a newspaper published in ***(city/town)***, ***(county)*** County, Iowa, states that the Notice of Issuance of Authorization to do Business by ***(bank)***, was published in the newspaper on ***(date)***, and that a copy of the notice as published is affixed. |
|

|  |
| --- |
| Signature |
|  |
| Printed Name and Title |
|  |
| Date |

|  |  |  |  |
| --- | --- | --- | --- |
| State of Iowa |  | ) |  |
|  |  | ) | SS |
| County of  |  | ) |  |

 |  |
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|  |
| **attach clipping** |
|  |
|  |
|  |
|  |
|  Subscribed and sworn to before me this ***(date).***

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| --- |
|  |
| Notary Public in and for Said County and State |

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