

## OFFICE OF THRIFT SUPERVISION

### Issuance of a Federal Charter

Date: March 5, 2010  
Order No.: 2010-11

In connection with the Office of Thrift Supervision's (OTS) appointment of the Federal Deposit Insurance Corporation (FDIC) as receiver for Waterfield Bank, Germantown, Maryland (Old Institution),<sup>1</sup> the FDIC has requested that OTS charter Waterfield Bank, FA (Institution) as a federal stock savings association pursuant to sections 11(d)(2)(F) and 11(m) of the FDIA.<sup>2</sup> The FDIC proposes to transfer certain assets and liabilities from the Old Institution to the Institution pursuant to 12 U.S.C. § 1821(d)(2)(G). The FDIC would insure the deposit accounts of the Institution.

Section 5(e) of the Home Owners' Loan Act (HOLA) provides that OTS may grant a federal savings association charter only: (i) to persons of good character and responsibility; (ii) if, in OTS's judgment, a necessity for such savings association exists in the community to be served; (iii) if there is reasonable probability of the association's usefulness and success; and (iv) if the association can be established without undue injury to properly conducted existing local thrift and home financing institutions.<sup>3</sup> OTS regulations implementing the HOLA include the same standards, with the additional requirement that OTS consider whether the association will promote credit for housing consistent with the safe and sound operation of a federal savings association.<sup>4</sup>

The FDIC, as the organizer of the Institution, satisfies the requirement in section 5(e) of the HOLA, 12 U.S.C. § 1464(e), that a charter may be granted only to persons of good character and responsibility. Similarly, because the Institution will serve deposit customers of a savings association that will be closed and because it will facilitate the resolution of the Old Institution, we conclude that the application also satisfies the requirements in section 5(e) of the HOLA that a necessity exists for such a savings association and that there is a reasonable probability of the Institution's usefulness and success. Because the Institution essentially will replace the Old Institution, OTS concludes that the Institution may be established without undue injury to existing savings associations. Finally, because the establishment of the Institution will assist in the resolution of a failed savings association, OTS concludes that establishment of the

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<sup>1</sup> OTS appointed the FDIC as receiver for the Old Institution in OTS Order No. 2010-10, dated March 5, 2010.

<sup>2</sup> 12 U.S.C. § 1821(d)(2)(F) and (m).

<sup>3</sup> Section 5(e) of the HOLA, 12 U.S.C. § 1464(e)

<sup>4</sup> 12 C.F.R. § 552.2-1(b)(1) (2009).

Institution will promote credit for housing consistent with the safe and sound operation of a federal savings association.

OTS approves the FDIC's organization of the Institution. Upon commencing business, the Institution is authorized:

1. To assume the insured deposits of the Institution and otherwise to perform temporarily the functions set out in 12 U.S.C. § 1821(m);
2. To assume certain other deposits and acquire certain assets of the Old Institution identified in the FDIC Board Resolution and in the Purchase and Assumption Agreement among the FDIC as Receiver of the Old Institution, the FDIC, and the Institution;
3. To pay interest on deposits assumed by the Institution, if so determined by the FDIC, at a rate up to the contract rate until the earlier of thirty (30) days from the date of this approval or, in the case of time or savings deposits, the maturity date;
4. To invest in those securities that are eligible for investment by federal savings associations under 12 U.S.C. § 1464(c), in addition to investments permitted under 12 U.S.C. § 1821(m);
5. To assume such other assets and liabilities, and to engage in such other activities, as are necessary for the Institution to carry out its obligations under the Purchase and Assumption Agreement Among the FDIC as Receiver of the Old Institution, the FDIC, and the Institution; and
6. To engage in other incidental activities as may be convenient and useful to carry out any of the above activities.

This Order constitutes the authorization for the Institution to commence and transact business.

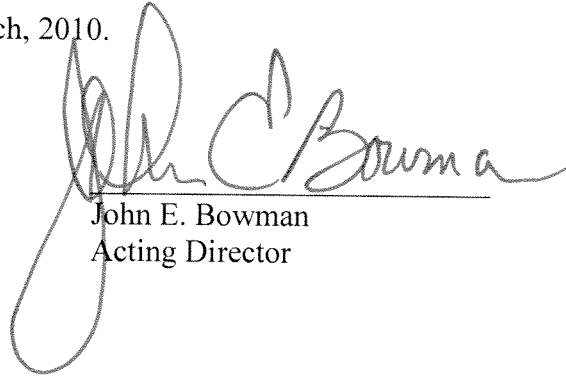
The FDIC has appointed a FDIC Resolutions and Receivership Specialist to serve as executive officer of Institution under 12 U.S.C. § 1821(m)(4).

As provided for in 12 U.S.C. § 1821(m), the Institution will terminate: (i) upon the issuance of sufficient stock to investors and the ending of its status as a deposit insurance savings association; (ii) the transfer of its assets and liabilities to another insured depository institution; or (iii) in any event within two (2) years of the granting of this charter. The FDIC must provide OTS with adequate notice prior to termination of the Institution and certify to OTS the termination of the Institution.

The Acting Director, or his designee, hereby authorizes the Deputy Chief Counsel for Business Transactions of the Chief Counsel's office, or his designee, to make any subsequent technical corrections that might be necessary, to this Order or to any documents issued under the authority of this Order.

By order of the Acting Director of OTS, effective immediately upon service of Order 2010-10, dated March 5, 2010, on the Old Institution.

Executed this 5th day of March, 2010.



John E. Bowman  
Acting Director