

## Press Releases

---

September 13, 1999

### OTS 99-61 - Lumbermen's Mutual Granted Federal Thrift Charter by OTS

#### **Office of Thrift Supervision**

FOR RELEASE at 9:30 a.m. EDT

For further information

Monday, September 13, 1999

Contact: William Fulwider

OTS 99-61

202/906-6913

---

### **Lumbermens Mutual Granted Federal Thrift Charter by OTS**

WASHINGTON, D.C., Sept. 13, 1999 - Lumbermens Mutual Casualty Company, Long Grove, Ill., has received approval from the Office of Thrift Supervision to establish a new federal savings association to be called LMC Bank, with its home office in Island Lake, Ill. Lumbermens, the lead company of Kemper Insurance Companies, becomes a unitary thrift holding company.

Plans call for the new thrift to focus operations in Lake and McHenry Counties of Illinois. The thrift will offer a full range of products and services, with a primary focus on home finance, to the general public, as well as insurance customers in the two counties. LMC Bank also will establish a branch office on the Kemper campus in Long Grove to serve 3,000 Kemper employees and tenants located there. The branch office will be open to the general public.

Lumbermens does not plan to market or sell the thrift's products through its nationwide network of insurance agents.

In approving the new charter, OTS stipulated that LMC Bank must obtain OTS approval before making any material change to its approved business plan. At least 40 percent of its directors must be individuals who are not officers or employees of the holding company or affiliates, and at least one member is to be independent of the thrift, holding company and affiliates.

Before beginning operations, the thrift has to employ a compliance officer dedicated to developing and implementing a compliance program, to be approved by OTS, that covers federal fair lending and consumer protection laws and regulations. It also must review its loan production annually to determine the number of loans inside and outside its designated CRA assessment area.

OTS requires LMC Bank to adhere to interagency policies regarding the sale of insured and noninsured products and with anti-tying laws. If the institution eventually decides to use the holding company's or affiliates' agents and agencies to market its products, it must comply with the Real Estate Settlement Procedures Act (RESPA) regarding payment of referral fees. It also must follow interagency guidelines for Year 2000 readiness.

Attachment Lumbermens Mutual Casualty Company

###

The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).