



## **APPLICATION TO ESTABLISH A LOAN PRODUCTION OFFICE**

### **INFORMATION FOR THE APPLICANT**

Schedules or inserts may be attached to this application whenever the space provided is insufficient. Attached schedules or inserts are a part of this application and should be on paper the same size as this page. Applications are to be securely bound.

An applicant shall file one original application form, one printed copy, and an electronic copy of any application form and all attachments. A complete copy should be retained by the bank. If a different application is required by the appropriate federal regulatory agency, one copy of that application should be submitted to the Director.

Requests for clarification as to what information is necessary to complete this application should be directed to the Division of Banking.

You may provide any information in addition to that requested in this application which, in your opinion, might aid in the disposition of your proposal.

Complete responses to all questions in this application will expedite application processing.

In preparing your application, keep in mind that the application will be treated as public information for purposes of SDCL 1-27-1. It is the responsibility of the applicant to identify the information submitted with the proposal which it deems CONFIDENTIAL clearly and on separate pages. However, the determination of the question of confidentiality and the discretion to release information submitted to it resides with the Director and the specific information you indicate to be confidential may be made available for public review after consideration.

### **POLICY CONSIDERATIONS IN CONNECTION WITH THE PROPOSAL**

A bankruptcy clause should be included in leases. An example of such a clause follows:

“Notwithstanding any other provisions contained in this lease, in the event the Lessee is closed or taken over by the Director of Banking of the State of South Dakota, or other bank supervisory authority, the Lessor may terminate the lease only with the concurrence of the Director or other bank supervisory authority, and such authority shall in any event have the election either to continue or to terminate the lease; Provided, that in the event this lease is terminated, the maximum claim of Lessor for damages or indemnity for injury resulting from the rejection or abandonment of the unexpired term of the lease shall in no event be in an amount exceeding the rent reserved by the lease, without acceleration, for the year next succeeding the date of the surrender of the premises to the Lessor, or the date of re-entry of the Lessor, whichever first occurs, whether before or after the closing of the bank, plus an amount equal to the unpaid rent accrued, without acceleration up to such date.”

Any payment or arrangement to/with any bank-related party such as a director, officer, a shareholder who owns more than 5 percent of the bank, or their relatives or business interests must be fully detailed and supported.

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**Section I.**

**GENERAL INFORMATION**

NAME OF BANK: \_\_\_\_\_

**COMPLETE ADDRESS OF MAIN OFFICE:**

STREET: \_\_\_\_\_

MAILING ADDRESS (IF DIFFERENT THAN STREET ADDRESS): \_\_\_\_\_

CITY: \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

**COMPLETE ADDRESS OF PROPOSED LOAN PRODUCTION OFFICE:**

STREET: \_\_\_\_\_

MAILING ADDRESS (IF DIFFERENT THAN STREET ADDRESS): \_\_\_\_\_

CITY: \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

**BANK REPRESENTATIVE RESPONSIBLE FOR RESPONDING TO QUESTIONS RELATING TO THIS APPLICATION:**

NAME/TITLE: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

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**Section II.**

**RESOLUTION OF BOARD OF DIRECTORS OF APPLICANT BANK**

The Board of Directors of the Applicant at a meeting duly called and held on \_\_\_\_\_ adopted the following Resolution:

“WHEREAS, it is the sense of this meeting that application should be made on behalf of this bank to the Director of the South Dakota Division of Banking (Director) for written consent to establish a loan production office at

\_\_\_\_\_  
(Street Address) (City) (State) (Zip)  
in accordance with provisions of South Dakota codified laws and federal statutes; NOW, THEREFORE, IT IS RESOLVED, That the President or Vice President of this bank are hereby authorized and directed to make application on behalf of this bank to the Director to establish a loan production office at

\_\_\_\_\_  
(Street Address) (City) (State) (Zip)  
and to submit in connection therewith information and to provide such assurances as may be required for the purpose of inducing the Director to grant written consent to the establishment of a loan production office as indicated in this Resolution.”

The above Resolution has not been rescinded or modified and has been duly entered in the minutes book of the Applicant bank. Application is made, hereby.

\_\_\_\_\_  
Signature of President or Vice President \_\_\_\_\_ Date

ATTEST: \_\_\_\_\_  
Cashier or Secretary \_\_\_\_\_ Date

SEAL:

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**Section III.**

**FIXED ASSET EXPENDITURES**

**TEMPORARY QUARTERS**

(Complete only if temporary quarters are anticipated)

STREET: \_\_\_\_\_ MONTHLY RENTAL: \_\_\_\_\_

DIRECTION AND DISTANCE FROM PERMANENT QUARTERS: \_\_\_\_\_

BRIEF PHYSICAL DESCRIPTION:

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**PERMANENT QUARTERS ANTICIPATED**

BRIEF PHYSICAL DESCRIPTION:

CHECK ONE: \_\_\_\_\_ OWNED \_\_\_\_\_ LEASED

<b>IF OWNED:</b>	LAND	TOTAL COST
	BUILDING	_____
	FURNITURE AND EQUIPMENT	_____
	TOTAL FIXED ASSET EXPENDITURE	_____

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<b>IF LEASED</b>	LEASEHOLD IMPROVEMENTS	_____
	FURNITURE AND EQUIPMENT	_____
	TOTAL FIXED ASSET EXPENDITURE	_____

GIVE BASIC TERMS OF LEASE (Term, rate, renewal or purchase options, etc.)

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LIST IN DETAIL ANY PLANS OF THE BANK TO FINANCE THE CONSTRUCTION OF THE LOAN PRODUCTION OFFICE BUILDING OR OTHER FIXED ASSETS IN CONNECTION WITH THE SUBJECT PROPOSAL. (If none, so state.)

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**STATUTORY LIMITATION ON INVESTMENT IN FIXED ASSETS (SDCL 51A-4-9):**

Total Bank Investment in Fixed Assets (Excluding proposed branch)	_____
Total Fixed Asset Expenditure Associated with Proposed Branch	_____
TOTAL PROPOSED FIXED ASSET EXPENDITURE	_____

TOTAL CAPITAL STOCK AND SURPLUS (As of most recent Report of Condition) \_\_\_\_\_

TOTAL PROPOSED FIXED ASSET EXPENDITURE/TOTAL CAPITAL STOCK AND SURPLUS \_\_\_\_\_ %

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**Section IV.**

**RELATIONSHIPS AND ASSOCIATIONS WITH APPLICANT**

*Are any architects, real estate brokers, the sellers or lessors of land, buildings, or equipment listed herein otherwise directly or indirectly associated with the Applicant?     YES     NO    (If YES, complete the following.)*

NAME	ITEM <i>(Mark Appropriate Column)</i>			RELATIONSHIP OR ASSOCIATION WITH BANK (Specify Director, 5% Shareholder, or their relatives or business interests)
	Land	Building	Equipment	

*If any fixed assets are to be purchased or leased from a related party, describe the manner in which the terms were established with any supporting documentation of the reasonableness of the cost(s):*

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**Section V.**

**FEES PAID IN CONNECTION WITH THE PROPOSAL**

Name of Recipient	Type of Fees Paid			Relationship Association with Applicant (Specify Director, Officer, 5% Stockholder, or their relatives. Designate any business interests.)	Amount
	Legal	Consulting	Other		

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**Section VI.**

**ESTIMATED EXPENSES OF PROPOSED LOAN PRODUCTION OFFICE**

DESCRIPTION	ESTIMATED AMOUNT		
	First Year	Second Year	Third Year
Expenses:			
Salaries and benefits.....	_____	_____	_____
Net occupancy expense (details below).....	_____	_____	_____
Furniture and equipment (depreciation, rental, etc.).....	_____	_____	_____
Other operating expenses:			
Advertising.....	_____	_____	_____
Stationery and supplies.....	_____	_____	_____
Telephone.....	_____	_____	_____
Legal.....	_____	_____	_____
Postage.....	_____	_____	_____
Computer services.....	_____	_____	_____
Fees paid to regulatory authorities.....	_____	_____	_____
Miscellaneous.....	_____	_____	_____
Total Estimated Expenses.....	_____	_____	_____
Net Occupancy Expense:			
Rent.....	_____	_____	_____
Depreciation.....	_____	_____	_____
Heat, light and power.....	_____	_____	_____
Maintenance (including janitor's salary).....	_____	_____	_____
Insurance.....	_____	_____	_____
Taxes on real estate.....	_____	_____	_____
Other occupancy expenses.....	_____	_____	_____
Total Occupancy Expenses.....	_____	_____	_____
Less: Rental income anticipated.....	_____	_____	_____
Net Occupancy Expense.....	_____	_____	_____

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COMMENTS:

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**Section VII.**

**MANAGEMENT**

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Outline any changes in senior management that have occurred since the last State examination.

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Identify the management and organizational structure of the proposed branch.

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If the institution is a defendant in any lawsuit, provide the following information:

- Name of plaintiff(s)
- Amount of damages sought
- Nature of or basis for litigation
- Expected results, including the probability of loss
- Likelihood of settlement

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**Section VIII.**

**ABILITY TO SERVE THE COMMUNITY**

The applicant is responsible for adequately describing its ability to serve the community or communities affected by this application. Submit such data relating to the trade area which you feel is relevant to the proposal. An economic survey or feasibility study is highly recommended.

A. DESCRIBE TERRITORY WHICH THE PROPOSED LOAN PRODUCTION OFFICE WILL SERVE.

B. COMPETITION (List all banks and branches now serving the trade territory to be served by the proposed loan production office. Include a map of the trade territory pinpointing the location of the main office, existing branches, the proposed loan production office, and the location of offices of competing banks.)

NAME OF BANK	LOCATION (City)	DEPOSITS (Indicate date and source)	DISTANCE AND DIRECTION FROM PROPOSED BRANCH
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

C. LIST THE NAME AND LOCATION OF ANY FINANCIAL INSTITUTIONS, OTHER THAN BANKS, NOW SERVING THE TRADE AREA TO BE SERVED. (Include savings and loan associations, credit unions, and finance companies.)

D. SUBMIT A BOARD APPROVED LOAN PRODUCTION OFFICE BUSINESS PLAN (Plan should include short and long term goals and method to achieve goals), A CONSOLIDATED BUDGET, AND AN INDIVIDUAL BUDGET OF THE LOAN PRODUCTION OFFICE.