



NOTICE OF RULEMAKING HEARING NEBRASKA DEPARTMENT OF BANKING AND FINANCE

Notice is hereby given that the Nebraska Department of Banking and Finance will hold a rulemaking hearing on February 9, 2023, commencing at 9:30 a.m. CST, at the First Nebraska Administrative Building, 1526 K Street, Suite 300, Lincoln, Nebraska 68508.

The purpose of the hearing is to take testimony and evidence concerning the following revisions to Title 45 of the Rules and Regulations of the Department:

1. 45 NAC 1 – Adopts guidance applicable to all Chapters in Title 45. The rule sets forth subject matter authority of the Department of Banking and Finance and the Director’s ability to take action to protect the public interest when the Director determines it necessary; provides necessary administrative information; and establishes the methods and impact of filing documents and payment of fees.
2. 45 NAC 2 – Adopts minimum information and record requirements that banks must obtain and maintain for their entity customers. The rule incorporates and updates the provisions of existing 45 NAC 6, “General.” Adds identification and resolution requirements for different entity customers, including limited liability companies, and clarifies the entities covered as public or not-for-profit organizations.
3. 45 NAC 3 – Adopts minimum record keeping requirements for data centers of banks and specifies data fields for the different accounts in banks. The rule incorporates and updates many of the provisions of existing 45 NAC 23, “Minimum Record Keeping Requirements.” The revisions recognize that banks may retain records in electronic format, and remove an obsolete Exhibit A and an outdated Consumer Loan Reference Chart, which is an unnecessary part of the rule.
4. 45 NAC 4 – Adopts minimum retention periods for bank records. The rule incorporates and updates many of the provisions of 45 NAC 27, “Schedule for Records Retention by Banks.” The revisions define and recognize

retention of records in an electronic format; update language regarding records of property escheated to the State Treasurer; provide a standard for existing microfilmed records; and a cross-referencing clarification for banks with trust department records.

5. 45 NAC 5 – Adopts minimum retention periods for records of free-standing trust companies and trust departments of banks. The rule incorporates and updates many of the provisions of existing 45 NAC 32, “Schedule for Retention of Records: Banks Exercising Trust Powers and Trust Companies.” The revisions track a number of the changes proposed in 45 NAC 4, which define and recognize retention of records in an electronic format; update language regarding records of property escheated to the State Treasurer; provide standards for records of safe deposit boxes and for existing microfilmed records; and include a cross-referencing clarification for bank records that are not a part of the bank’s trust department.
6. 45 NAC 6 – Provides procedures for the filing of bank Articles of Incorporation and Bylaws. The rule incorporates and expands the provisions of existing 45 NAC 8, “Articles of Incorporation,” by establishing procedures for banks filing Bylaws with the Department, formalizing the Department’s review and no-objection procedures of corporate documents, and by providing cross references to relevant statutes.
7. 45 NAC 7 – Amends the rule requiring banks to obtain bond riders or endorsements to cover persons and entities that perform data processing services for the bank and specifying provisions required in the rider/endorsement. The proposed amendments expand the type of entities banks may contract with to provide these services and the list of processor-related persons who are to be deemed as bank employees for purposes of bond coverage, and update the title.
8. 45 NAC 8 – Repeal and Reissue 45 NAC 8, under the new title, "Changes In Paid-In Capital Stock." The proposed rule incorporates and expands provisions currently contained in 45 NAC 12, "Paid-In Capital Stock Increase," by establishing procedures for a bank decreasing its paid-in capital stock and updating the procedures for an increase in capital stock. The revisions set time frames for filing notices with the Department; direct when a bank may need to update its Articles of Incorporation as a result of capital stock changes; and establish agency approval and no-objection processes.
9. 45 NAC 9 – Repeal the title of 45 NAC 9, “Change in Control,” as the rule itself was repealed in 1987. Reissue the proposed rule titled, “Active Executive Officers,” to provide practices and procedures for bank executive officer license applications, renewals, surrenders, cancellations, and

revocations. It incorporates, updates, and re-organizes many of the provisions of existing 45 NAC 28, "Rules of Practice and Procedure Applicable to Executive Officers Licenses Obtained from the Nebraska Department of Banking and Finance Pursuant to Nebraska Revised Statutes, 1943." The revisions address executive officers of banks which opt out of the licensing process; eliminate distinctions between Class I and Class II licenses; adopt and eliminate definitions; formalize application standards; provide for the limited transfer of a license; update license surrender and cancellation provisions; establish the evidence necessary for license suspension or suspension of executive officer authority; provide for the levy of costs in disciplinary proceedings; set post-suspension and revocation requirements; and provide for the issuance of conditional licenses.

10. 45 NAC 10 – Adopts standards under which bank directors, officers, and employees may guarantee loans at their employing bank without violating statutory limits for insider borrowing. The proposed rule, "Insider Loan Guarantees," incorporates, updates, and re-organizes many of the provisions of existing 45 NAC 16, "Director, Officer or Employee Borrowing;" defines terms; and corrects a statutory reference.
11. 45 NAC 11 – Repeal the title of 45 NAC 11, "Board of Directors; Residence," as the rule itself was repealed in 1991. Reissue the proposed rule, "Executive Officer Borrowing Reports," to establish standards for reports that bank executive officers are required to make when they borrow from a financial institution other than their employing bank; correct a statutory reference; and incorporate current law. The proposed rule incorporates and updates provisions currently contained in 45 NAC 17, "Officer Borrowing."
12. 45 NAC 12 – Repeal and Reissue 45 NAC 12 under the new title, "Directors' Examinations Performed by Certified Public Accountants or Public Accountants," to provide the standards for certified public accountants and public accountants to conduct directors' examinations of banks; update the criteria to determine auditor independence; authorize a bank's Board of Directors to adopt specified external auditing standards and to appoint an independent person to conduct the directors' examination; and provide that the Department may require enhanced audit procedures due to safety and soundness concerns. The proposed rule incorporates and expands provisions currently contained in 45 NAC 24 of the same title.
13. 45 NAC 13 – Adopts standards governing audits and directors' examinations of banks, including reconciliation and testing of accounts and review of capital accounts; allows for a risk-focused review of

accounts; requires inquiry into other financial risk activity; removes an obsolete reference to a handbook on statistical probability; and provides an option for electronic submission of annual reports to the Department. Revises and extends the date for submission of the audit report to 120 days after the completion of the audit, or 120 days after calendar year-end for periodic audits. The proposed rule incorporates and updates provisions of existing 45 NAC 25 of the same title.

14. 45 NAC 14 – Adopts standards for banks to qualify for the statutory exception to the lending limit for loans secured by livestock; defines a term; removes a reference to an obsolete form; provides requirements for inspections and appraisals of livestock feeding operations, and for independence of the inspection/appraisal process from the loan production function; and removes a sample form. The rule will incorporate and update provisions of existing 45 NAC 19 of the same title.
15. 45 NAC 15 – Repeal the title of 45 NAC 15, “Executive Officer’s License,” as the rule itself was repealed in 1987. Reissue the proposed rule, “Loans Secured by Warehouse Receipts,” to adopt standards for banks to qualify for the statutory exception to the lending limit for loans secured by warehouse receipts and define a term. The rule will incorporate and update provisions of existing 45 NAC 20 of the same title.
16. 45 NAC 16 – Repeal and Reissue 45 NAC 16 under the new title, “Loans Secured By Deposit Accounts.” The proposed rule sets standards for banks to qualify for the statutory exception to the lending limit for loans secured by deposit accounts; defines a term; and updates methods for calculation of the lending limit. The rule will incorporate and update provisions of existing 45 NAC 31 of the same title.
17. 45 NAC 17 – Repeal and Reissue 45 NAC 17 under the new title, “Pool Participation Approval.” The proposed rule sets standards for bank investments in obligations representing loans to other banks; provides an option for electronic filing of a required form with the Department; and clarifies the regulatory approval process. The proposed rule will incorporate and update provisions of existing 45 NAC 18 of the same title.
18. 45 NAC 18 – Repeal and Reissue 45 NAC 18 under the new title, “Requirements for Purchases of Shares of Investment Companies.” The proposed rule sets the standards for bank investments in shares of investment companies; expands the list of obligations that are eligible for investment to include Canadian government obligations and digital asset depositories; adds a definition of “unimpaired capital;” and updates methods for calculation of investment limits. The proposed rule will incorporate and update provisions of existing 45 NAC 30 of the same title.

19. 45 NAC 19 – Repeal and Reissue 45 NAC 19 under the new title, “Leasing of Personal Property.” The proposed rule establishes the standards for banks leasing personal property, and requires banks to comply with Title 12, Chapter 1, Part 23 of the Code of Federal Regulations, “Leasing.” The proposed rule will incorporate and update some of the provisions of existing 45 NAC 26, “Banks: Leasing of Personal Property,” including the striking of provisions which are duplicative of federal regulations, and an addition of a statutory reference for investment limits.
20. 45 NAC 20 – Outright repeal 45 NAC 20 as an updated version will be adopted as 45 NAC 15.
21. 45 NAC 23 – Outright repeal 45 NAC 23 as an updated version will be adopted as 45 NAC 3.
22. 45 NAC 24 – Outright repeal 45 NAC 24 as an updated version will be adopted as 45 NAC 12.
23. 45 NAC 25 – Outright repeal 45 NAC 25 as an updated version will be adopted as 45 NAC 13.
24. 45 NAC 26 – Outright repeal 45 NAC 26 as an updated version will be adopted as 45 NAC 19.
25. 45 NAC 27 – Outright repeal 45 NAC 27 as an updated version will be adopted as 45 NAC 4.
26. 45 NAC 28 – Outright repeal 45 NAC 28 as an updated version will be adopted as 45 NAC 9.
27. 45 NAC 30 – Outright repeal 45 NAC 30 as an updated version will be adopted as 45 NAC 18.
28. 45 NAC 31 – Outright repeal 45 NAC 31 as an updated version will be adopted as 45 NAC 16.
29. 45 NAC 32 – Outright repeal 45 NAC 32 as an updated version will be adopted as 45 NAC 5.

The rulemaking hearing is being conducted under and by virtue of the provisions of Section 84-907, R.R.S 1943, as amended, which provides that COPIES OF THE PROPOSED RULES ARE AVAILABLE FOR PUBLIC EXAMINATION at the Office of the Department of Banking and Finance, 1526 K Street, Suite 300, Lincoln, Nebraska 68508, and at the Office of the Secretary of State, 1445 K Street, Suite 2300, Lincoln, Nebraska 68508. In addition, the

proposed rules are available on the Department of Banking and Finance's website at <https://ndbf.nebraska.gov>, and the Secretary of State's website www.sos.ne.gov.

A copy of the Fiscal Impact Statement is available at the Office of the Department of Banking and Finance and on the Department's website.

All interested persons are invited to attend and testify at the hearing. Interested persons may also submit written comments to the Department of Banking and Finance prior to the start of the hearing. Such comments will be made part of the hearing record at the time of the hearing. Written comments should be sent to the Nebraska Department of Banking and Finance, Attn: Tag Herbek, 1526 K St., Suite 300, Lincoln, NE 68508, or emailed to dob.banking@nebraska.gov.

If auxiliary aids or reasonable accommodations are needed for attendance at this hearing, please call the Nebraska Department of Banking and Finance at (402) 471-2171, or, for persons with hearing impairments, please call the Nebraska Relay System at (800) 833-7352 TDD. This contact should be made at least seven (7) days prior to the hearing.

Dated at Lincoln, Nebraska, this 23rd day of December, 2022.

Kelly Lammers, Director

Nebraska Department of Banking and Finance

FISCAL IMPACT STATEMENT

Agency: Banking and Finance
Title: 45

Prepared by: Patricia Herstein, General Counsel
Date prepared: November 17, 2022

Chapters: Adopt: Chapters 1, 2, 3, 4, 5, 10, 13, 14

Telephone: 402-471-4934

Amend: Chapter 7

Repeal and Reissue: Chapters 6, 8, 9, 11, 12, 15, 16, 17, 18, 19

Repeal: Chapters 20, 23, 24, 25, 26, 27, 28, 30, 31, 32

Type of Fiscal Impact: There will be no fiscal impact. The rules do not impose any new fees or change any fee amounts. The rules also do not create or eliminate any exemptions that would impact the number of entities making filings for which a filing fee is required. The rules do not mandate any new report or contract hiring of any new consultant or associate professional for industry.

	State Agency	Political Sub.	Regulated Public
No Fiscal Impact	(X)	(X)	(X)
Increased Costs	()	()	()
Decreased Costs	()	()	()
Increased Revenue	()	()	()
Decreased Revenue	()	()	()

Description of Impact:

State Agency: No impact

Political Subdivisions: No Impact

Regulated Public: No Impact

NEBRASKA ADMINISTRATIVE CODE

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 1 – GENERAL PROVISIONS FOR TITLE 45

001 AUTHORITY.

001.01 The Rules contained in Title 45 of the Nebraska Administrative Code have been promulgated pursuant to authority delegated to the Director of the Department of Banking and Finance in Neb. Rev. Stat. § 8-106.

001.02 The Department has determined that the Rules are in the public interest.

001.03 The Director may, on a case-by-case basis, and with prior written notice to the affected person under a specified Rule, require adherence to additional standards or policies, as deemed necessary in the public interest.

001.04 For purposes of Title 45, “the Department” means the Department of Banking and Finance.

002 ADMINISTRATION. The Nebraska Banking Act and the Nebraska Trust Company Act are administered by the Director of the Department. Department offices are open from the hours of 8 a.m. to 5 p.m., Monday through Friday, legal holidays excepted. The mailing address of the agency is Department of Banking and Finance, P.O. Box 95006, Lincoln, Nebraska 68509-5006.

003 FILING AND FEES. A document is filed when it is received in the Department with the appropriate fee. A document so filed cannot be returned. Documents may be filed electronically or in paper form. All filing fees are payable in U.S. dollars by corporate check, money order, or ACH to the Department. Cash, personal checks, and checks drawn on non-United States banks will not be accepted. Upon withdrawal or denial of an application, request, or notice, the entire fee will be retained by the Department.

Effective date: January 9, 1991

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~6~~ 2- ~~GENERAL RECORD KEEPING REQUIREMENTS FOR BUSINESS ENTITY CUSTOMERS~~

- 01 Each state bank shall, at a minimum, maintain the records ~~which will show in the case of:~~ listed below for entities which are customers of the bank.

001.01 Firms Sole Proprietorships.

001.01A The firm Name, and the proprietor, address, of firm, social security number, and tax identification number, if one has been obtained, of the proprietor.

001.02 Borrowing Partnerships.—

001.02A Name, address, and tax identification number of the partnership.

001.02B The Names, addresses, and social security numbers of all partners.

001.02C Partnership Resolutions authorizing each borrowing and specifying the names of those whose signatures are needed to obligate the partnership.

~~001.03 001.02D Partnerships with Deposit Accounts.—The names, addresses, and social security numbers of all general partners. Resolutions authorizing the opening of each deposit account and specifying the names of those whose signatures are needed to deposit and withdraw funds.~~

001.02E Names, addresses, and social security numbers of the authorized persons.

~~001.04~~ 001.03 Corporations.—

001.03A Name, address, and tax identification number of the corporation.

001.03B Resolutions authorizing each borrowing and specifying the names of those whose signatures are needed to withdraw funds or obligate the concern corporation. Tax identification number and address.

001.03C Resolutions authorizing the opening of each account and specifying the names of those whose signatures are needed to deposit and withdraw funds.

001.03D Names, addresses, and social security numbers of the authorized persons.

001.04 Limited Liability Companies

001.04A Name, address, and tax identification number of the limited liability company.

001.04B Names, addresses, and social security numbers of all members and managers.

001.04C Resolutions authorizing each borrowing and specifying the names of those whose signatures are needed to obligate the company.

001.04D Resolutions authorizing the opening of each deposit account and specifying the names of those whose signatures are needed to deposit and withdraw funds.

001.04E Names, addresses, and social security numbers of the authorized persons.

001.05 001.05 Other Organizations. –

001.05A Accounts including public funds, church funds, fraternal organizations' funds, etc. The names of the officers required to withdraw funds. This subsection includes, but is not limited to, political subdivisions, religious organizations, and non-profit organizations.

001.05B Name, address, and tax identification number of the organization.

001.05C A Resolutions of the governing body of the organization authorizing the opening of each account and specifying the names of those whose signatures are needed to deposit and withdraw funds.

001.05D Names, addresses, and social security numbers of the authorized persons.

001.06 All records required under 45 NAC 1 through 45 NAC 5 shall be posted daily.

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~23~~ 3 - ~~MINIMUM DATA CENTER~~ RECORD KEEPING STANDARDS

001 DEFINITIONS.

001.01 For purposes of this Rule, "data center" means:

001.01A A data processing department within a bank staffed by direct employees of the bank;

001.14B A data processing service organization that processes the transactions of a bank, including, but not limited to, service organizations wholly or partially owned by the bank, or owned wholly or partially by other banks; or

001.01C Private organizations not affiliated with any bank that provide services by contractual agreement.

002 SCOPE OF RULE.

~~Introduction. The Nebraska Department of Banking and Finance is defining~~
002.01 This Rule establishes minimum standards for certain aspects of computerized record keeping systems employed in the recording, updating, and maintenance of the financial transactions of ~~State-Chartered~~ banks. ~~The purpose is to establish minimum standards within~~ Sound record keeping principles ~~which the Director deems~~ are necessary to ascertain the true condition of ~~the~~ a bank, and to ~~insure~~ ensure that ~~State~~ examiners can extract, or have extracted, information from data files ~~that is~~ necessary to the examination.

002.02 In general, Data centers ~~should~~ are to record, update, and maintain specific information as set forth ~~herein in this Rule, while~~ The various departments of the bank should submit information in a format specified by the data center. ~~Definitions and guidelines set forth herein are intended to aid data centers and banks in compliance with these standards.~~

~~A data center is defined as: 1) a data processing department within a bank staffed by direct employees of the bank; 2) a data processing service organization that processes the transactions of a state-chartered bank; including but not limited to service organizations wholly or partially owned by the bank, or owned wholly or partially by other banks, or private organizations not affiliated with any bank that provides services by contractual agreement.~~

~~The computerized records of the bank should be maintained according to the standards set forth hereinafter. These are minimum standards only;~~

002.03 Any additional data, not defined herein included in this Rule, may be included in the computerized records of the bank.

003 RESTRICTION ON ALTERATIONS.

003.01 Those fields which reflect the original terms, conditions, or provisions entered into by and between the bank and the customer, ~~should~~ **must** not be altered by file maintenance transactions, except to correct a recording or processing error. In the event any of these fields are altered, a ~~hard paper or electronic~~ copy (~~report, microfilm, etc.~~) **record of same the alteration** should be created and retained in accordance with Neb. Rev. Stat. § 8-107.

004 REQUIRED DATA – DEPOSIT ACCOUNTS.

004.01 DEMAND DEPOSIT ACCOUNTS (~~DEFINITIONS~~)

004.01A ~~If any of the following~~ **A**ccounts ~~are~~ maintained in ~~the~~ computer records, ~~they~~ must be identified by a unique code. **A** range of account numbers is not an acceptable method.

004.01A1 TYPE CODE - **D**esignates an account that receives special services.

004.01A1a REVOLVING CREDIT ACCOUNT (OVERDRAFT CHECKING ACCOUNT) A demand deposit account on which the bank has pre-approved payment of insufficient checks. ~~.~~

004.01A2 IDENTIFICATION CODE - **D**esignates owner of the funds.

004.01A2a PUBLIC FUNDS ACCOUNT
Deposits may include **those**:

1) 004.01A2a1 for which the bank is required to pledge securities ~~or~~,

2) 004.01A2a2 belonging to any federal, state, local, or public entity, ~~or~~,

3) 004.01A2a3 deposited by an officer of a public entity in an official capacity. A method of differentiation between federal, and state, county, and municipal deposits **should must** be maintained.

004.01A2b CREDIT BANK ACCOUNT (COMMONLY REFERRED TO AS CORRESPONDENT BANK ACCOUNTS)

Deposits due to any commercial bank, savings bank, or trust company.

004.01A2c TRUST FUND ACCOUNT ~~For banks with trust powers, funds deposited in your the bank by the its trust department of your bank. This is applicable to banks with trust powers only.~~

004.01A2d ACCOUNTS OF DIRECTORS, OFFICERS, OR EMPLOYEES OF ~~YOUR THE~~ BANK A single code may be used to identify all three categories.

004.01A2e DEALER RESERVE ACCOUNT An account belonging to any retail dealer, the purpose of which is to receive that dealer's portion of finance charges, credit insurance premiums, or other similar type funds.

004.01A2f BANK CONTROL ACCOUNT Each account, which represents outstanding cashier's checks, officer's checks, expense checks, or other similar bank checks, or which represent suspense items, unposted items, income, expense, or any other type of account belonging to the bank. ~~(Each such item so maintained shall be carried in a separate account.)~~

004.01A3 STATUS CODE - designates a unique feature of an individual account. These codes ~~may are~~ not necessarily ~~be~~ mutually exclusive.

004.01A3a ACCOUNTS ON WHICH NO STATEMENT IS TO BE PRINTED.

004.01A3b ACCOUNTS ON WHICH NO STATEMENT IS TO BE MAILED.

004.01A3c RESTRICTED ACCOUNT An account on which notification has been given or received by the bank to preclude activity in that account.

004.01A3d DORMANT ACCOUNT An account belonging to ~~an entity a customer~~ which the bank cannot locate or identify. This ~~shall~~ must not include an account involved in litigation where the court will

determine the rightful owner of the funds; ~~nor~~ an account awaiting distribution through estate settlement procedures.

004.01A3e INACTIVE ACCOUNT An account in which no customer-~~;~~ initiated dollar activity has occurred, for a period of time as specified by the Board of Directors ~~of your bank~~. Inactive account means an account in which ~~your~~ the bank still has contact with the customer, as opposed to a dormant account as defined ~~above~~ in Subsection 004.01A3d of this Rule.

004.01B Fields of data that must be recorded in the computer records:

004.01B1 DATE ACCOUNT OPENED The date the account was opened, or the date the initial deposit was made. If the account was opened prior to the date records were converted from manual to automated system, then the date the records were so converted may be used.

004.01B2 ACCOUNT NUMBER

004.01B3 NAME OF DEPOSITOR Short name is acceptable.

004.01B4 ADDRESS OF DEPOSITOR Address must include the zip code.

004.01B5 CURRENT BALANCE Actual posted dollar balance of the account, including uncollected funds and funds on which "holds" have been placed.

004.01B6 COLLECTED OR UNCOLLECTED FUNDS That portion of a deposit balance which has either been collected or uncollected by the depository bank. Either method ~~of accounting~~ will be acceptable, as long as it is identified.

004.01B7 DATE AND AMOUNT OF LAST CUSTOMER DEPOSIT The date and amount of the last deposit activity, initiated by the customer, that was posted to the account.

004.01B8 DATE AND AMOUNT OF LAST CUSTOMER WITHDRAWAL The date and

amount of the last withdrawal activity, initiated by the customer, that was posted to the account.

004.01B9 DATE OF LAST CUSTOMER INITIATED ACTIVITY IN THE ACCOUNT The date the last activity, initiated by the customer, was posted to the account ~~which was initiated by the customer~~.

004.01B10 DATE ACCOUNT WAS OVERDRAWN The date a currently overdrawn account first became overdrawn and remained in a continuously overdrawn status.

004.01B11 NUMBER OF TIMES AND NUMBER OF DAYS AN ACCOUNT WAS OVERDRAWN This could be accumulated on a previous twelve month running total, or year-to-date plus total previous year.

004.01B12 DATE OF THE LAST STATEMENT The date ~~of~~ the last statement of the account was printed and activity purged from the file.

004.01B13 BALANCE OF THE LAST STATEMENT The balance of the last statement of the account, which was printed, or an electronic copy was made, and activity was purged from the file.

004.02 SAVINGS DEPOSIT ACCOUNTS (~~DEFINITIONS~~)

004.02A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. A range of account numbers is not an acceptable method.

004.02A1 TYPE ACCOUNT CODE

004.02A1a REGULAR SAVINGS An interest-bearing account where withdrawal may be made without penalty.

004.02A1b CLUB SAVINGS An account which may or may not pay interest where the bank is to make payment at a pre-arranged date, ~~which may or may not pay interest~~ (Christmas, vacation, etc.).

004.02A1c OTHER SAVINGS Any other account that is not regular savings or club savings.

004.02A2 IDENTIFICATION CODE - Designates the owner of the funds.

004.02A2a PUBLIC FUNDS SAVINGS ACCOUNT Savings deposits may include those:

1) 004.02A2a1 for which the bank is required to pledge securities ~~of~~,

2) 004.02A2a2 belonging to any federal, state, or local public entity, or

3) 004.02A2a3 deposited by an officer of a public entity in an official capacity. A method of differentiation between federal, ~~and~~ state, county, and municipal deposits should be maintained.

004.02A2b CREDIT BANK SAVINGS ACCOUNT Savings deposits due to any commercial bank, savings bank, or trust company.

004.02A2c TRUST FUND SAVINGS ACCOUNT For banks with trust powers, funds deposited in a savings account in your the bank by the its trust department of your bank. ~~This is applicable to banks with trust powers only.~~

004.02A2d SAVINGS ACCOUNTS OF DIRECTORS, OFFICERS, OR EMPLOYEES OF YOUR THE BANK A single code may be used to identify all three categories.

004.02A2e BANK CONTROL ACCOUNT Any savings account belonging to the bank, such as suspense items and unposted items recorded as separate accounts.

004.02A3 STATUS CODE - Designates a unique feature of an individual account. These codes may are not necessarily be mutually exclusive.

004.02A3a SAVINGS ACCOUNT ON WHICH NO STATEMENT IS TO BE PRINTED. ~~An~~ Account where no statement is to be produced by request of the depositor.

004.02A3b SAVINGS ACCOUNT ON WHICH NO STATEMENT IS TO BE MAILED ~~An~~ Account where no statement is to be mailed.

004.02A3c RESTRICTED SAVINGS ACCOUNT ~~A savings~~ Account on which notification has been given or received by the bank to preclude activity in that account.

004.02A3d DORMANT SAVINGS ACCOUNT ~~A savings~~ Account belonging to an entity which the bank cannot locate or identify. This shall not include an account involved in litigation where the court will determine the rightful owner of the funds; ~~nor~~ an account awaiting distribution through estate settlements ~~s~~ procedure.

004.02A3e INACTIVE SAVINGS ACCOUNT A savings account in which no customer-initiated dollar activity has occurred; for a period of time as specified by the Board of Directors of ~~your the bank~~. Inactive savings account means an account in which ~~your the~~ bank still has contact with the customer as opposed to a dormant account as defined ~~above in Subsection 004.02A3d of this Rule~~.

004.02B Required Fields of Data ~~that must be recorded in the computer records~~:

004.02B1 SAVINGS ACCOUNT NUMBER

004.02B2 DATE THE SAVINGS ACCOUNT WAS OPENED ~~The~~ Date the account was opened, or the date the initial savings deposit was made which opened the account. If the account was opened prior to the date the records were converted from manual to automated system, then the date the records were so converted may be used.

004.02B3 NAME OF THE DEPOSITOR Short name is acceptable.

004.02B4 ADDRESS OF THE DEPOSITOR ~~Address-~~Must include zip code.

004.02B5 CURRENT BALANCE Actual posted dollar balance of the savings account, including uncollected funds and funds on which "holds" have been placed.

004.02B6 COLLECTED OR UNCOLLECTED FUNDS That portion of a deposit balance which has either been collected or uncollected by the depository bank. Either method of accounting is acceptable, as long as it is identified.

004.02B7 DATE OF LAST CUSTOMER INITIATED ACTIVITY ~~IN THE ACCOUNT~~ ~~The~~ Date the last activity was posted to the account which was initiated by the customer.

004.02B8 DATE AND AMOUNT OF LAST CUSTOMER DEPOSIT ~~The~~ Date and amount of the last deposit activity, initiated by the customer, that was posted to the account.

004.02B9 DATE AND AMOUNT OF LAST CUSTOMER WITHDRAWAL ~~The~~ Date and amount of the last withdrawal activity, initiated by the customer, that was posted to the account.

004.02B10 DATE OF LAST STATEMENT ~~The~~ Date ~~of~~ the last statement of the savings account was printed, or an electronic copy was made, and the activity purged from the file. (This applies only to "Statement Savings Accounts" or other similar savings accounts ~~relative to~~ for which statements reflecting the activities in the account are customarily produced.)

004.02B11 BALANCE OF LAST STATEMENT ~~The~~ Balance of the last statement of the account, which was printed, or an electronic copy was made, and activity purged from the file.

004.02B12 INTEREST RATE ~~The~~ Annual rate of simple interest paid on ~~that savings the~~ account. This is not the effective rate determined by periodic compounding. A code may be used to specify the annual rate of interest.

004.03 CERTIFICATES OF DEPOSIT (~~DEFINITIONS~~)

004.03A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. A range of account numbers is not an acceptable method.

004.03A1 TYPE CODE - Designates a contractual arrangement.

004.03A1a AUTOMATICALLY RENEWABLE CERTIFICATE Certificate of Deposit where the instrument specifically states the contract will, automatically be extended for an additional term equal to that originally agreed upon between the depositor and the bank, unless withdrawn by the customer within a specified time following the maturity.

004.03A1b SINGLE MATURITY CERTIFICATE Certificate of Deposit which is not automatically renewable.

004.03A2 IDENTIFICATION CODE - designates the owner of the funds.

004.03A2a PUBLIC FUNDS CERTIFICATE OF DEPOSIT Certificate may include those:

1) 004.03A2a1 for which the bank is required to pledge securities of,

2) 004.03A2a2 belonging to any federal, state, local public entity, or,

3) 004.03A2a3 deposited by an officer of a public entity in an official capacity. A method of differentiation between federal, and state, county, and municipal deposits should be maintained.

004.03A2b CREDIT BANK ACCOUNT Certificates s-of-Deposit due to any commercial bank, savings bank, or trust company.

004.03A2c TRUST FUND ACCOUNT ~~For banks with trust powers,~~ Certificates of Deposit issued by ~~your the~~ bank to ~~the its~~ trust department ~~of your bank.~~ ~~This is applicable to only banks with trust powers.~~

004.03A2d Insider Account CERTIFICATE ~~OF DEPOSIT~~ ISSUED TO DIRECTORS, OFFICERS, OR EMPLOYEES OF ~~YOUR THE~~ BANK. A single code may be used to identify all three categories.

004.03A3 STATUS CODE - Designates a unique feature of an account. These codes may are not necessarily ~~be~~ mutually exclusive.

004.03A3a NEGOTIABLE CERTIFICATE Certificate ~~of Deposit~~ which is made payable to the bearer or endorser.

004.03A3b DEMAND CERTIFICATE

004.03A3c REDEEMED CERTIFICATE (CLOSED) ~~A~~-Certificate ~~of Deposit~~ that has been presented to the bank for payment.

004.03A3d DORMANT CERTIFICATE ~~OF DEPOSIT~~ Certificates belonging to an entity which the bank cannot locate or identify. This ~~shall~~ must not include a certificate involved in litigation where the court will determine the rightful owner of the fund or a certificate awaiting distribution through estate settlement procedures.

004.03A3e PLEDGED CERTIFICATE

004.03B Required Fields of Data ~~that must be recorded in the computer records:~~

004.03B1 CERTIFICATE NUMBER Number assigned to the Certificate ~~of Deposit~~ for identification purposes. This is not what is usually referred to a as a "Customer Identification Number."

004.03B2 NAME OF DEPOSITOR Short name is acceptable.

004.03B3 ADDRESS OF DEPOSITOR Address must include zip code.

004.03B4 DATE ISSUED ~~The~~ Date the certificate was originally issued.

004.03B5 TERM OF CERTIFICATE ~~The~~ Number of months or days which determine the maximum interest to be paid.

004.03B6 INTEREST PAID ~~The~~ Annual rate of simple interest paid on the certificate.

004.03B7 NEXT MATURITY DATE ~~The~~ Date shown on the Certificate ~~of Deposit~~ on which the principal amount matures or is due and payable to the depositor. In the case of automatically renewable certificates of deposit, the maturity date is the next date the certificate is due.

004.03B8 CURRENT BALANCE ~~The~~ Actual posted balance of the certificate ~~of deposit~~.

004.03B9 DATE LAST INTEREST WAS PAID ~~The~~ Date interest was calculated and paid direct to the holder or added to the current balance.

001.04 005 REQUIRED DATA ~~INSTALLMENT LOANS~~
(DEFINITIONS)

005.01 INSTALLMENT LOANS

005.01A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. A range of account numbers is not an acceptable method.

005.01A1 TYPE OF LOAN ~~D~~esignates the classification of the loan according to legal definitions.

005.01A1a DIRECT LOANS TO BORROWERS Loans governed by ~~the~~ Personal Loan ~~Act, Article 8, Section 8~~ statutes, Neb. Rev. Stat. §§ 8-815 to 8-829, inclusive. (Installment Loans)

005.01A1b INDIRECT LOANS - PURCHASED PAPER Loans governed by ~~the~~ Installment Sales Act, ~~Article 45, Section Chapter~~ 3 (Dealer Paper)

005.01A1c OTHER LOANS Loans not governed by the Personal Loan ~~Act~~ statutes or the Installment Sales Act

005.01A1d DIRECT LEASE PAPER (IF MAINTAINED WITH INSTALLMENT LOANS)

005.01A1e INDIRECT LEASE PAPER (IF MAINTAINED WITH INSTALLMENT LOANS)

005.01A2 LOAN CLASSIFICATIONS Minimum classifications:

1) 005.01A2a Loans to purchase ~~passenger~~ automobiles on installment basis.

2) 005.01A2b Credit cards and related plans

a) 005.01A2b1 Retail (charge account) credit card plans

b) 005.01A2b2 Check credit and revolving credit plans

3) 005.01A2c Loans to purchase retail consumer goods on installment basis.

a) 005.01A2c1 Mobile homes (exclude travel trailers)

b) 005.01A2c2 Other retail consumer goods (exclude credit cards and related plans)

4) 005.01A2d Loans to repair and modernize residential property.

5) 005.01A2e Other installment loans for household, family, and other personal expenditures.

005.01A3 IDENTIFICATION CODE - Designates the borrower on a loan.

005.01A3a DIRECTOR, OFFICER, OR EMPLOYEE OF ~~YOUR~~ THE BANK A

single code may be used to identify all three categories.

005.01A4 STATUS CODE - Designates a unique feature of an account. These codes ~~may are~~ not necessarily ~~be~~ mutually exclusive.

005.01A4a RECOURSE INDICATOR
(WITH OR WITHOUT)

005.01A4b REPURCHASE INDICATOR
(FULL OR LIMITED)

005.01A4c REPOSSESSED INDICATOR

005.01B Required Fields of Data ~~that must be recorded in the computer records:~~

005.01B1 BORROWER NUMBER A number assigned to a particular borrower. This number can be either common for all indebtedness or ~~a~~ common ~~number may be used~~ for all installment loan indebtedness.

005.01B2 LOAN NUMBER

005.01B3 NAME OF BORROWER(S) Short name is acceptable.

005.01B4 ADDRESS OF BORROWER ~~Address~~
Must include zip code.

005.01B5 LOAN OFFICER

005.01B6 DATE OF LOAN ~~The~~ Date shown on the face of the note.

005.01B7 AMOUNT ADVANCED ~~The~~ Principal amount of the loan; sometimes called proceeds, net amount financed, or amount of loan. It may be disclosed to the borrower in a single amount or ~~disclosed as~~ sale price less any down payment of cash or goods.

005.01B8 TOTAL OF PAYMENTS (TIME BALANCE) The sum of amount advanced, insurance premiums, official fees, and the total finance charge.

005.01B9 AMOUNT FINANCED The sum of the amount advanced, insurance premiums, and official fees.

005.01B10 FINANCE CHARGE (TIME PRICE DIFFERENTIAL) The total time balance less amount advanced, insurance premiums, and official fees.

005.01B11 ORIGINAL MATURITY DATE ~~The~~ Date the current note was originally contracted to be paid off.

005.01B12 DATE OF THE FIRST PAYMENT ~~The~~ Date the first payment is required from the borrower by disclosure on the contract.

005.01B13 CURRENT MATURITY DATE ~~The~~ Date the current note is presently contracted to be paid off. If this date is the same as the original maturity date, both fields will contain identical data.

005.01B14 NUMBER OF EXTENSIONS ~~The~~ Number of months or days (where 30 days equal one month) that the original maturity date has been extended.

005.01B15 EXTENSION CHARGES ASSESSED ~~The~~ Accumulated additional finance charges assessed ~~by the bank~~ when ~~extending~~ the maturity date of the loan is extended. Extensions may affect the rebate on finance charges.

005.01B16 EXTENSION CHARGES PAID OR UNPAID ~~The~~ Balance of extension charges assessed, either paid or unpaid.

005.01B17 NUMBER OF TIMES LATE (DELINQUENT) Method of determining delinquency is described by applicable law.

005.01B18 LATE (DELINQUENT) CHARGES ASSESSED ~~The~~ Accumulated charges assessed to the obligor for late payment.

005.01B19 LATE (DELINQUENT) CHARGES PAID OR UNPAID ~~The~~ Balance of late charges assessed, either paid or unpaid.

005.01B20 NUMBER OF TIMES REWRITTEN
~~The~~ Number of times a new loan has been written to replace one or more existing loans, regardless of whether any new money was involved. Extension of maturity is not considered a rewritten note.

005.01B21 SCHEDULE OF PAYMENTS ~~To~~
Include number of regular payments, regular payment amount, number(s) of irregular payment(s), and amount(s) of irregular payment(s).

005.01B22 NUMBER OF PAYMENTS MADE OR REMAINING The total number of scheduled payments made or remaining, including regular and irregular payments.

005.01B23 AMOUNT OF PAYMENTS MADE
The total amount of payments made which has reduced the time balance. This ~~should~~ must not include amounts for any unscheduled charges.

005.01B24 DATE OF LAST CUSTOMER PAYMENT MADE ~~The~~ Date ~~that~~ the last dollar transaction was posted, not to include any unscheduled charges.

005.01B25 AMOUNT OF LAST PAYMENT ~~The~~
Dollar amount of the last payment that does not include any unscheduled charges.

005.01B26 DATE NEXT PAYMENT IS DUE

005.01B27 UNPAID BALANCE The sum of amount advanced, insurance premiums, official fees, ~~and~~ total finance charges minus the amount of payments made.

005.01B28 INTEREST RATE ~~The~~ Annual percentage rate as disclosed in the contract in the form of xx.xxx%. This is the same as the APR described in Regulation Z.

005.01B29 DESCRIPTION OF COLLATERAL/OR COLLATERAL TYPE INDICATOR A descriptive identification of the collateral pledged, or an indicator code for type of collateral.

005.01B30 DEALER NUMBER

005.01B31 PARTICIPATION INDICATOR (PURCHASED OR SOLD) When a specific loan is a participation, it must have an indicator.

005.01B32 PARTICIPATION IDENTIFICATION NUMBER An identification of who the participation was purchased from or sold to. A current list of codes assigned ~~should~~ must be maintained at the bank. A single code may be used to identify multiple entities.

005.01B33 GUARANTOR, ENDORSER, CO-SIGNERS INDICATOR An indicator that specifies if the loan has a guarantor, endorser, or co-signer.

005.01B34 MINIMUM CHARGES The charge allowed by law. Minimum charges are allowed in lieu of interest.

005.01B35 ATTORNEY'S FEES AND COURT COSTS ACTUALLY EXPENDED ~~These Fees~~ actually expended if allowed by applicable statute and/or a court.

005.01B36 OFFICIAL FEES Actual fees paid to official agencies for recordation of title or lien.

005.01B37 PAYOFF ~~The~~ Amount necessary to retire the debt, after deducting those fees that are subject to rebate.

005.01B38 INSURANCE PREMIUMS Insurance premiums must be recorded separately as one of the following:

a) 005.01B38a Credit Life Insurance

b) 004.01B38b Accident and Health Insurance

c) 004.01B38c Other Insurance: ~~(A~~ny insurance other than Credit Life or A&H)

005.01B39 FLOOR PLAN LOANS:

005.01B40 005.01B39a NAME OF DEALER

005.01B41 005.01B39b ADDRESS ~~Address~~ Must include zip code.

005.01B42 005.01B39c DEALER NUMBER

005.01B43 005.01B39d DATE OF TRUST RECEIPT OR CHATTEL MORTGAGE Date of either document.

005.01B44 005.01B39e ORIGINAL AMOUNT OF ITEM

005.01B45 005.01B39f SERIAL NUMBERS

005.01B46 005.01B39g DESCRIPTION Year, model, make, etc.

005.01B47 005.01B39h CURRENT BALANCE

005.01B48 005.01B39i DATE INTEREST PAID TO

005.01B49 005.01B39j PAST DUE INTEREST INDICATOR

005.01B50 005.01B39k AMORTIZATION PLANS OR INDICATOR AS TO METHOD OR PERCENTAGE

005.01B51 005.01B39l DATE OF LAST INSPECTION

005.02 REAL ESTATE SYSTEMS LOANS

005.02A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. A range of account numbers is not an acceptable method.

005.02A1 TYPE OF LOAN - Designates the classification of the loan according to legal definitions (FHA, VA, conventional, construction, interim financing, etc.)

005.02A2 IDENTIFICATION CODE - Designates the borrower on a loan.

005.02A2a DIRECTOR, OFFICER, OR EMPLOYEE OF ~~YOUR~~ THE BANK A single code may be used to identify all three categories.

005.02B Required Fields of Data: ~~that must be recorded in the computer records.~~

005.02B1 BORROWER NUMBER A number assigned to a particular borrower. This number can be either common for all indebtedness or ~~a common number may be used~~ for all real estate loan indebtedness.

005.02B2 LOAN NUMBER

005.02B3 NAME OF BORROWER(S) Short name is acceptable.

005.02B4 ADDRESS OF MORTGAGED PROPERTY File must contain ~~ed~~ the address of the mortgaged property, including ~~the~~ zip code. This address may not necessarily be the mailing address of the borrower.

005.02B5 LOAN OFFICER CODE

005.02B6 ORIGINAL DATE Date on the note and mortgage.

005.02B7 ORIGINAL AMOUNT Amount on the note and mortgage.

005.02B8 ORIGINAL COMMITMENT Original amount of the loan approval.

005.02B9 UNADVANCED FUNDS

005.02B10 DATE OF LAST DISBURSEMENT OF UNADVANCED FUNDS

005.02B11 AMOUNT OF LAST DISBURSEMENT OF UNADVANCED FUNDS

005.02B12 SECURITY TYPE Residential, multifamily, commercial, etc.

005.02B13 APPRAISED VALUATION The amount of the latest appraisal conducted by an authorized agent of the bank. Any releases of collateral should reduce the appraised valuation.

005.02B14 DATE OF APPRAISAL Date of the latest valuation conducted by an authorized agent of the bank.

005.02B15 TERMS Information should be sufficient to identify the re-payment schedule agreed to by the parties. ~~bank and the borrower.~~

005.02B16 FIRST PAYMENT DUE Date indicated by the note which the ~~debtor~~ borrower is to make the first payment on the loan balance, for either interest or principal or any combination thereof.

005.02B17 MATURITY DATE

005.02B18 INTEREST RATE Rate of interest currently being charged on the note. There ~~should~~ must also be an indicator if the note ~~is of~~ has a variable interest type rate.

005.02B19 CURRENT BALANCE Balance on which interest is being calculated.

005.02B20 ESCROW BALANCE (IF APPLICABLE)

005.02B21 PARTICIPATION INDICATOR Indicates whether loan is purchased or sold.

005.02B22 PARTICIPATION BASIS Either percentage or dollar amount.

005.02B23 PARTICIPANT IDENTIFICATION NUMBER An identification of whom m the participation was purchased from or sold to. A current list of codes assigned should be maintained at the bank. A single code may be used to identify multiple entities.

005.02B24 DATE PRINCIPAL PAID TO

005.02B25 DATE OF LAST CUSTOMER INITIATED PAYMENT The date ~~that~~ the last dollar transaction was posted, not to include any unscheduled charges.

005.02B26 AMOUNT OF LAST CUSTOMER INITIATED PAYMENT The dollar amount of the last payment that does not include any unscheduled charges.

005.02B27 DATE NEXT PAYMENT DUE

005.02B28 STATUS INDICATOR Open end, closed, real estate in judgment, foreclosure, etc.

005.02B29 NUMBER OF TIMES LATE (DELINQUENT) Delinquent policy is established by the bank.

005.02B30 LATE (DELINQUENT) CHARGES ASSESSED The accumulated charges assessed for late payments.

005.02B31 LATE (DELINQUENT) CHARGES PAID/UNPAID The balance of the late charges assessed either paid or unpaid.

005.02B32 LIEN CLASS First, second, etc.

005.02B33 GUARANTOR, ENDORSER, CO-SIGNER INDICATOR

005.03 COMMERCIAL LOANS (DEFINITIONS)

005.03A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. A range of account numbers is not an acceptable method.

005.03A1 TYPE OF LOAN - Designates the classification of the loan according to legal definitions (demand, time, term, etc.)

005.03A2 IDENTIFICATION CODE - Designates the borrower on a loan. These codes ~~may~~ are not necessarily ~~be~~ mutually exclusive.

005.03A3 DIRECTOR, OFFICER, OR EMPLOYEES OF ~~YOUR~~ THE BANK A single code may be used to identify all three categories.

005.03A4 LOAN SECURED BY THE STOCK OF OTHER BANKS

005.03A5 LOANS TO THIS BANK'S AFFILIATES AND LOANS SECURED BY THE STOCK OR OTHER OBLIGATIONS OF THIS BANK'S AFFILIATES.

005.04B Required Fields of Data that must be included in the computer records:

005.04B1 BORROWER NUMBER A number assigned to a particular borrower. This number can be either common for all indebtedness or ~~a common number may be used~~ for all commercial loan indebtedness.

005.04B2 LOAN AND/OR NOTE NUMBER

005.04B3 NAME OF BORROWER(S) Short name is acceptable.

005.04B4 ADDRESS OF BORROWER ~~Address~~ Must include zip code.

005.04B5 COLLATERAL CODE A descriptive identification of the collateral pledged or a code to indicate same.

005.04B6 GUARANTOR, ENDORSER, OR CO-SIGNER INDICATOR

005.04B7 LOAN OFFICER CODE

005.04B8 INTEREST RATE Actual interest rate, or if interest is tied to prime, an indicator of same plus the interest additive.

005.04B9 TERMS Information ~~should~~ must be sufficient to identify the re-payment schedule agreed to by ~~bank and borrower~~ the parties.

005.04B10 ORIGINAL DATE OF CURRENT LOAN The date the initial loan proceeds were disbursed and interest began to accrue.

005.04B11 ORIGINAL AMOUNT OF CURRENT LOAN ~~The~~ Amount of initial loan proceeds.

005.04B12 ORIGINAL DATE OF CURRENT NOTE ~~The~~ Date the current note was executed.

005.04B13 ORIGINAL AMOUNT OF CURRENT NOTE ~~The~~ Amount of current note proceeds.

005.04B14 DATE OF LAST RENEWAL ~~The~~ Date of last renewal of the current note.

005.04B15 ORIGINAL MATURITY DATE The final date on which the principal amount of the note becomes due and payable. If the current

maturity date is different, an additional field must be used.

005.04B16 DATE FIRST PAYMENT DUE (IF APPLICABLE)

005.04B17 DATE NEXT PAYMENT DUE (IF APPLICABLE)

005.04B18 AMOUNT OF NEXT PAYMENT DUE (IF APPLICABLE)

005.04B19 DATE INTEREST PAID TO Date interest on the obligation has been paid through.

005.04B20 DATE PRINCIPAL PAID TO Date principal on the obligation has been paid through.

005.04B21 CURRENT BALANCE HERE The remaining outstanding amount of the note after deduction for participations sold.

005.04B22 GROSS LOAN BALANCE Current balance here plus participations sold.

005.04B23 PAST DUE AMOUNT-INTEREST Amount of interest currently past due.

005.04B24 PAST DUE AMOUNT-PRINCIPAL Amount of principal currently past due.

005.04B25 NON-ACCRUAL INDICATOR An indicator that the interest rate has been lowered or reduced to zero.

005.04B26 PARTICIPANT IDENTIFICATION NUMBER (IF APPLICABLE)

005.04B27 PARTICIPANT CODE-PURCHASED OR SOLD (IF APPLICABLE)

005.04C **The following Required Fields must to** be maintained and/or totaled by borrower number.

005.04C1 LINE OR COMMITMENT INDICATOR Identifies the type of line or commitment (advised, internal guideline, fee-paid, etc.)

005.04C2 TOTAL LINE OR COMMITMENT Total approved contingent liability.

005.04C3 UNUSED PORTION Total amount of unused commitment or line or credit.

005.04C4 FEE BASIS INDICATOR Type of fee (None, percentage, or dollar amount)

005.04C5 DATE FEE PAID TO (IF APPLICABLE)

005.04C6 HIGHEST NUMBER OF CONSECUTIVE DAYS OUT OF DEBT IN THE LAST 12 MONTHS ~~This could be~~ Accumulated on a previous twelve month running total, or year-to-date plus total previous year.

005.04C7 HIGH AND LOW CREDIT IN LAST 12 MONTHS ~~This could be~~ Accumulated on a previous twelve month running total, or year-to-date plus total previous year.

005.04C8 RELATED BORROWERS (CONCENTRATION OF CREDIT) Borrower number of related organizations or persons that have commercial loans. An organization or person is defined as: closely allied interests, the repayment of whose obligations is interdependent by reason of affiliated ownership or control. A current list of codes assigned ~~should~~ must be maintained at the bank. A single code may be used to identify multiple entities.

005.04C9 CREDIT STATUS INDICATORS Loan classification by

~~(1)~~ 005.04C9a Internal loan review, and

~~(2)~~ 005.04C9b Examiners review.

005.04C10 DATE LAST REVIEWED BY BANK OR DATE LAST AUTHORIZED

005.04C11 DATE OF LAST CUSTOMER FINANCIAL STATEMENT

005.04D The following information must be available, but may be maintained in a manual system.

005.04D1 PARTICIPANT IDENTIFICATION NUMBER

005.04D2 NAME OF PARTICIPANT

005.04D3 ADDRESS OF PARTICIPANT

005.04D4 BORROWER NUMBER AND LOAN
NUMBER OF LOAN PURCHASED OR SOLD

005.04D5 PARTICIPATION CODE
(PURCHASED OR SOLD)

005.04D6 PARTICIPATION TYPE (RECOURSE,
REPURCHASE, ETC.)

005.04D7 PARTICIPATION BASIS (PERCENT
OR DOLLAR AMOUNT)

005.04D8 AMOUNT OF PARTICIPATION

005.04D9 **NOTE:** PARTICIPATION
INFORMATION ~~should~~ **must** be maintained for all
loan participations, including 100% purchased or
sold loans ~~and This information should be~~
maintained for both bank and non-bank
participants.

005.04D10 DESCRIPTION OF COLLATERAL

A 005.04D11 VALUE OF COLLATERAL

005.04D12 DATE OF LAST VALUATION

001.07 006 REQUIRED DATA – SECURITIES. (DEFINITIONS)

006.01 If any of the following accounts are maintained
in the computer records, they must be identified by a
unique code. **A** range of account numbers is not an
acceptable method.

006.01A TYPE CODE - **D**esignates the obligor or
type of instrument

006.01A1 U.S. Treasury

006.01A2 Federal Agencies not guaranteed

006.01A3 State, County, and Municipals

006.01A4 Other bonds, notes, and
debentures

006.01A5 Stocks

006.01B Required Fields of Data that must be recorded in the computer records:

006.01B1 SECURITY OR ACCOUNT NUMBER
The number assigned to the security.

006.01B2 NAME OF ISSUER ~~The~~ Name of the issuer liable for re-payment and ~~the~~ nature of the obligation as stated on the face of the instrument.

006.01B3 COUPON DATES ~~The~~ Month and day the interest coupon may be redeemed.

006.01B4 MATURITY DATE ~~The~~ Date the obligation will mature and principal amount of the investment ~~that~~ will be re-paid to the holder. (This is not necessarily the optional call date of the instrument.)

006.01B5 PAR VALUE ~~The~~ Amount of principal which will be paid to the holder by the obligor on maturity date.

006.01B6 CALL DATE If security provides for a call option, call date ~~should~~ must be recorded.

006.01B7 DATE PURCHASED ~~The~~ Date on which the security became an asset of the bank. (This is not necessarily the date on which a bid or offer to buy was made by the bank.)

006.01B8 SOURCE OF PURCHASE CODE
Identification of the source from which the security was purchased.

006.01B9 PURCHASE PRICE ~~The~~ Price paid for the security including broker fees less accrued interest.

006.01B10 BOOK VALUE ~~The~~ Purchase price adjusted for the appropriate accretion or amortization.

006.01B11 MARKET VALUE Must be updated at least every 90 days.

006.01B12 INTEREST RATE ~~The~~ Rate of interest which the obligor has agreed to pay to the holder of the security.

006.01B13 YIELD ~~The~~ Rate of return on the security.

006.01B14 CUSIP NUMBER (IF USED) ~~The~~ Unique identifier number assigned to the security that gives a description of the security.

006.01B15 CREDIT RATING ~~The~~ Current rating assigned to the security by any rating service. It is recommended that this be updated quarterly by using a reliable source.

006.01B16 RATING SOURCE ~~The~~ Source used to obtain the current rating.

006.01B17 REPURCHASE OR RESALE INDICATOR An indicator which signifies the security has a repurchase or resale agreement.

006.01B18 GUARANTEE OR INSURANCE INDICATOR An indicator which signifies the security is insured or guaranteed.

006.01B19 PLEDGED CODE Those securities which are pledged must be identified by the entity or entities to whom the security is pledged. A current list of codes assigned ~~will~~ must be maintained at the bank. A single code may be used to identify multiple entities.

006.01B20 PLEDGED AMOUNT That amount of the security that is pledged. If the security is pledged to more than one entity, this field will must contain the aggregate amount pledged.

006.01B21 DISCOUNT ACCRETED That portion of the discount (face value less price paid) not including accrued interest, which has been accreted since the date of acquisition. Premium amortized and discount accreted may be the same field.

006.01B22 PREMIUM AMORTIZED That portion of the premium (purchase price less face value) not including accrued interest, which has been amortized since the date of acquisition.

006.01B23 ACCRUED INTEREST PURCHASED ~~The~~ Amount of accrued interest paid to the seller.

006.01B24 SAFEKEEPING NUMBER The number of the safekeeping receipt, issued by the responsible party for the security.

006.01B25 SAFEKEEPING LOCATION ~~The~~ Name or a code of the physical location where the security is held within the bank or ~~the~~ identity of the institution responsible for safekeeping.

~~004.08~~ 007 TECHNICAL SECTION REQUIREMENTS.

007.01 Section 007 applies to all accounts and required data set forth in Sections 004, 005, and 006 of this Rule.

007.01A ~~(Record Identification)~~ ~~The following applies to all applications as set forth previously:~~

007.01A1 Identification of record types within a file. Various types of records such as account, header, trailer, ~~or~~ control, ~~etc.~~, are normally maintained within a file. Each record type ~~should~~ must be identified by a unique code in the same field of each like record. Any method of recording the code is acceptable.

007.01A2 Identifying Records for a given bank. Two methods are in general use and either is acceptable:

007.01A2a A separate file for each bank processed by the data center.

007.01A2b Multiple bank records on one file with each identified by a unique code.

It is also acceptable to record more than one ~~application account type~~ (demand deposit, savings, etc.) with either of the above methods. However, records for each ~~application account type~~ type should be identified by a unique code located in the same record.

007.01A3 Identification of accounts. Certain accounts (public funds, trust funds, etc.) must be identified if the accounts are maintained in the file. The following guidelines apply to all ~~application account types~~ account types:

007.01A2a A unique code ~~(or codes)~~ can be established by the data center, common to all users, or the data center can provide any

method for the bank to identify specified types of accounts. In the event, a bank establishes its own codes, an up-to-date list must be maintained by the bank. The data center must be able to specify where within the record the codes established by the bank are maintained. It is recommended that banks use the coding structure provided by the data center.

007.01A2b A range of account numbers is not an acceptable method of coding.

007.01A2c The type account code should be maintained in either the master account record or an associated record or file. (“Master account record” is defined as that record where financial activity is recorded ~~vs. versus~~ any other associated record or file such as name and address master.)

007.01A2d Provision for expansion of type account code should be considered for future use. ~~The Department of Banking and Finance may require the identification of additional account types within two years.~~

007.01A2e For purposes of processing, different types of accounts may be identified on a multi-bank file by a separate bank number. Example: Regular passbook savings ~~vs. versus~~ accounts that receive a periodic statement, or, club savings account ~~versus and~~ regular savings account.

007.02 Banks and/or data centers may use any other codes to identify accounts not specified herein for their own purposes (such as sub-type of account) provided that the minimum standards as set forth in this Rule are satisfied. ~~It is not the intent of~~ These standards are not intended to limit or exclude the coding of account types.

~~004.08A4~~ 007.02A Identifying Status of Account. Codes are needed to identify the status of an account. Standards applicable to identifying status for all applications are:

~~004.08A4a~~ 007.02A1 A unique code (or combination of codes) should be used to identify status.

~~004.08A4b~~ 007.02A2 The status code should be maintained either in the master account record or any associated record or file. (Master account record is defined as that record where the financial activity is recorded as opposed to any associated record or file such as master name and address.)

007.02A3 A range of account numbers is not an acceptable method of coding.

~~004.08A4c~~ 007.02A4 Provide for expansion of status codes.

007.03 Any code or combination of codes may be used to identify the status of an account. Any recording method is acceptable provided that the method is uniform from record to record for a given bank. Banks and/or data centers may establish status classifications other than those specified herein in this Rule for other purposes, if they so desire. It is not the intent of These standards are not intended to limit or exclude the identification of accounts by a status indicator.

~~004.08B~~ 007.04 Data Fields Within a Record

~~004.08B1~~ 007.04A Record-keeping Guidelines

~~004.08B1a~~ 007.04A1 Data may be recorded using any of the standard techniques provided by the manufacturer. Acceptable recording methods include, but are not limited to:

~~004.08B1a(1)~~ 007.04A1a standard alpha numeric (character data)

~~004.08B1a(2)~~ 007.04A1b packed signed; signs may be high or low order

~~004.08B1a(3)~~ 007.04A1c packed unsigned

~~004.08B1a(4)~~ 007.04A1d zone decimal signed; may be high or low order

~~004.08B1a(5)~~ 007.04A1e zone
decimal unsigned

~~004.08B1a(6)~~ 007.04A1f binary

007.04A2 Any unique space savings recording technique or recording techniques designed for security purposes are acceptable. The data center ~~should~~ must be able to clearly describe the technique to the Department of ~~Banking and Finance~~.

~~004.08B1b~~ 007.04A3 The recording technique used for any given field should be consistent for all like records within a given file.

~~004.08B1c~~ 007.04A3 The format of data recorded in any given field should be consistent for all like records. Example: If the format for a given date fields is MMDDYY, it should be recorded in that format for the given date field for all like records.

~~004.08B1d~~ 007.04A4 All fields of data handled arithmetically should be initialized. Blanks are normally not considered to be a sound record-keeping technique for an arithmetic field. All amount and date fields should be initialized with numeric zeros in the absence of specific values, except in those instances when, for security or coding purposes, a string of non-numeric characters ~~are~~ is recorded in the field. ~~{Documentation should, of course,~~ must clearly describe the reason for non-numeric values).

~~004.08B1e~~ 007.04A5 All the data for a given item of information should be recorded as a single contiguous field.

Exhibit A TIME TABLE FOR COMPLIANCE

~~If the data center computer programs are currently designed to accommodate the identification of the type or status of accounts for each application set forth herein (i.e., Demand Deposit, Savings, Etc.) the bank, with the cooperation of the data center, shall comply within six (6) months from the date this material becomes effective.~~

~~If any of the following conditions exist, the data center shall prepare a schedule as to when changes will be made subject to reasonable effort. This time schedule for compliance shall be completed and forwarded to the Department of Banking and Finance at the earliest possible date.~~

- ~~1. — the data center programs do not include the necessary routines to identify any or certain of the accounts by type or status;~~

2. ~~the data files do not include the required fields;~~
3. ~~the system does not comply with the standards governing the creation and maintenance of required fields.~~
- ~~The banks shall have three (3) months to code the accounts after the data center has made the provisions in their programs.~~

CONSUMER LOAN REFERENCE CHARTER:

~~PERSONAL LOAN ACT
Chapter 8, Article 8~~

~~SALES FINANCE
Chapter 45, Article 3~~

REQUIRED FIELD/FACTOR	STATUTE	DEFINITION	STATUTE	DEFINITION
A. Amount Advanced	8-821	Net amount of credit received	45-335	The cash sale price of goods or services which are contracted for; less the amount of the buyer's down payment in money or goods or both.
B. Insurance Premiums	8-821	a. Premiums paid to the Insurer on policies covering tangible personal property securing the loan. b. Premiums paid for credit life, sickness and accident insurance policies. c. The actual costs of non-filing insurance.	45-337	The amount, included for insurance, shall not exceed the applicable premium rates chargeable in accordance with fillings, if any, with the Department of Insurance.
C. Official Fees	8-121	Lawful fees actually and necessarily paid to a public officer for filing, recording, or releasing an instrument securing the loan.	45-335	Lawful fees actually and necessarily paid to a public officer for filing, recording, or releasing an Instrument securing a loan.
D. Amount Financed		A+B+C=D		A+B+C=D
E. Finance Charge (Time Price installment Differential)	8-820	F=D/E Not to exceed eighteen percent simple interest per year on the first one thousand dollars and twelve percent simple interest per	45-338	The time price differential for any goods or services sold under an installment contract shall not exceed eighteen percent per annum on that part of the unpaid balance

		year on the balance over one thousand dollars. Not to exceed nineteen percent simple interest per year.		not in excess of one thousand dollars and not exceeding twelve percent per annum on that part of the unpaid principal balance in excess of the one thousand dollars.
F. Time Balance	8-815	D+E=F		D+E=F
G. Amount of Payments Made		The amount that applies solely to the balance F-H-G		The number, amount and due date or period of each installment F-H-G.
H. Current Balance		(A+B+C+E)-G=H or F-G=H		(A+B+C+E)-G=H or F-G=H
I. Unearned Discount — 1. Finance Charge — (Time Price Differential) — 2. Insurance	8-822	Rule of 78's or other method as prescribed by law. Applied to E. Rule of 78's or other method as prescribed by law. Applied to B.	45-342	Rule of 78's or other method as prescribed by law. Applied to E. Rule of 78's or other method as prescribed by law. Applied to B.
J. Extension Charges		No specific statutory provision for extension charges; but in lieu of delinquent charges a bank may take interest on each delinquent installment after the original maturity date, but within 121 months.		No specific statutory provision for extension charges; but in lieu of delinquent charges, a bank may take interest on each delinquent installment after the original maturity date, but within 145 months.
K. Minimum Charges	8-820	A minimum fee of five dollars may be made in lieu of E.	45-338	A minimum charge of ten dollars may be made in lieu of E.
L. Delinquent Charges	8-822	Delinquency charges on any scheduled installment or portion thereof, if contracted for, may be taken, not in excess of five percent on each installment or five dollars, whichever is less.	45-341	An installment contract may provide that the holder thereof may collect a delinquency charge on each installment in default for a period no less than ten days, if provided for in the contract, not in excess of five percent of each installment or five dollars, whichever is less.
M. Attorney Fees and — Court costs		Taxable costs to which the bank is adjudged to be entitled in	45-342	Costs which are adjudged to be entitled in judicial proceedings

		judicial proceedings instituted to collect the loan.		instituted to collect the account.
N. Payoff	8-822	H-(I+J)=N	45-342	Notwithstanding the provisions of any contract to the contrary, any buyer may prepay in full at any time before maturity the obligation of any contract and in so paying such obligation shall receive a refund credit thereon for such anticipation of payments.

NEBRASKA ADMINISTRATIVE CODE

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~27~~ 4 - SCHEDULE FOR RECORDS RETENTION BY BANKS

001 DEFINITIONS.

001.01 For purposes of this Rule:

001.01A "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities; and

001.01B "Electronic record" means information that is stored in an electronic or other medium and is retrievable in paper form through an automated process used in conventional commercial practice.

002 RETENTION FORMAT.

002.01 ~~The Department of Banking and Finance, pursuant to the provisions of Sections Neb. Rev. Stat. §§ 8-170 and 8-175 R.R.S., authorizes banks to dispose of old records in accordance with the following schedule. for destruction of old bank records, except those ledger this Rule. Corporate records that relate to the corporate existence of the bank shall not be destroyed.~~

002.02 ~~Records established through a computer or an electronic process, and information received relative to this such records in the form of a computer print-out or electronic record shall be maintained in such a manner as so that the accounts reflected thereon can be reconstructed from the date of origin to show all entries and may are to be retained in accordance with the attached schedules this Rule.~~

002.03 ~~Banks which used microfilm or microfiche is an acceptable means of maintaining to maintain such records may continue to retain the records in those media, providing it is provided that each record is retrievable and readable or legible.~~

002.04 ~~Computer print-outs Any record~~ reflecting unpaid balances in favor of depositors shall not be destroyed without means of reconstruction of each such account.

003 SCOPE.

003.01 ~~This retention schedule indicates Rule provides~~ only the minimum retention periods prescribed by the Department.

003.02 ~~Longer retention periods may be prescribed by other regulatory agencies in some cases and circumstances or for certain records.~~

003.03 ~~individual entities~~ A bank may prefer elect to maintain certain records for longer periods of time.

003.04 A bank chartered to exercise trust powers within a trust department must retain trust department records in accordance with 45 NAC 4.

003.04 This schedule Rule is also not considered an all-inclusive list of records which the bank may be responsible for retaining.

001.01 004 PERMANENT RECORDS.

001.01A 004.01 A bank must keep the original of the following:

001.01A1 004.01A Bank charter

001.01B Charter amendments

001.01A2 004.01C Capital stock ~~book~~ records

001.01A3 Customer's deposit ledgers showing unpaid balances

001.01A4 004.01D Inventory of drilled safe deposit boxes

001.01A5 004.01E Minutes of stockholders' meetings

001.01A6 004.01F Minutes of Board of Directors' meetings

001.01A7 004.01G All other records that relate to the corporation or to the corporate existence of the bank. (~~See Section 8-170.~~)

004.02 Customer deposit ledgers showing unpaid balances in favor of depositors are to be retained permanently unless the bank remits such unpaid balances to the State Treasurer in accordance with the Uniform Disposition of Unclaimed Property Act. A record of each remittance shall then be retained by the bank for ten years.

001.02 005 ALL OTHER RECORDS.

001.02A Except as provided in Subsections 003.02 and 003.03 of this Rule, a bank must keep records for the time period indicated provided below, which commences ~~from the date the record originated unless otherwise noted, on the first of January following the creation of said record.~~ Microfilm or microfiche is an acceptable means of maintaining such records providing it is readable.

<u>RECORD</u>	<u>TIME PERIOD</u>
<u>001.02A1</u> Advices of deposits	1 year
<u>001.02A2</u> Advices from correspondents (due from banks)	1 year
<u>001.02A3</u> Bank Call Reports	7 years
<u>001.02A4</u> Bank examination reports	10 years

<u>001.02A5</u> Bank statements (due from banks)	3 years
<u>001.02</u> Bond ledger	7 years
<u>001.02A7</u> Cancelled checks for truncated checking accounts - original must be maintained for 6 months and may be filmed at that time <u>imaged immediately.</u>	6 years
<u>001.02A8</u> Cash item records	3 years
<u>001.02A9</u> Cashier's checks	7 5 years
<u>001.02A10</u> Certified check register	7 years
<u>001.02A11</u> Collection receipts	1 year
<u>001.02A12</u> Collection register	3 years
<u>001.02A13</u> Credit files (after credit is extinguished)	3 years
<u>001.02A14</u> Correspondence, general	1 year
<u>001.02A15</u> Coupon cash letters, outgoing	1 year
<u>001.02A16</u> Customers' deposit ledgers	7 years
<u>001.02A17</u> Daily Statement	10 years
<u>001.02A18</u> Debit and credit tickets	7 years
<u>001.02A19</u> Departmental or teller's proof sheets	1 year
<u>001.02A20</u> Drafts	7 years
<u>001.02A21</u> Draft register	7 years
<u>001.02A22</u> Dividend checks	7 5 years
<u>001.02A23</u> Dividend check register	7 years
<u>001.02A24</u> Expense checks	5 years

<u>001.02A25</u> Expense check register	7 years
<u>001.02A26</u> Financial Institution Bonds (after expiration of bond)	7 years
<u>001.02A27</u> General ledger	10 years
<u>001.02A28</u> General journal	10 years
<u>001.02A29</u> General ledger tickets	10 years
<u>001.02A30</u> Income and expense records	7 years
<u>001.02A31</u> Incoming cash letter	10 years
<u>001.02A32</u> Incoming registered mail log	1 year
<u>001.02A33</u> Insurance records (after expiration of policy)	7 years
<u>001.02A34</u> Liability ledger	7 years
<u>001.02A35</u> Minutes of any committee appointed by either stockholders or directors , unless the minutes are incorporated or attached to minutes of appointing authority	10 years
<u>001.02A37</u> Negotiable collateral record	7 years
<u>001.02A37</u> Night depository agreements	7 years
<u>005.01A38</u> Night depository daily records	1 year
<u>001.02A39</u> Note or discount ledger	7 years
<u>001.02A40</u> Outgoing cash letter	7 years
<u>001.02A41</u> Outgoing registered mail log	1 year
<u>001.02A42</u> Personnel records (After termination of employment and pension rights)	10 years
<u>001.02A43</u> Paid certificates of	

deposits	7 years
<u>001.02A44</u> Proof tapes	7 years
<u>001.02A45</u> Proxies	1 year
<u>001.02A46</u> Reconcilements (due to banks)	3 years
<u>001.02A47</u> Reconcilements register (due from banks)	3 years
<u>001.02A48</u> Registered mail return receipt cards	1 year
<u>001.02A49</u> Reserve computations, daily	3 years
<u>001.02A50</u> Safe deposit contracts (after termination of contract)	7 years
<u>001.02A51</u> Safe deposit entry records (after termination of contract)	7 years
<u>001.02A52</u> Safe keeping records and receipts	7 years
<u>001.02A53</u> Signature cards (after closing of account)	7 years
<u>001.02A54</u> Stop payment orders	3 years
<u>001.02A55</u> Tax records	7 years
<u>001.02A56</u> Tellers' cash books	1 year
<u>001.02A57</u> Tellers' tickets	1 year
<u>001.02A58</u> Traveler's checks, records of close	1 year
<u>001.02A59</u> Travelers' checks register	1 year

~~Effective date: January 9, 1991~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~32~~ 5- SCHEDULE FOR RETENTION OF RECORDS: BANKS EXERCISING TRUST POWERS AND TRUST COMPANIES

001 GENERAL.

001.01 For purposes of this Rule:

001.01A "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities; and

001.01B "Electronic record" means information that is stored in an electronic or other medium and is retrievable in paper form through an automated process used in conventional commercial practice.

001.02 A copy of the federal regulations referenced in this Rule is available as an appendix to this Rule at (link to be determined).

002 RETENTION FORMAT.

002.01 The Department of Banking and Finance, pursuant to statutory authority granted in Section the provisions of Neb. Rev. Stat. §§ 8-170 and 8-175, authorizes banks exercising trust powers in a trust department of the bank and stand-alone trust companies (collectively, "institutions" or "institution") organized pursuant to 8-204 through 8-233 R.R.S., the Nebraska Trust Company Act to dispose of ~~old trust department and trust company records in accordance with this Rule.~~ pursuant to the conduct of fiduciary business in accordance with the following schedule for destruction of trust records, except those ledger sheets and records showing unpaid balances in favor of any trustor, grantor, beneficiary, or other parties interested in fiduciary accounts administered by the bank or trust company. Corporate records that relate to the authorization and existence of trust powers shall not be destroyed.

002.02 Records established through a computer or an electronic process, and information received relative to this record in the form of a computer print-out or electronic record shall be maintained in such a manner as that the accounts reflected thereon can be reconstructed from the date of origin to show all entries, and may are to be retained in accordance with the attached schedules this Rule.

002.03 Institutions which used microfilm or microfiche to maintain such records may continue to retain the records in those media, provided that each record is retrievable and readable or legible.

002.04 Computer print-outs Any record reflecting unpaid balances in favor of trustors, grantors, beneficiaries, and/or other interested parties shall not be destroyed without means of reconstruction of each such account. Microfilm and

~~microfiche are acceptable means of maintaining such records provided the same is clearly readable.~~

003 SCOPE.

003.01 This ~~retention schedule indicates~~ Rule provides only the minimum retention periods prescribed by the Department.

003.02 Longer retention periods may be prescribed by other agencies in some ~~cases and circumstances or for certain records.~~

003.03 ~~individual entities~~ Institutions may ~~prefer~~ elect to maintain certain records for longer periods of time.

003.04 A bank's non-trust department records must be retained in accordance with 45 NAC 4.

003.05 This ~~schedule~~ Rule is ~~also~~ not considered an all-inclusive list of records which the ~~bank or trust company~~ institution may be responsible for retaining.

003.06 All records or files or copies thereof, however maintained, shall be readable or legible.

001.01 004 PERMANENT RECORDS.

001.01A 004.01 Institutions must keep the original document must be kept of the following:

001.01A1 004.01A Capital stock ledger (~~stand-alone~~ trust company)

001.01A2 004.01B Charter ~~certificate~~; numbered and executed by the Director of ~~Banking~~ the Department

001.01A3 004.01C Department ~~of Banking & Finance~~ "Order" granting trust powers

001.01A4 004.01D Minutes of stockholder meetings (~~stand-alone~~ trust company)

001.01A5 004.01E Minutes of the board of directors (~~stand-alone~~ trust company)

001.01A6 004.01F Minutes of the trust committee and all other committees appointed by the Board of Directors to oversee fiduciary activity

001.01A7 004.01G Receipts for final distribution of account assets

001.01A8 Records and receipts for cash or property conveyed to the State of Nebraska under the Uniform Unclaimed Property Act (Escheat Laws)

~~001.01A9~~ 004.01H Registration confirmations regarding "Direct" or "Indirect Inquiry" concerning lost, stolen, or misplaced securities (~~Rule 17f-1~~)

~~001.01A10~~ 004.01I Required records and logs pursuant to FDIC Regulation Part 344 (O.C.C. 12 CFR ~~12.6~~ Part 12 or FRB Regulation "H" Subpart C)

~~001.01A11~~ 004.01J All other records relating to the corporate existence of a stand-alone trust company or the authorization for a bank to conduct a trust company business in a trust department, pursuant to Sections 8-201 through 8-233 R.R.S.

004.02 Records reflecting unpaid balances in favor of trustors, grantors, beneficiaries, and/or other interested parties are to be retained permanently unless the institution remits such unpaid balances to the State Treasurer in accordance with the Uniform Disposition of Unclaimed Property Act. A record of each remittance shall then be retained by the bank for ten years.

004.03 An inventory of each drilled safe deposit box is to be retained permanently unless the institution remits the contents of the box to the State Treasurer in accordance with the Uniform Disposition of Unclaimed Property Act. A record of each remittance shall then be retained by the institution for ten years.

001.02 005 OTHER CORPORATE RECORDS.

~~001.02A~~ 005.01 Institutions must retain the following original records for ten (~~10~~) years following date of issue or expiration, (whichever is later). Records may be ~~microfilmed~~ retained electronically after ten (~~10~~) years and the original destroyed, provided ~~microfilm~~ that the record, however maintained, is clearly readable or legible.

~~001.02A1~~ 005.01A Annual call reports of corporate and fiduciary activity, prepared for any supervisory agency

~~001.02A2~~ 005.01B Federal, state, and other governmental tax records (~~stand-alone~~ trust company)

~~001.02A3~~ 005.01C Insurance records, Bankers' Blanket Bond, Excess Dishonesty Bonds

~~001.02A4~~ 005.01D Receipts for stock certificates issued (~~stand-alone~~ trust company)

~~001.02A5~~ 005.01E Stock certificate stubs (~~stand-alone~~ trust company)

~~001.02A6~~ 005.01F Surrendered stock certificates (~~stand-alone~~ trust company)

001.03 006 ALL OTHER FIDUCIARY RECORDS.

~~001.03A~~ 006.01 Institutions must retain the following original records for six (~~6~~) years after fulfillment of duties specified in the governing documents of

individual accounts. After six ~~(6)~~ years, the original document may be ~~microfilmed and destroyed~~ maintained electronically, provided ~~microfilm the record, however maintained,~~ is clearly readable or legible.

~~001.03A1~~ 006.01A Advice of payments of bequests, gifts, discretionary distributions, income distributions, scheduled payments, or extraordinary payments requested by interested parties

~~001.03A2~~ 006.01B Common Investment Fund (CIF) or Common Trust Fund (CTF) records including annual reports, annual fund audits, governing plan documents, and all terminations reports. ~~(Retention shall continue 6 six years beyond the date of termination of the CIF or CTF and full payment of all investor share accounts.)~~

~~001.03A3~~ 006.01C Correspondence relative to the administration of accounts

~~001.03A4~~ 006.01D Court orders issued regarding legal appointment, ~~judgements~~ judgments, or other litigation settlement and/or trustee requests for direction

~~001.03A5~~ 006.01E Cremation/destruction certificates regarding matured, redeemed, or cancelled corporate bond issue certificates

~~001.03A6~~ 006.01F Dividend checks paid on corporate bond issue accounts

~~001.03A7~~ 006.01G Escrow account records (including payment schedules)

~~001.03A8~~ 006.01H Final accounting report for any fiduciary account

~~001.03A9~~ 006.01I Legal opinions or other letters of legal counsel pertaining to the administration of trust accounts

~~001.03A10~~ 006.01J Real estate records

~~001.03A11~~ 006.01K Safekeeping records relating to assets held during course of account administration

~~001.03A12~~ 006.01L Trust indentures and other authorizing documents creating fiduciary relationships and/or limiting authority of the named fiduciary

~~001.03A13~~ 006.01M Wills of decedents ~~which~~ who appointed the bank or trust company as personal representative and/or trustee of subsequent trust accounts created by the will

~~001.03A14~~ 006.01N Worthless assets, including documentation regarding determination of worthless status and distribution of such assets in kind, ~~(if applicable)~~

~~001.03B~~ 006.02 Institutions must retain the following records within individual account files until six ~~(6)~~ years after accounts have been closed or terminated:

~~001.03B1~~ 006.02A Accounting records of individual fiduciary accounts

~~001.03B2~~ 006.02B Administrative expenses charged to and paid from individual account funds

~~001.03B3~~ 006.02C Annual (or other periodic) reports provided grantors/beneficiaries during administration of the account

~~001.03B4~~ 006.02D Approvals of administrative action by co-fiduciaries and third parties authorized to provide advice

~~001.03B5~~ 006.02E Authorization of transactions by co-fiduciaries and investment advisors

~~001.03B6~~ 006.02F Bondholder records regarding corporate bond issues over which the institution exercises trustee or agency authority

~~001.03B7~~ 006.02G Bond transfer records for corporate bond issue accounts

~~001.03B8~~ 006.02H Broker/dealer statements relating to liquidation of assets for final distribution and/or re-registration of securities for distributions in kind

~~001.03B9~~ 006.02I Cash journals or ledgers reflecting receipt and disposition of principal and income cash

~~001.03B10~~ 006.02J Corporate bond issue accounting records

~~001.03B11~~ 006.02K Corporate bond issue asset ledgers where fiduciary capacity included trustee or escrow agent investment duties

~~001.03B12~~ 006.02L Coupon and/or Dividend collection records pertaining to assets held by accounts

~~001.03B13~~ 006.02M Employee benefit plan account records (both as agent and trustee)

~~001.03B14~~ 006.02N Indemnification agreements and surety bonds in regard to lost, stolen, or misplaced certificates of corporate bond issues for which the institution acted as trustee or agent

~~001.03B15~~ 006.02O Keogh & IRA account records (custodial accounts)

~~001.03B16~~ 006.02P Mortgage and loan collection records for individual accounts (when an asset of the account)

001.03B17 006.02Q Mortgage and loan payment records for individual accounts (when a liability of the account)

001.03B18 006.02R Original records and documents pertaining to trust entries at the inception of accounts

001.03B19 006.02S Receipts for the exchange or substitution of trust assets

001.03B20 006.02T Rent and lease payment receipts for accounts holding income producing real or personal property

001.03B21 006.02U Signature files of authorized signatories for direction of accounts

001.03B22 006.02V Stock transfer ledgers where institution is fiduciary for an equity stock issue

001.03B23 006.02W Stockholder records specifying current stock ownership where institution is fiduciary for an equity stock issue

001.04 007 TEMPORARY RECORDS.

001.04A 007.01 During active administration, ~~retention of an institution must retain~~ the originals of following items ~~will vary in accordance with suggested for~~ the specified time frames: ~~which commence on the first of January following the creation of said record.~~ Any temporary record not included in this Subsection must be retained for three years following the creation of the record.

<u>RECORD</u>	<u>TIME PERIOD</u>
---------------	--------------------

001.04A1 Annual account review documents - 2 years

001.04A2 Annual reports of securities held in accounts - until superseded

001.04A3 Appraisal of personal property held in fiduciary accounts - **U**ntil Superseded

001.04A4 Appraisal of real estate parcels held in fiduciary accounts - **U**ntil Superseded

001.04A5 Audit reports and work files of internal/external auditors - 2 years

001.04A6 Broker/dealer invoices - 3 years

001.04A7 Broker/dealer transaction confirmations - 3 years

001.04A8 Checking account statements with paid drafts - 6 years

001.04A9 Check register detailing disposition of fiduciary account funds - 6 years

001.04A10 Contracts and agreements - 3 years after expiration

001.04A11 Correspondence not relative to administration of account - 3 years

001.04A12 Decedents' final tax returns - 3 years after filing

001.04A13 Farming leases - 3 years after expiration

001.04A14 Federal and State Estate Tax Returns - 3 years after filing

001.04A15 Federal and State Gift Tax Returns - 3 years after filing

001.04A16 Fiduciary Income Tax Returns (Fed & State) - 3 years after filing

001.04A17 General ledger and journal entry tickets or advices - 3 years

001.04A18 Income statements from account assets - 3 years after closing

001.04A19 Internal policies and procedures - until superseded

001.04A20 Investment records - 3 years

001.04A21 Invoices paid from individual fiduciary accounts - 3 years after closing

001.04A22 ~~Other documentation not specified - 3 years~~

001.04A23 Proxy statements regarding voting of company stock (stand-alone trust company) - 2 years

001.04A24 Proxy statements regarding voting rights for securities held as assets of fiduciary accounts - 2 years

001.04A25 Stop payment orders - 3 years

001.04A26 Surety bonds required by court order or other agreement - 3 years after release

001.04A27 Synoptic account records - **Until Superseded**

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 8 6 - ARTICLES OF INCORPORATION AND BYLAWS

001 FILINGS - ARTICLES OF INCORPORATION.

001.01 ~~A corporation duly organized to conduct a banking business within the state bank~~ must have its current Articles of Incorporation on file with the Department ~~of Banking.~~

001.02 ~~At such as Each~~ time a bank amends its the Articles of Incorporation ~~of the state bank are amended, including an amendment authorizing a trust department,~~ the proposed amended Articles of Incorporation must be ~~filed with~~ submitted to the Department for review and the examining fee ~~set forth~~ provided in section Neb. Rev. Stat. § 8-602 shall must be paid.

001.03 ~~If the Department has no objection to a proposed amendment, the Department will notify the bank of such. The bank must subsequently file the amendment with the Nebraska Secretary of State and submit a copy that is certified by the Secretary of State to the Department for filing in the records of the Department.~~

001.04 ~~An amendment proposing to change the name of a bank is subject to Neb. Rev. Stat. §§ 8-1901 to 8-1903, inclusive.~~

002 FILINGS - BYLAWS.

002.01 ~~A bank must have its current Bylaws on file with the Department.~~

002.02 ~~Each time a bank amends its Bylaws, the amended Bylaws must be submitted to the Department for review and the examining fee provided in Neb. Rev. Stat. § 8-602 must be paid.~~

002.03 ~~If the Department has no objection to a proposed amendment, the Department will notify the bank of such and file a copy in the records of the Department.~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 7 – ELECTRONIC DATA PROCESSING RIDER OR ENDORSEMENT

001 BOND PROVISIONS.

001.01 Any ~~state~~ bank ~~who~~ which has authorized any person, ~~partnership~~ or ~~corporation~~ entity to perform ~~services for such bank as~~ electronic data processing services (hereinafter, ~~referred to as~~ “processor”) of any accounting records, ~~shall~~ must include as a part of the blanket bond of such bank, a data processing rider or endorsement which ~~incorporated~~ incorporates therein that:

~~001A~~ 001.01A ~~that~~ The processor shall, while performing such services, be deemed to be an employee as defined in ~~the~~ said bond;

~~001B~~ 001.01B ~~that~~ Each processor and the employees, partners, members, managers, and officers of the processor shall, collectively, be deemed to be one employee for the purposes of said bond; and

~~001C~~ 001.01C ~~that~~ The bond does not afford coverage in favor of the processor and upon payment to the bank on account of any loss through acts committed by any of the employees, partners, members, managers, or officers of the processor, an assignment of such rights and causes of action as the bank may have against the processor, to the extent of the payment received, shall be given by the bank to the underwriter of the bond, ~~and,~~

001.02 The bank ~~shall further~~ must execute all papers necessary to secure such rights to the ~~said~~ underwriter.

NEBRASKA ADMINISTRATIVE CODE

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~42~~ 8 - CHANGES IN PAID-IN CAPITAL STOCK INCREASE

~~001 At such time as the paid-in capital stock of any bank is to be increased, notice of such is to be given to the Department of Banking and Finance as required by section 8-128. Department of Banking Form 26 must be completed and forwarded to the department. If it becomes necessary to increase the amount of authorized capital stock of the bank in order to increase the paid-in capital stock, the amended articles of incorporation of the bank authorizing the increase in authorized capital stock, shall be filed with the Department of Banking and Finance in accordance with 45 NAC 8. Form 26 is not required when capital accounts other than capital stock are increased.~~

001 SCOPE.

001.01 This Rule relates only to the capital stock of a bank. It does not relate to other capital accounts of the institution.

002 NOTICES.

002.01 Each time a bank proposes to increase or decrease its paid-in capital stock, notice of such is to be given to the Department as required by Neb. Rev. Stat. § 8-128 on forms prescribed by the Department.

002.02 A notice of a proposed capital stock increase form must be submitted to the Department at least fourteen days prior to the proposed increase.

002.03 A notice of a proposed capital stock decrease must be submitted to the Department at least thirty days prior to the proposed decrease.

003 ARTICLES OF INCORPORATION.

003.01 Prior to submitting a notice of a proposed capital stock increase, a bank must determine if the amount of authorized capital stock set forth in its Articles of Incorporation is sufficient to include the proposed increase. If insufficient, the bank must amend its Articles of Incorporation in accordance with 45 NAC 6.

003.02 Prior to submitting a notice of a proposed capital stock decrease, a bank must determine if an amendment to its Articles of Incorporation is necessary to decrease the number of authorized shares of the bank, which may be appropriate if cancellation or retirement of unissued shares is planned.

003.03 Proposed amendments to the Articles of Incorporation necessary for increasing or decreasing capital stock must be filed with the Department prior to, or simultaneously with, the filing of the notices referenced in this Rule, and in accordance with 45 NAC 6.

004 COMPLETION OF PROPOSAL.

004.01 The Department will provide the bank with a written no-objection response to a notice of a proposed capital stock increase.

004.02 The Department will issue a written approval or denial of a notice of a proposed capital stock decrease pursuant to Neb. Rev. Stat. § 8-128.

004.03 If an amendment to the Articles of Incorporation is necessary to completion of the proposed capital stock increase or capital stock decrease, the amendment process must be completed prior to the bank effecting the proposal.

004.04 The bank shall notify the Department in writing when the proposed increase or decrease of the paid-in capital stock has been consummated.

TITLE 45-DEPARTMENT OF BANKING AND FINANCE

Chapter ~~28~~ 9 ~~RULES OF PRACTICE AND PROCEDURE APPLICABLE TO ACTIVE EXECUTIVE OFFICERS LICENSES OBTAINED FROM THE NEBRASKA DEPARTMENT OF BANKING AND FINANCE PURSUANT TO NEBRASKA REVISED STATUTES, 1943.~~

001 SCOPE AND APPLICATION.

001.01 Neb. Rev. Stat. § 8-139 provides requirements for persons serving as active executive officers of banks.

001.02 Except as specifically provided herein, this Rule applies to all banks and all persons who act or seek to act as an executive officer of a bank.

002 DEFINITIONS. ~~OF TERMS~~

002.01 For purposes of this Rule:

002.01A "Active Executive Officer" shall mean any employee of a financial institution, or any person under contract to perform services for a financial institution, who exercises management functions in said financial institution, or exercises major policy-making functions, in said financial institution, or exercises substantial employee supervision, including power to terminate employment; or is determined by the Department to be a policy dominant individual; in said financial institution. Examples of titles of such officers include President, any Vice President, Cashier, Assistant Cashier, Chief Executive Officer, Loan Officer, or Investment Officer; is as defined in Neb. Rev. Stat. § 8-139.

002.02 "Applicant" shall mean any person applying to the Department for an executive officer's license, or for whom an application has been made by a financial institution;

002.03 002.01B "Class I Executive Officer's License" shall mean a license granted prior to the effective date of this Rule to any active executive officer person who performs performed any functions defined in Paragraph 002.01 of an active executive officer with the exception of making loans or investments;

002.04 002.01C "Class II Executive Officer's License" shall mean a license granted prior to the effective date of this Rule to any person who directly or indirectly makes made loans or investments for a financial institution bank;

002.05 "Department" shall mean the Nebraska Department of Banking and Finance;

002.06 "Director" shall mean the Director of the Nebraska Department of Banking and Finance;

~~002.07 "Financial Institution" shall mean any institution under the jurisdiction of the Department in which officers are required by law to obtain an appropriate executive officer's license;~~

~~002.08 "Indirect" shall means any use of influence, persuasion, or exercise of authority to cause a loan or investment to be made by a financial institution.~~

~~002.09~~ 002.01D "Investment" ~~shall~~ means an outlay or expenditure of institutional funds requiring individual judgment as to the appropriateness of the expenditure, but ~~shall~~ does not include routine outlays or expenditures requiring little or no judgment, such as ~~the~~ investment of excess funds in overnight federal funds.

002.01E "Loan" means any extension of credit.

002.01F "Opt-In Bank" means a bank which utilizes the Department's licensing process for active executive officers.

002.01G "Opt-Out Bank" means a bank which has elected for its active executive officers to be exempt from the requirement to apply for and obtain a license from the Department.

002 003 APPLICATION PROCESS AND GENERAL QUALIFICATIONS.

003.01 Active executive officers must be persons of good moral character, known integrity, business experience and responsibility, and be capable of conducting the affairs of a bank institution on sound financial principles.

003.02 To determine whether a person meets the requirements of Subsection 003.01 of this Rule, all banks, prior to employing a person who will, or may be expected to, serve as an active executive officer, must verify employment history, check references, obtain a credit report, and obtain a criminal history of such person.

003.03 In the event a bank promotes, or changes the job duties of, a person who was not employed, or not expected, to serve as an active executive officer, the bank must obtain a credit report and obtain a criminal history of such person if such person has been employed by the bank for more than one year prior to the promotion or change in job duties.

003.04 The items obtained in accordance with Subsections 003.02 and 003.03 of this Rule are deemed to be personnel records and are to be retained as provided in 45 NAC 4.

004. LICENSED EXECUTIVE OFFICERS.

004.01 The provisions of Subsection 004 do not apply to active executive officers employed by, or under contract to perform services for, Opt-Out Banks.

~~002.04 004.02 Any No person employed by, or under contract to perform services for, an Opt-In Bank desiring to shall exercise any or all of the functions of an active executive officer in a financial institution, as described in Paragraph 002.04 Subsection shall not perform any of such functions without having first acquired an executive officer's license from the Department. an appropriate executive officer's license.~~

~~002.04A Any person desiring such license shall complete forms in such manner and content as the Department shall require, and shall forward such completed 004.03 An application shall be submitted by the bank on forms to prescribed by the Department along with any required the fee required by Neb. Rev. Stat. § 8-602.~~

~~002.04A(1) 004.04~~ As part of the application, the applicant ~~shall~~ must include a:

004.04A Personal financial statement,

004.04B Current résumé,

004.04C Completed Citizenship Attestation Form,

004.04D Copy of all Criminal History Reports from each state in which the applicant has resided during the past ten years, and

004.04E Letter from the president, or chief executive officer, or a member of the Board of Directors of the financial institution bank stating:

004.04E1 Reasons why the institution desires an executive officer's license for the applicant, and how

004.04E2 The applicant's ~~qualifies for such a~~ qualifications for the license, Provided however, this may be waived by the Department in the event the applicant is the president or chief executive officer of the institution.

004.04E3 The applicant's familiarity with the statutes and rules or regulations of the Department applicable to banks, and

004.04E4 For applicants covered by Subsection 004.04F of this Rule, that the bank has written loan and investment policies.

004.04F An applicant who will be making loans and/or investments must demonstrate to the satisfaction of the Department:

004.04F1 Two years' experience in the making of loans and/or investments, or

004.04F2 Comparable educational experience, defined as closely related to the experience requirements in such areas as examining and reviewing loans or investments or attending specific schools on loans and investments, and

004.04F2 successful completion of at least one school or educational program concentrating on both loans and investments.

~~002.01B Any applicant shall clearly identify on said form which class of license is being sought by the applicant.~~

004.05 An active executive officer may have under his or her direct supervision one or more individuals engaged in making loans or investments, who shall be deemed executive officers in training.

004.06 No loans or investments shall be made by an executive officer in training without having first secured the approval of the holder of an executive officer's license. Written evidence of such approval for each loan or investment transaction must be reflected in the loan or investment file or on the loan documents.

~~002.01C~~ 004.07 An active executive officer shall hold an appropriate executive officer's license must be held for every financial institution Opt-In Bank in which such officer person exercises the functions of an active executive officer.

~~002.01D~~ 004.08 Any An executive officer's license ~~obtained pursuant to this Rule shall is not be deemed~~ transferable ~~to any other financial institution;~~ only if:

004.08A A merger of two Opt-In Banks has occurred, or

004.08B An application to transfer the executive officer license is made to the Department on forms prescribed by the Department no later than thirty days after the applicant has terminated employment with the bank from which the applicant is transferring and the applicant was in good standing with said bank at the time of termination.

~~002.02 Applicants for any executive officer's license shall demonstrate to the Department evidence of good moral character; known integrity, business experience in a financial institution or related field, and responsibility; and be capable of conducting the affairs of a financial institution on sound financial principles. In addition, the applicant must demonstrate familiarity with the statutes and rules and regulations of the Department applicable to the relevant financial institution for which the license is being sought.~~

~~002.03~~ 004.09 In the event of an emergency declared by the Director of the Department, a temporary executive officer's license may be issued for a period of up to ~~30~~ thirty days, and renewed once thereafter, pending receipt of an application for a permanent executive officer's license.

~~003 PERMISSIBLE ACTIVITIES, CLASS I EXECUTIVE OFFICER'S LICENSE~~

~~003.01 Any holder of a Class I Executive Officer's License may perform any of the functions of an active executive officer, except that such holder shall not be permitted by reason of holding such license to directly or indirectly make loans or investments on behalf of the financial institution.~~

~~003.01A Any holder of a Class I Executive Officer's License may directly or indirectly make loans or investments only upon applying for and receiving a Class II Executive Officer's License in accordance with the requirements of this Rule.~~

~~003.01B Any holder of a Class I Executive Officer's License who applies to the Department for a Class II Executive Officer's License shall surrender to the Department his or her Class I Executive Officer's License upon receipt of the Class II Executive Officer's License.~~

~~004 PERMISSIBLE ACTIVITIES, CLASS II EXECUTIVE OFFICER'S LICENSE~~

~~004.01 Any holder of a Class II Executive Officer's License may perform all functions of an active executive officer, in accordance with the personnel and management policies and structure of the financial institution in which such license holder is employed or has otherwise contracted with for services.~~

~~004.01A In addition to the requirements of Paragraph 002, an applicant for a Class II Executive Officer's License shall be issued such a license only upon having first demonstrated to the satisfaction of the Department either two years experience in the making of loans and investments, or comparable educational experience.~~

~~004.01A(1) "Comparable educational experience" means closely related to the experience requirements in such things as examining and reviewing loans or investments or attending specific schools on credit and investments.~~

~~004.01A(2) The applicant shall have successfully completed at least one school or educational program concentrating on both loans and investments.~~

~~004.02 No applicant shall be permitted to hold a Class II Executive Officer's License in any financial institution which does not have a written loan policy procedure.~~

~~004.03 The holder of a Class II Executive Officer's License may have under his or her direct supervision one or more individuals engaged in making loans or investments, and who shall be deemed as loan officers in training.~~

~~004.03A No loans or investments shall be made by such officers in training without having first~~

~~secured the approval of the holder of a Class II Executive Officer's License. Written evidence of such approval for each loan or investment transaction shall be reflected in the loan file or on the loan documents.~~

~~005 SURRENDER, CANCELLATION OR REVOCATION OF LICENSE~~

~~005.04 004.10 Any A holder of any an executive officer's license issued by the Department shall must surrender such license to the Department such license for cancellation upon termination of employment or contract with the financial institution for which such license was obtained. If the licensee fails to surrender the license, the bank must do so within ten days after the termination. If the license cannot be located for surrender, the bank must notify the Department in writing of the termination and request cancellation of the license in the records of the Department.~~

~~005.01A 004.11 Any such surrender to The Department shall be made will cancel surrendered licenses and licenses submitted for cancellation pursuant to Subsection 004.10 of this Rule without prejudice to the holder of such license unless the Director of the Department shall make a finding takes an action in accordance with the requirements of Paragraph 005.03B Subsection 004.15 of this Rule.~~

~~005.02 004.12 The Department shall take possession of, and cancel, any executive officer's license held by any person in any financial institution bank that is in the possession of the Department or has been temporarily or permanently closed by the Department. If any such license cannot be located, the license will be cancelled in the records of the Department.~~

~~005.02A 004.13 Any cancellation made pursuant to Paragraph 005.02 Subsection 004.12 of this Rule shall be without prejudice to the holder of such license unless the Director of the Department shall makes a finding in accordance with Paragraph 005.03B Subsection 004.15 of this Rule.~~

~~004.14 An executive officer's license is subject to suspension by the Department pursuant to Section 005 of this Rule.~~

~~005.03 004.15 Any holder of any An executive officer's license is subject to revocation of such license by the Department pursuant to the requirements and procedures of Neb. Rev. Stat. Sections § 8-139 and Neb. Rev. Stat. §§ 8-1,134 to 8-1,139, inclusive, (1984 Supp.) and any rules and regulations promulgated pursuant thereto thereunder.~~

~~005.03A Any person whose license has been revoked shall forthwith terminate his or her employment with the financial institution and the financial institution's board of directors, if such membership is held.~~

~~005.03B 004.015A The Department shall may revoke with prejudice the an executive officer's license held by any person upon entry by the Director of the Department of an appropriate a finding or findings of fact, conclusions of law, and order based upon discovery of an investigation showing evidence of the following that the executive officer is, or has been:~~

~~005.03B(1)~~ 004.015A1 Conducting the business of a financial institution in an unsafe or unauthorized manner;

~~005.03B(2)~~ 004.015A2 Endangering the interests of stockholders, shareholders, or depositors;

~~005.03B(3)~~ 004.015A3 Violating any ~~laws or of the provisions of Chapter 8 of the Nebraska statutes, any rules or regulations applicable to~~ of the Department ~~including this rule~~, or any ~~administrative~~ orders entered by the Department;

~~005.03B(4)~~ 004.015A4 Supplying false, misleading, or incomplete information in connection with ~~the any~~ application ~~for any executive officer's license held by the applicant~~ made to the Department; or

004.015A5 The subject of an order of revocation of an executive officer's license at another bank.

004.16 Any person whose license has been revoked shall immediately terminate employment with the bank and his or her membership on the bank's Board of Directors, if any.

005 SUSPENSION.

~~005.03C~~ ~~In lieu of the revocation contemplated by Paragraph 005.03B, the Director of,~~ 005.01 The Department may suspend the executive officer's license held by any person for a period of time not to exceed five years. employed by, or under contract to perform services for, an Opt-In Bank or suspend the ability of an active executive officer employed by, or under contract to perform services for, an Opt-Out Bank to continue to act as an active executive officer upon entry by the Director of the Department of a finding or findings of fact, conclusions of law, and order based upon an investigation showing evidence that the executive officer is, or has been:

005.01A Conducting the business of a bank in an unsafe or unauthorized manner;

005.01B Endangering the interests of stockholders, shareholders, or depositors;

005.01C Violating any of the provisions of Chapter 8 of the Nebraska statutes, any rules and regulations of the Department, or any order entered by the Department;

005.01D Supplying false, misleading or incomplete information in connection with any application made to the Department; or

005.01E The subject of an order of suspension of an executive officer's license or from acting as an active executive officer at another bank.

~~005.03C(1)~~ 005.02 As part of any order of suspension, the Director may require suspension of:

005.02A Compensation to ~~the holder of the license, the active executive officer, suspension of~~ and

005.02B ~~The individual~~ from the ~~financial institution's~~ Board of Directors of any bank where ~~if~~ such membership is held ~~by the license holder.~~

006 CIVIL MONEY PENALTIES, FINES, AND COSTS

~~005.03D~~ 006.01 As part of any order of revocation or suspension, the Director may levy a ~~money civil~~ penalty or fine personally against ~~the holder of an active executive officer's license~~ officer in an amount not to exceed \$10,000, ~~ten thousand dollars.~~ Such amount shall not ~~to~~ be ~~payable~~ paid out of the assets of any ~~financial institution~~ bank in which the ~~holder of an active executive officer's license~~ officer is employed or otherwise performing services pursuant to contract.

006.02 The Director may levy the costs of investigation and the costs of proceedings incurred in an order of revocation or suspension against an active executive officer. Such costs shall not be paid out of the assets of any bank in which the active executive officer is employed or otherwise performing services pursuant to contract.

007 EFFECT OF ORDER

~~005.03E~~ 007.01 Any holder of an executive officer's license who has had such license revoked with prejudice or suspended ~~with prejudice~~ shall:

007.01A Surrender any other executive officer's licenses held in any ~~other financial institution~~ Opt-In Bank,

007.01B Cease acting as an active executive officer of any Opt-Out Bank where he or she may also be employed, or under contract to serve as, an active executive officer,

007.01C ~~and shall~~ Not be eligible to apply for another executive officer's license or to serve as an active executive officer of an Opt-Out Bank, and

007.01D Not be eligible to serve as a member of the Board of Directors of any bank.

007.02 Any active executive officer of an Opt-Out Bank who has been suspended as an active executive officer shall:

007.02A cease acting as an active executive officer in any other bank,

007.02B surrender any executive officer's licenses held in any bank, and

007.02C not be eligible to serve as an active executive officer of an Opt-Out Bank or to apply for an executive officer's license, and

007.02D not be eligible to serve as a member of the Board of Directors of any bank.

008 NON-EXCLUSIVE REMEDIES.

008.01 The provisions of this Rule do not constitute the exclusive remedies which the Department may pursue or take against an active executive officer for violations of any state or federal laws, state or federal rules and regulations, or orders of the Department, which apply to the active executive officer.

010 CONDITIONAL LICENSES.

010.01 The Director of the Department may, on a case-by-case basis, and with prior written notice to the applicant and the applicant's employing bank, issue a conditional Executive Officer's license in order to:

010.01A Permit an applicant to demonstrate, within a stated period of time, compliance with specified standards; or

010.01AB Set limitations or additional standards deemed necessary in the public interest as a result of disclosures in the application and/or the Department's investigation of the applicant.

~~006~~ 010 APPLICATION OF RULE TO EXISTING LICENSE HOLDERS.

~~006.04~~ 010.01 The distinctions between Class I Executive Officer's licenses and Class II Executive Officer's licenses are eliminated as of the effective date of this Rule.

010.02 All holders of Class I Executive Officer's licenses and Class II Executive Officer's licenses on the effective date of this Rule will be deemed to be licensed executive officers with no action required by the licensed active executive officer or the Opt-In Bank.

010.03 This rule shall apply to All applications for Class I and Class II Executive Officer's licenses received and not yet acted upon by the Department as of the effective date of this Rule, and all will be deemed to be applications for an executive officer's license in accordance with this Rule with no action required by the applicant or the Opt-In Bank, and renewal applications received after the effective date of this rule.

~~006.01A No active executive officer holding an executive officer's license issued by the Department shall be required to apply for and obtain a new license pursuant to this rule; provided however, that all executive officer licenses in existence as of the effective date of this rule shall be subject to all provisions of this rule at the time of renewal of such licenses.~~

~~006.01B Nothing in this rule shall be construed to expand the authority of any holder of an executive officer's license held prior to the effective date of this rule.~~

~~006.02 The provisions of Paragraph 005 shall apply to all holders of executive officer's licenses issued by the Department, whether issued prior to or after the effective date of this Rule.~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~16~~ 10 ~~DIRECTOR, OFFICER OR EMPLOYEE BORROWING INSIDER LOAN~~
GUARANTEES

001 DEFINITIONS.

001.01 "Executive officer" is as defined in Neb. Rev. Stat. § 8-143.01.

001.02 "Insider" means a director, executive officer, principal shareholder of a bank, or any related interest of such persons.

002 GUARANTEES.

002.01 ~~Section 8-140 pertains to directors, officers and employees of state banks borrowing funds of the bank. The Department of Banking and Finance interprets this section to mean that such director, officer or employee~~ For purposes of Neb. Rev. Stat. § 8-143.01, an extension of credit means that an insider directly or indirectly receives funds in exchange for some consideration returning to the bank.

002.02 ~~Thus, the director, officer or employee~~ Except as provided in Subsection 002.03 of this Rule, an insider may be a guarantor of an extension of credit without falling within the purview of ~~section 8-140~~ Neb. Rev. Stat. § 8-143.01.

002.03 ~~There are, however, two instances in which a director, officer, or employee~~ An insider will fall within the purview of ~~section 8-140~~ Neb. Rev. Stat. § 8-143.01 even though ~~he or she~~ the insider is only in the capacity of guarantor. ~~These are:~~

001.01 when:

002.03A the loan is in default, or

001.02 002.03B ~~when~~ the maker clearly does not have the ability or financial capacity to repay the ~~loan~~ extension of credit, and reliance is being placed upon the guarantor for repayment.

003 BOARD OF DIRECTORS' APPROVAL.

003.01 In order to avoid a violation of ~~section 8-140~~ Neb. Rev. Stat. § 8-143.01 ~~in the event 001.01 or 001.02 should occur related to an insider guarantee~~, the approval of the Board of Directors must be obtained for such guarantees prior to the insider giving the guarantee.

NEBRASKA ADMINISTRATIVE CODE

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~47~~ 11 EXECUTIVE OFFICER BORROWING REPORTS

001 ANNUAL REPORTS

001.01 ~~Section 8-140 Neb. Rev. Stat. § 8-143.01 provides that, if any executive officer of a state bank borrows from any other financial institution, or is at that time indebted to another financial institution, or later becomes indebted to another financial institution, such officer shall annually make a written report of the indebtedness to the Board of Directors of the bank of which he the individual is an executive officer, unless the executive officer is excluded by the statute. If the officer at the time of hire is presently indebted to another financial institution, the report shall be made immediately. If the officer later borrows from or becomes indebted to another financial institution, the report shall be made at the next regularly scheduled board meeting after such borrowing or indebtedness is consummated.~~

001.02 Credit card indebtedness through a financial institution is a reportable borrowing under the statute. ~~While~~

001.02A ~~To fulfill the reporting requirements for credit card indebtedness, the Board of Directors may, in lieu of requiring its executive officers to report each transaction for each credit card held, would fulfill the requirements, require its executive officers to submit a simple signed and dated statement of ownership of a credit card, . The statement must include:~~

001.02A1 the maximum limit,

001.02A2 the issuing institution, and

001.02A3 the date ~~of acquisition is adequate~~ the card was acquired.

001.02B The executive officer is required to annually report to the Board of Directors any future increases or decreases in the credit limit.

NEBRASKA ADMINISTRATIVE CODE

TITLE 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~24~~ 12 ~~BOARD OF DIRECTORS; RESIDENCE~~ DIRECTORS' EXAMINATIONS PERFORMED BY CERTIFIED PUBLIC ACCOUNTANTS OR PUBLIC ACCOUNTANTS

001 GENERAL.

001.01 A copy of the Interagency Policy Statements referenced in this Rule is available as an appendix to this Rule at (link to be determined).

002 APPLICATION.

002.01 Neb. Rev. Stat. § 8-134 provides that ~~When~~ the Board of Directors of a bank may accept ~~s~~ one annual audit by an accountant or accounting firm approved by the Department in lieu of the ~~one~~ required annual examination by the Board of Directors. ~~These procedures must be followed:~~

~~001.01~~ 002.02 APPLICATION ~~The accountants or accounting firms desiring to perform the one annual audit, replacing the one statutory annual examination, shall~~ must make application for such approval upon forms furnished prescribed by the Department of Banking and Finance. ~~If the Director of Banking and Finance determines that the applicant accountant or accounting firm is reputable, qualified and independent, approval shall be granted without an accompanying charge.~~

002.03 Approval must be obtained for each individual bank audited. Such approval ~~to~~ will be perpetual, or until cancelled by the individual bank, accountant, or accounting firm, or revoked by the Department ~~of Banking and Finance~~.

~~001.02~~ 003 QUALIFICATIONS.

003.01 The accountant or accounting firm must be a certified public accountant or public accountant. A certified public accountant or public accountant is deemed to be a person who is duly registered and is in good standing under the Nebraska Public Accountancy Laws of Nebraska Act.

~~001.03~~ 004 INDEPENDENCE.

004.01 A certified public accountant or a public accountant will not be considered independent, if ~~he or she~~ the accountant:

~~001.03A~~ 004.01A Is connected with the bank or any of its affiliates as an officer, director, attorney, or employee, or is a member of the immediate family of an officer, director, attorney, or employee of the bank or any of its affiliates;

~~001.03B~~ 004.01B Is the beneficial owner, directly or indirectly, of any shares of stock of the bank or any of its affiliates;

~~001.03C~~ 004.01C Has any proprietary interest in any ~~partnership, firm, corporation, syndicate, or other~~ business or legal entity which, directly or indirectly, controls the bank or any of its affiliates;

~~001.03D~~ 004.01D Is a borrower from the bank or any of its affiliates except with respect to:

~~001.03D1~~ 004.01D1 a loan on the security of his or her residence;

~~001.03D2~~ 004.01D2 a loan to make alterations, repairs, or improvements to his or her residence; or

~~001.03D3~~ 004.01D3 a loan secured solely by his or her ~~savings credits segregated deposit account~~ in a ~~the lending~~ bank.

~~001.03E~~ 004.01E Makes entries or postings on the books of account or performs any other operating functions for the bank or any of its affiliates;

~~004.01F~~ 004.01F ~~Has any conflict of interest, or the appearance thereof, by reason of business or personal relationships with management or its decisions or functions,~~
or

~~001.03F~~ 004.01G ~~Any partner or principal of the accounting firm~~ receives any special consideration in any transaction with the bank or its affiliates or has any interest, directly or indirectly, financial or otherwise, in any real property owned by or securing any loan or otherwise made by the bank or any of its affiliates except as provided in ~~Subsection 001.03D 004.01D of this Rule,~~ or in any other operating activity or function of the institution or any of its affiliates; ~~or .~~

~~001.03G~~ 004.01H ~~has any conflict of interest, or the appearance thereof, by reason of business or personal relationships with management or its decisions or functions.~~

~~001.04~~ 004.02 An accounting firm which has a member who is not considered independent shall exclude such accountant from any personal involvement in the audit.

~~001.04~~ 004.03 The foregoing points are not ~~to~~ to be construed as all-inclusive criteria in judging the independence of a certified public accountant, or a public accountant, but rather as setting forth the most common conditions which contribute to a lack of independence.

~~004.04~~ 004.04 The certified public accountant or public accountant must adhere to the American Institute of Certified Public Accountants' rules for independence, unless further restricted by the rules or interpretations of the Department ~~of Banking and Finance.~~

~~004.05~~ 004.05 It is the responsibility of the individual or the accounting firm to disclose to the Department ~~of Banking and Finance~~ any unusual relationships or affiliations which he or she or any member of the accounting firm may have with the bank, any affiliate of the bank, or any persons closely connected with the bank, and to have resolved any question as to his, ~~or~~ her, or the firm's independence before proceeding with the engagement.

~~001.05~~ 004.06 The individual or the accounting firm must state specifically in the report of audit or Directors' Examination that he, ~~or~~ she, or the accounting firm has met the tests of independence specified ~~above in this Rule~~ and that he, ~~or~~ she, or the accounting firm is in fact independent.

~~001.06~~ 005 STANDARDS FOR ACCEPTABILITY AND SCOPE OF EXAMINATION FOR DIRECTORS' EXAMINATIONS.

005.01 The Directors' Examination must be conducted in accordance with ~~"Nebraska Department of Banking and Finance—Standards for Acceptability and Scope for Directors' Examination." See 45 NAC 25-11 to be acceptable.~~

005.02 An opinion audit of a bank holding company is acceptable as a Directors' Examination of a subsidiary bank if:

005.02A the same audit procedures are applied to the subsidiary bank as if the opinion audit was being conducted on the subsidiary bank, and

005.02B such is stated in the opinion audit of the bank holding company.

005.03 ~~The Board of Directors may adopt external auditing programs as outlined in the "Interagency Policy Statement on External Auditing Programs of Banks and Savings Associations [Oct. 15, 1999]" as the minimum requirements for an audit in lieu of provisions outlined in 45 NAC 25 13. In addition, a financial statement review [hereinafter referred to as audit] may be performed if procedures are sufficient to identify misstatements or errors and include verification of accounts as set forth in 45 NAC 25 13.~~

~~001.07~~ 006 DIRECTORS' EXAMINATION PERFORMED BY OTHER THAN CERTIFIED PUBLIC ACCOUNTANTS OR PUBLIC ACCOUNTANTS.

006.01 In the event the Board of Directors does not elect to provide for an annual audit by an accountant or an accounting firm, it must of itself, ~~or by appointment of an independent person or persons,~~ make a thorough examination of the books, records, funds, and securities held by the bank.

006.02 ~~This~~ The Directors' Examination must be conducted in accordance with 45 NAC 13, ~~25 of the Rules and Regulations of the Department of Banking and Finance. However, it~~ The Board of Directors may assign the performance of such a Directors' Examination to one or more persons who may not necessarily be a member of ~~such the~~ board, if the person(s) assigned is independent of the activities being examined, has experience with financial institution accounting and auditing, or similar expertise, and is knowledgeable about relevant laws and regulations.

006.03 The report compiled thereof ~~is~~ must be:

006.03A made in accordance with 45 NAC 13, ~~25 of the Rules and Regulations of the Department of Banking and Finance.~~

006.03B ~~and is~~ verified as to its correctness, and

006.03C signed by a majority of the Board of Directors so attesting.

006.04 The report is to be made a part of the record of the bank.

001.08 007 PERIODIC DIRECTORS' EXAMINATION.

007.01 A Directors' Examination which is conducted over the course of a calendar year is acceptable. Such an examination must meet all the requirements of ~~45 NAC 24~~ this Rule and 45 NAC ~~25 13~~ and submitted ~~Submission of the examination~~ to the Department ~~shall be within 90 days of the calendar year end, or within 90 days of the completion of the examination if such completion date is earlier~~ as provided in 45 NAC 13.

008 ENHANCED PROCEDURES

008.01 The Director of the Department may require a bank presenting safety and soundness concerns or other supervisory concerns to engage an independent certified public accountant to perform external auditing services or may require a financial statement audit or other specified type of external audit.

008.02 Supervisory concerns are further defined in the "Interagency Policy Statement on External Auditing Programs of Banks and Savings Associations [Oct. 15, 1999]."

Effective date: January 9, 1991

TITLE 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~25~~ 13 STANDARDS FOR ACCEPTABILITY AND SCOPE OF EXAMINATIONS
FOR DIRECTORS' EXAMINATIONS

001 GENERAL.

001.01 A copy of the Interagency Policy Statements referenced in this Rule is available as an appendix to this Rule at (link to be determined).

002 BOARD OF DIRECTORS' RESPONSIBILITY

002.01 Neb. Rev. Stat. § 8-124 provides that the Board of Directors of a bank may accept one annual audit by an accountant or accounting firm approved by the Department in lieu of the required annual examination by the Board of Directors.

002.02 The Board of Directors may adopt minimum Standards for Acceptability and Scope of Examination as outlined in this Rule or adopt external auditing programs identified in the "Interagency Policy Statement on External Auditing Programs of Banks and Savings Associations [Oct. 15, 1999]."

~~001.01~~ 003 STANDARDS FOR ACCEPTABILITY:

~~001.01A~~ 003.01 An annual examination of a ~~state~~ bank, to be acceptable, must be made in accordance with

~~003.01A~~ the minimum examination procedures outlined in this Rule, or ~~in accordance with~~

~~003.01B~~ the standards for acceptability of audits of financial statements in accordance with generally accepted auditing standards; ~~and in accordance with~~

~~003.01C~~ 45 NAC 24 12 ~~of the Rules and Regulations of the Department of Banking and Finance.~~

~~001.01B~~ 003.02 The Director of ~~Banking and Finance~~ the Department has the responsibility to determine whether an examination or an audit is acceptable, ~~and The Director also has~~ the authority to reject any examination or an audit which does not conform in all respects with prescribed requirements. If, at any time, it is found that the individual(s) conducting the examination has not followed recognized rules of ethics or conduct or has not met the minimum standards of the Department ~~of Banking and Finance~~, the examination will be rejected. Any misstatement of facts or circumstances or any misrepresentation of any kind knowingly made will not only cause an examination to be rejected but will also form a basis for the temporary or permanent disqualification of the individual(s) ~~or firm~~ from conducting similar examinations ~~under Section 8-124 as amended of the Nebraska Banking Act.~~

~~001.02~~ 004 SCOPE OF EXAMINATION:

001.02A 004.01 General

004.01A The examination procedures listed below are minimum procedures to be performed under ~~provisions of~~ Section 8-124, ~~as amended, of the Nebraska Banking Act.~~ They should not be construed as restrictive. Circumstances relating to individual engagements or situations encountered may make it necessary or desirable to expand certain procedures, apply alternate procedures, or extend examination procedures to other areas.

004.01B At each annual audit, the auditor may prescribe a risk-focused review of accounts identified in this rule; however, all examination procedures described herein shall be performed at least once within a 24-month period.

004.01C The scope of the examination should begin as of the date of the prior examination to avoid gaps.

004.01D The examination should be coordinated with the ~~Nebraska~~ Department of ~~Banking and Finance~~ to avoid conflicts with the Department's examination timing.

001.02B 004.02 Minimum Examination Procedures

001.02B1 004.02A Control:

004.02A1 Commence examination on a surprise basis. Assume control over all irregular items and records to be examined until procedures have been completed.

001.02B2 004.02B Cash, Cash Items, Foreign Currency, Clearings, and Exchange:

004.02B1 Conduct a count of a portion of teller and vault cash on an unannounced basis; timing and scope should avoid recognizable patterns. ~~Count cash on a test basis and~~ Reconcile cash counts to general ledger; ~~Examine cash items on a test basis, verifying legitimacy and collectability.~~ Investigate any unusual or stale items and request confirmation of totals of clearings and exchanges. Determine ~~the~~ disposition of larger return items.

001.02B3 004.02C Due From Banks:

004.02C1 Examine ~~(or prepare if necessary)~~ bank reconciliations with correspondent banks by obtaining statements for several days beginning with the audit date, and on a test basis, compare checks and drafts with the records of instruments issued. Investigate any unusual or stale items. ~~Also~~ Confirm the balance directly with the related banks.

001.02B4 004.02D Investments:

004.02D1 ~~Total~~ Reconcile the subsidiary ledger with securities ledgers, ~~reconcile~~ carrying values and accrued interest recorded in the ~~with applicable~~ general ledger accounts; Confirm securities with safekeeping agents. ~~account for all securities by examination of~~ Examine securities on hand and ~~confirmation~~

of those held by others verify safeguarding procedures. Review investment portfolio to determine if all securities were purchased and/or being held in conformity with applicable statutes and regulations.

001.02B5 004.02E Loans: -

004.02E1 Total the loan ledger cards, or obtain a trial balance from the service center and prove totals on a test basis, or review the service center audit, and Reconcile subsidiary loan ledger and accrued interest totals with applicable general ledger accounts. See Direct Confirmation with Borrowers and Depositors in this Section 006 of this Rule for confirmation requirements.

004.02F Allowance for Losses:

004.02F1 Ensure management's process for calculating adequacy of the reserve(s). The process is to be based on comprehensive, adequately documented, and consistently applied analysis of the underlying assets. Reconcile subsidiary records for charged-off loans to control records and apply transaction testing to a sample of reconciling items. Test large charged-off items to ensure appropriate prior Board of Directors' approval.

001.02B6 004.02G Federal Funds Sold: -

004.02G1 Confirm all Federal funds sold with the borrowing bank, ascertain that the aggregate of the detail agrees with the general ledger and examine evidence of subsequent settlement.

001.02B7 004.02H Bank Buildings: - Furniture and Fixtures: -

004.02H1 From the date of the prior examination, review transactions in the accounts, trace approval of major expenditures to the minutes of the Board of Directors' meetings, and test the computation of depreciation.

004.02B2 Review lease accounting for appropriate recognition.

001.02B8 004.02I Demand Deposits: -

004.02I1 Total individual ledgers or obtain a trial balance from the service center and prove totals on a test basis for the account balance and accrued interest, or review the service center audit, and reconcile totals with general ledger accounts.

004.02I2 Review overdrafts, trace disposition of selected unposted items.

004.02I3 Review the latest reconciliation for official checks and bank money orders. See Direct Confirmation with Borrowers and Depositors in this Section 006 of this Rule for confirmation requirements.

001.02B9 004.02J Time Deposits: -

~~Total the time deposit accounts or obtain trial balance from the service center and prove totals on a test basis, or review the service center audit, and~~

~~004.02J1 Reconcile subsidiary ledger totals and accrued interest totals with general ledger accounts. Trace disposition of selected unposted items. See Direct Confirmation with Borrowers and Depositors in this Section 006 of this Rule for confirmation requirements.~~

~~001.02B10~~ 004.02K Income and Expense:

~~004.02K1 Test selected "debits" to both income and expense accounts for possible overstatement. Do this by examination of Examine proper documentation for selected items.~~

~~004.02K2 Ascertain on a test basis by some independent means that all "credits" to the income and expense accounts have been recorded and have not been understated.~~

~~004.02K3 Review the related accounts of accrued income, accrued expenses, unearned discounts, and deferred income by testing "debits" and "credits" as above, also and ascertain that the balances in these accounts are fairly stated.~~

~~001.02B12~~ 004.02L U.S. Savings Bond, Travelers Checks, and Other Consigned Items:

~~004.02L1 Examine bank's most recent reconciliation of items on hand with memo controls and related confirmation from issuing agents, or, if such records are not available, count items on hand.~~

~~004.02L2 Reconcile with total on consignment, and obtain confirmation from issuers.~~

~~001.02B12~~ 004.02M Safekeeping and Custodial Departments:

~~004.02LM1 Review accounting procedures for recording items held in safekeeping or custody for customers.~~

~~004.02M2 Physically or virtually inspect selected items on hand or controlled.~~

~~004.02M3 and Confirm selected items held in custody by other banks and~~

~~004.02M4 Confirm selected safekeeping and control accounts by direct communication with customers.~~

~~004.02M5 Inquire of bank if it holds, controls, or brokers digital assets. If yes, the bank may be subject to additional risk-focused examination procedures.~~

~~001.02B13~~ 004.02N Trust Department:

004.02N1 Total ~~the summary cards~~ account activity ledgers for the various trust accounts and reconcile the totals with the trust general ledger control accounts where practicable.

004.02N2 Total ~~the detail~~ asset detail cards and reconcile to the amounts shown on the trial of selected trusts as noted on the detailed ed asset ~~cards~~ ledgers.

004.02N3 Verify savings trust assets on a test basis by reference to the bank records or by direct communication with the bank.

004.02O Other Activities:

004.02O1 The auditor, using professional judgment, should review for other financial reporting risks such as digital assets, mortgage lending, insurance activities, loan servicing, or other activities. When prudent, the auditor should expand the scope of the agreed upon procedures to test areas deemed to have a higher degree of risk.

001.02B14 004.02P Internal Controls:

004.02P1 The ~~bank's~~ system of internal controls and operating procedures ~~shall~~ must be reviewed, and the audit report ~~shall~~ must include specific comments and recommendations from this review that are directed to the Board of Directors or audit committee.

004.02Q Capital Accounts:

004.02Q1 Capital Notes and Debentures.

004.02Q1a Reconcile subsidiary records to the general ledger.

004.02Q1b Review for compliance with terms of the agreement(s).

004.02Q1c On a sample basis, test to ensure accuracy of interest paid and accrued, as applicable.

004.02Q2 Surplus.

004.02Q2a Review all entries during the audit period for proper authorization from the Board of Directors.

004.02Q3 Undivided Profits.

004.02Q3a Review all entries during the audit period to ensure accuracy.

004.02Q3b Review for proper authorization from the Board of Directors for transfers or dividends.

001.03 005 GENERAL REVIEWS.

005.01 Review accounting procedures for handling nonledger assets, such as charged-off loans, ~~and recoveries, etc.~~ Charged-off loans not deemed worthless by the Board of Directors should be formally tracked for inclusion in lending limit considerations.

005.02 Review minutes of Board of Directors' meetings and ~~latest the most recent regulatory examination report, of supervisory examiners; trace authorizations for dividends declared and transfers to surplus.~~

001.04 006 DIRECT CONFIRMATION WITH BORROWERS AND DEPOSITORS.

006.01 Prepare (or have prepared, under the auditor's supervision) and mail positive and/or negative confirmation requests on a test basis for all loans and deposit categories, including participation loans purchased and sold.

006.02 For participation loans purchased, confirm balances with the selling bank only.

006.03 For participation loans sold, confirm ~~the~~ balances sold with the purchasing bank and the total balances with the borrower on a test basis.

006.04 Mail confirmation requests to a selected number of customers whose loans were charged off since ~~last~~ the most recent regulatory examination.

006.05 Mail confirmation requests for a selected number of ~~these~~ accounts that are dormant ~~and~~ accounts that have zero balances and have been closed since ~~last the~~ most recent regulatory examination.

006.06 Any positive confirmation request not acknowledged by a loan customer after two weeks from the date of the original mailing ~~shall~~ must be followed by a second confirmation request. A ~~listing list~~ of positive confirmation requests not acknowledged after the mailing of both a first and second request ~~shall~~ must be included in the report.

001.05 007 REPORTING.

007.01 A report shall be prepared and submitted to the Board of Directors ~~or audit committee~~ describing the scope of examination and setting forth the findings and recommendations as a result of the ~~examining auditing~~ procedures performed and review of ~~the bank's~~ operating procedures and system of internal controls. Any open or unreconciled item at the time the report is submitted to the Board of Directors ~~or audit committee~~ ~~shall~~ must be disclosed and commented upon in the report.

001.05A 007.02 The report ~~shall~~ must include the commencement and completion dates of the audit, a statement affirming independence, and a statement that the minimum requirements outlined ~~in the minimum examination procedures under the scope of examination~~ in this Rule ~~or in another applicable rule or guidance~~ were met.

~~001.05B~~ 007.03 For purposes of review by the Department ~~of Banking and Finance~~, reports should follow the order of Section entitled, Scope of Examination 004 of this Rule, and include the balance of the general ledger asset and liability accounts examined as of the examination date under the specific account headings. A description of procedures followed is to be a part of this report.

~~001.05C~~ 007.04 Verification of accounts may be made on a basis of sampling ~~based on statistical probability as set forth in any handbook on sampling. Such handbooks available include, "Sampling in Auditing" by Hill, Roth and Arkin, and "Handbook of Sampling for Auditing and Accounting" by Arkin. Once the number of accounts are determined for confirmation, a review of a statistical sampling table will indicate the number of such accounts that should be verified in order~~ to achieve a certain percent of reliability. For most examinations, a 95% reliability factor is considered adequate; ~~or~~ in lieu thereof, the accountant may verify 10% of the number of accounts determined for confirmation; These two methods will give the accountant some flexibility when examining larger banks. If a shortage is determined to exist, a 100% verification of accounts should must be made.

~~001.05D~~ 007.05 With respect to the confirmation of loan and deposit accounts, submit a confirmation statistics summary showing the extent and results by type of confirmation and type of account rather than report the extent and results of such procedures under each specific account heading in the body of the report. Any accounts selected for confirmation which have not been or cannot be mailed or delivered to the customer are to be so listed in the final report.

~~001.05E~~ 007.06 The Board of Directors must file ~~three~~ an electronic copy or two paper copies of the report with the Department ~~of Banking and Finance~~ within ~~90~~ 120 days ~~from~~ after the completion of the directors' examination date, or, for a periodic audit, within 120 days after the end of the calendar year. The Board of Directors may authorize the individual or firm performing the directors' examination or periodic audit to file three copies of the report with the Department of Banking and Finance within 90 days from the examination date do the same.

007.06 Any defalcation discovered during the examination or periodic audit shall be reported to the Department ~~of Banking and Finance~~ immediately by the Board of Directors. ~~In the event~~ If the Board of Directors does not report the defalcation immediately, the ~~individual accountant or firm performing the examination~~ has the obligation to do so. The ~~individual accountant or firm conducting the examination~~ should have obtain the bank's advance authorization authorize him, or her in advance of his or her examination to notify the Department ~~of Banking and Finance~~ of discovered defalcations.

NEBRASKA ADMINISTRATIVE CODE

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~49~~ 14 LIVESTOCK LOANS

001 EXCEPTION TO LENDING LIMIT.

~~001.01 Section Neb. Rev. Stat. § 8-141, as amended, and the requirements of the Uniform Commercial Code, indicate provides~~ that a bank ~~must not only~~ may directly or indirectly loan twenty-five percent of the total of its capital, surplus, capital notes, and debentures or fifteen percent of its unimpaired capital and unimpaired surplus, whichever is greater, to any person. When the obligation is secured by livestock, a bank may loan an additional ten percent of such capital, surplus, capital notes, and debentures or of such unimpaired capital and unimpaired surplus.

001.02 To qualify for the additional ten percent advancement, a bank must:

~~001.02A~~ Have a secured interest in any livestock upon which a loan is to be made, ~~but also the bank must~~ and

~~001.02B~~ Show the value of livestock securing the additional ten percent advancement ~~in order to determine whether the market value of the livestock equals one hundred fifteen per cent of the face value of the note.~~

001.03 For purposes of this Rule, the term "unimpaired capital" is as defined in Neb. Rev. Stat. § 8-141.

003 REPORTS.

~~002.01 To assist in setting forth the information required, each~~
A bank ~~shall must~~ establish and use an inspection and appraisal report, ~~similar to Form 8-141-02. Form 8-141-02 is an example and each bank may determine its own form and content. Provided however,~~ The report shall contain the following minimum information:

~~001A~~ 002.01A Date of inspection and appraisal.

~~001B~~ 002.01B Name, address, and signature of the borrower.

~~001C~~ 002.01C Date and amount of original note secured by the livestock.

~~001D~~ 002.01D Total obligation of borrower to the bank.

~~001E~~ 002.01E Date of security agreement and financing statement.

~~001F~~ 002.01F Inventory of the livestock by actual count.

~~001G~~ 002.01G Value of livestock per head.

~~001H~~ 002.01H Total value of livestock.

~~004~~ 002.01 Name, title, and signature of individual making the inspection.

002.02 The inspection and appraisal report is to must be ~~made~~ completed within thirty days of ~~the~~ origination of the loan and additional inspections ~~made~~ completed at least annually thereafter, or more often as prescribed by the Department ~~of~~ Banking.

002.03 In the case of livestock feeding operations, the inspections and appraisals should be performed every ninety days or more frequently depending on the turnover of the inventory.

004 INDEPENDENCE.

004.01 The inspection and appraisal must be administered independently from the loan production function whenever possible.

004.02 If absolute lines of independence cannot be achieved, a bank must be able to demonstrate clearly that it has prudent safeguards to isolate its inspection and appraisal program from influence or interference from the loan production process. In such cases, another loan officer, other officer, or a director of the bank may be the only person qualified to perform the inspection and appraisal. To ensure independence, such persons must abstain from any vote or approval process involving loans on which they performed the inspection and appraisal.

Form 8-141-02
Revised Date: 02/07/89
SAMPLE COPY

LIVESTOCK LOANS

Inspection and Appraisal Report

_____ Inspection Date

BORROWER: _____ ADDRESS: _____

Total Line \$ _____ Livestock Line \$ _____ Placed Portion \$ _____

Original Note Date _____ Amount \$ _____

Financing Statement Date _____ Security Agreement Date _____

Livestock Inventory:

_____	_____	_____	_____	_____
No.	Description	Est. Weight	Per Head Value	TOTAL VALUE

TOTAL _____
_____ \$

Remarks, Including Feed Inventory:

_____ The undersigned represents and warrants that the property described in the foregoing report is owned by the undersigned, free and clear of all encumbrances except indebtedness to in the sum of \$ _____ which indebtedness is either unsecured or secured by a financing statement and security agreement on the livestock described. This statement is made to the _____ for the purpose of inducing said bank to advance money on notes executed by the undersigned.

_____ Signature of the Owner

Inspector's Name:

Inspector's Title:

Inspector's Signature:

NEBRASKA ADMINISTRATIVE CODE

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter ~~20~~ 15 - LOANS SECURED BY WAREHOUSE RECEIPTS

001 EXCEPTION TO LENDING LIMIT.

001.01 Neb. Rev. Stat. § 8-141 provides that a bank may directly or indirectly loan twenty-five percent of the total of its capital, surplus, capital notes, and debentures or fifteen percent of its unimpaired capital and unimpaired surplus, whichever is greater, to any person. Obligations of any person, co-partnership, association, or corporation which are ~~When the obligation is~~ secured by negotiable warehouse receipts, a bank may loan an additional ten percent of such capital, surplus, capital notes, and debentures or of such unimpaired capital and unimpaired surplus.

001.02 To qualify for the additional ten percent advancement:

001.02A The warehouse receipts must be in an amount not less than one hundred-fifteen percent of the face amount of the note or notes; and

001.02B The note or notes shall also must be secured by a prior financing statement and security agreement on the inventory covered by warehouse receipts, as of the date of the loan.

001.03 For purposes of this Rule, the term "unimpaired capital" is as defined in Neb. Rev. Stat. § 8-141.

NEBRASKA ADMINISTRATIVE CODE

Title 45 – DEPARTMENT OF BANKING AND FINANCE

Chapter ~~31-16~~ – ~~EXECUTIVE OFFICER'S LICENSE~~ LOANS SECURED BY DEPOSIT ACCOUNTS

001 SCOPE AND APPLICATION.

001.01 Neb. Rev. Stat. § 8-141 provides that loans or extensions of credit to any person, ~~or~~ partnership, limited liability company, association, or corporation which are properly secured by a segregated deposit account in the lending bank shall not be subject to any limitation based on paid-up capital, surplus, and capital notes and debentures, or any limitation based on unimpaired capital and unimpaired surplus.

001.02 For purposes of this Rule, “unimpaired capital” is as defined in Neb. Rev. Stat. § 8-141.

002 ELIGIBLE DEPOSIT ACCOUNTS.

002.01 Deposit accounts which qualify for this exception are limited to deposits in the form generally recognized as time certificates of deposit.

003 COLLATERAL REQUIREMENTS.

003.01 The bank must ensure that a security interest has been perfected in the deposit, including the assignment of the specifically identified deposit.

003.02 The bank ~~should~~ must obtain possession of the certificate(s) of deposit.

003.03 The bank must establish written internal procedures which will prevent the release of the deposit prior to the release of the security interest.

003.04 Only that amount in excess of ~~twenty-five percent of paid-up capital, surplus, and capital notes and debentures~~ the Neb. Rev. Stat. § 8-141 lending limit must be secured ~~pursuant to this rule.~~

NEBRASKA ADMINISTRATIVE CODE

Title 45 – DEPARTMENT OF BANKING AND FINANCE

Chapter ~~48~~ 17 – POOL PARTICIPATION APPROVAL-

001 APPROVAL PROCESS.

001.01 ~~Section Neb. Rev. Stat. § 8-141, as amended,~~ states that a bank may invest in obligations representing loans to any national banking association or to any banking institution organized under the laws of any state, when such loans are approved by the Director of ~~Banking~~ the Department, by rule and regulation, or otherwise.

001.02 ~~Except as provided in Subsection 001.04 of this Rule, a bank must make application for approval shall be made by subject bank on a forms supplied prescribed by the Department of Banking, unless the~~

001.03 ~~The form is to be submitted to the Department either electronically with an approved digital signature or in paper with a signature in ink.~~

001.04 ~~If a bank's total investment with any one bank does not exceed the its total capital structure or its unimpaired capital and surplus, no formal approval is required by the Director of the Department, providing the bank's total investments conform to Section Neb. Rev. Stat. § 8-147.~~

001.05 ~~For purposes of this Rule:~~

001.05A ~~“Capital structure” shall include means the total of common stock, plus preferred stock, capital notes, and debentures, surplus, undivided profits, and unrestricted reserves. If the total investment by subject bank with any one bank does not exceed subject bank's total capital structure, as defined above, no formal approval is required by the Director, providing the bank's total investments conform to Section 8-147.~~

001.05B ~~“Unimpaired capital” is as defined in Neb. Rev. Stat. § 8-141.~~

NEBRASKA ADMINISTRATIVE CODE

TITLE 45 – DEPARTMENT OF BANKING AND FINANCE

Chapter ~~30~~ 18 – REQUIREMENTS FOR PURCHASES OF SHARES OF INVESTMENT COMPANIES

001 SCOPE AND APPLICATION.

~~001.01~~ 001.01 ~~This rule will govern certain investments made by a state bank pursuant to the provisions of Neb. Rev. Stat. section § 8-148 (2) (Reissue 1987). provides that a bank may subscribe to, invest, purchase, and own shares of investment companies.~~

001.02 Such investments include only the purchase of shares of an investment company registered under the Investment Company Act of 1940.

~~001.02~~ 001.03 This rule addresses a state bank's purchases of investment company shares for its own account.

001.04 For purposes of this Rule:

~~003.04~~ 001.04A "Obligations that are eligible for investment" means those specified in Neb. Rev. Stat. §§ 8-141, 8-147, 8-148, 8-148.01, 8-148.02, 8-148.03, 8-148.05, and 8-148.10.

001.04B "Unimpaired capital" is as defined in Neb. Rev. Stat. § 8-141.

002 STATUTORY LIMITATION- COMPOSITION.

002.01 The assets of the investment company must consist solely of and are limited to obligations that are eligible for investment by ~~the~~ a bank.

003 DEFINITIONS.

~~003.01~~ 003.01 "Obligations that are eligible for investment" shall mean those specified in ~~Neb. Rev. Stat. sections 8-141, 8-147, 8-148, 8-148.01, 8-148.02, and 8-148.03.~~

004 003 INVESTMENT LIMITS.

~~004.01~~ 003.01 When an investment company's assets consist solely of and are limited to obligations that are eligible for unlimited investment by a ~~state~~ bank, there is no limit on a bank's investment.

004.02 003.02 When an investment company's assets contain obligations which are subject to the bank's investment or lending limitations, investment by the bank must be limited to twenty-five percent ~~(25%)~~ of ~~the~~ its paid-up capital, surplus, capital notes, and debentures ~~of such bank or fifteen percent of its unimpaired capital and unimpaired surplus, whichever is greater.~~

~~004.03~~ 003.03 When an investment company makes use of repurchase agreements, the bank's investment is limited to twenty-five percent ~~(25%)~~ of ~~the~~ its paid-up

capital, surplus, capital notes, and debentures ~~of the bank, or fifteen percent of its unimpaired capital and unimpaired surplus, whichever is greater,~~ provided that all of the following conditions are met:

~~004.03A~~ 003.03A The repurchase agreements are fully secured by securities of the United States government or any authorized agency thereof.

~~004.03B~~ 003.03B Possession of the collateral is obtained by either the bank or a third-party custodian designated by the bank under a written custodial agreement which explicitly recognizes the bank's interest in the securities as superior to that of any other person, or, in the case of book-entry securities, by appropriate entry in an account maintained in the name of the bank by a Federal Reserve Bank;

~~004.03C~~ 003.03C The collateral is marked to market on a daily basis.

~~004.04~~ 003.04 When an investment company makes use of repurchase agreements which do not contain the elements set forth in ~~section 004.03 Subsection 003.03~~ of this Rule, and/or securities lending arrangements, the bank's investment is limited to ten percent ~~(10%) of the its~~ paid-up capital, surplus, capital notes and debentures ~~of the bank or ten percent of its unimpaired capital and unimpaired surplus, whichever is greater.~~

~~004.05~~ 003.05 When an investment company makes use of futures and options, or has the ability to do so, the fund is not an eligible investment for ~~state~~ banks.

003.06 A ~~state~~ bank may invest in an investment company which makes use of forward contracts, provided that the investment company maintains, in a segregated account, cash or cash equivalents or other portfolio securities equal in value to commitments to purchase securities, so that no leverage is employed.

~~005~~ 004 INVESTMENT COMPANY REQUIREMENTS OF THE INVESTMENT COMPANY.

~~005.01~~ 004.01 In addition to the eligibility requirements of the underlying assets of the investment company, the fund must provide that:

~~005.01A~~ 004.01A The shareholder must have a proportionate undivided interest in the underlying assets of the investment company.

~~005.01B~~ 004.01B The shareholders of the fund must be shielded from personal liability for acts or obligations of the investment company.

~~004~~ 005 REVIEW AND DOCUMENTATION REQUIREMENTS.

~~004.01~~ 005.01 The bank's formal investment policy, as adopted and approved by its Board of Directors ("Board"), ~~shall~~ must specifically provide for the investments addressed by this Rule.

~~004.02~~ 005.02 Specific prior approval of the bank's Board ~~of directors~~ is required for the initial investment in specific investment companies. Such approval ~~shall~~ must be noted in the official Board minutes.

~~004.03~~ 005.03 Procedures, standards, and controls for managing such investments shall be implemented prior to the investment being made. Such procedures, standards, and controls shall be in written form and approved by the Board ~~of directors~~.

~~004.04~~ 005.04 A copy of the prospectus for each such investment shall be maintained in the bank's ~~files~~ records for a period of one year after the investment is no longer held in the bank's own portfolio.

~~004.05~~ 005.05 The bank shall conduct a review at least quarterly of its holdings of investment company shares to ensure that such investments are in accordance with its investment policy and statutory and regulatory requirements. Such review ~~shall~~ must be noted in the official Board minutes.

005 006 REPORTING AND ACCOUNTING REQUIREMENTS.

~~005.01~~ 006.01 ~~Existing instructions for the~~ Quarterly Reports of Condition require bank holdings of investment company shares to be reported at the lower of the aggregate cost or market value in Schedule RC-B SECURITIES. Reference the ~~instructions for the Report of Condition,~~ glossary entry for "marketable equity securities," ~~and Statement of Financial Accounting Standards No. 12, Accounting for Certain Marketable Securities ("FAS 12")~~

~~005.01A~~ 006.01A Market value of "open-end" investment companies should be based on net asset value rather than offering price.

~~005.01B~~ 006.01B Shares in "closed-end" investment companies should be marked to the bid price.

~~005.01C~~ 006.01C At no time may the carrying value of investment company holdings be increased above their aggregate cost as a result of net unrealized gains.

~~005.02~~ 006.02 Net unrealized losses on marketable equity securities and subsequent recoveries of net unrealized losses ~~should~~ must be excluded from ~~Schedule~~ RI-INCOME STATEMENT and ~~instead~~ be reported (reduced by applicable income tax effect) in Schedule RI-A CHANGES IN EQUITY CAPITAL as an adjustment to "Undivided Profits and Capital Reserves." A loss on an individual investment which is other than temporary should be charged to noninterest expense on Schedule RI-INCOME STATEMENT.

~~005.03~~ 006.03 As part of the market value determination referred to above, mutual fund sales fees, both "front end load" and "deferred contingency", must be deducted ~~in calculating market value to more accurately reflect~~ the current value of fund shares. Unless the market value of such shares increases sufficiently to offset these fees, the ~~amount of these~~ fees will be reflected as unrealized losses and effectively charged against "Undivided Profits and Capital Reserves."

NEBRASKA ADMINISTRATIVE CODE

~~LAST ISSUE DATE: June 14, 1982~~

Title 45 – DEPARTMENT OF BANKING AND FINANCE

Chapter ~~26~~ 19 ~~BANKS:~~ – LEASING OF PERSONAL PROPERTY

001 GENERAL

001.01 ~~Federal statutes and regulations referenced herein means those statutes and regulations as amended on or before the effective date of this Rule. A copy of the statutes and regulations referenced in this Rule is available as an Appendix to this rule at [\[link to be determined\]](#)~~

002 MINIMUM COMPLIANCE REQUIREMENTS

002.01 ~~A state bank may: directly or indirectly, engage in the business of leasing personal property if it conforms to the provisions of Title 12, Chapter 1, Part 23 of the Code of Federal Regulations, entitled "Leasing."~~

~~001.01 Become the legal or beneficial owner and lessor of specific personal property or otherwise acquire such property at the request of the lessee who wishes to lease it from the bank; or~~

~~001.02 Become the owner and lessor of personal property by purchasing the property from another lessor in connection with its purchase of the related lease (this does not include an interest in a syndicated limited partnership or joint venture which would be considered a security under the Nebraska Securities Act); and~~

~~001.03 Incur obligations incidental to its position as the legal or beneficial owner and lessor of the leased property;~~

~~if the lease is a net, full-payout lease representing a noncancelable obligation of the lessee, notwithstanding the possible early termination of that lease.~~

~~002 For the purposes of this ruling:~~

~~002.01 A "net lease" is a lease under which the bank will not, directly or indirectly, provide or be obligated to provide for:~~

~~002.01A the servicing, repair or maintenance of the leased property during the lease term;~~

~~002.01B the purchasing of parts and accessories for the leased property; however, improvements and additions to the leased property may be leased to the lessee upon its request in accordance with the full payout requirements of this ruling;~~

~~002.01C the loan of replacement or substitute property while the leased property is being serviced;~~

~~002.01D~~ the purchasing of insurance for the lessee, except where the lessee has failed in its contractual obligation to purchase or maintain the required insurance; or,

~~002.01E~~ the renewal of any license or registration for the property unless such action by the bank is clearly necessary to protect its interest as an owner or financier of the property.

~~002.02~~ A "full payout" lease is one from which the lessor can reasonably expect to realize a return of its full investment in the leased property plus the estimated cost of financing the property over the term of the lease from:

~~002.02A~~ rentals;

~~002.02B~~ estimated tax benefits; and,

~~002.02C~~ the estimated residual value of the property at the expiration of the initial term of the lease.

The estimate by the lessor of the total cost of financing the property over the term of the lease should reflect, among other factors, the term of the lease, the modes of financing available to the lessor, the credit rating of the lessor and/or the lessee if a factor in the financing, and prevailing rates in the money and capital markets. Where the calculation of the cost of financing according to this formula is not reasonably determinable, a lease may be considered to have met the test for recovering the cost of financing if the bank's yield from the lease is equivalent to what the yield would be on a similar loan. Any unguaranteed portion of the estimated residual value relied upon by the bank to yield a full return under this subsection shall not exceed 25 percent of the original cost of the property to the lessor. The amount of any estimated residual value guaranteed by a manufacturer, the lessee, or a third party which is not an affiliate of the bank, may exceed 25 percent of the original cost of the property where the bank has determined, and can provide full supporting documentation that the guarantor has the resources to meet the guarantee. In all cases, both the estimated residual value of the property and that portion of the estimated residual value relied upon by the lessor to satisfy the requirements of a full-payout lease must be reasonable in light of the nature of the leased property and all relevant circumstance so that realization of the lessor's full investment plus the cost of financing the property primarily depends on the creditworthiness of the lessee and any guarantor of the residual value, and not on the residual market value of the leased item.

~~002.03~~ Leasing tangible personal property or acting as agent, broker, or advisor in leasing such property, in which the lessor relies on an estimated residual value of the property in excess of the 25 percent limitation described in subsection 002.02 is allowed, if the following conditions are met:

~~002.03A~~ The activity otherwise meets the requirements of section 001, and subsections 002.01 and 002.02 of this rule;

~~002.03B~~ The lessor in no case relies on an estimated residual value of the

~~property in excess of 100 percent of the acquisition cost of the property to the lessor;~~

~~002.03C The aggregate book value of all personal property described in 002.03D of this subsection does not exceed 10 percent of the bank's assets;~~

~~002.03D For purposes of calculation of the limit provided in 002.03C of this subsection, the bank shall include all tangible personal property held for lease in transactions in which the bank relies on an estimated residual value in excess of 25 percent of the acquisition cost of the property;~~

~~002.03E The term of the lease is at least 90 days;~~

~~002.03F Each company that conducts leasing transactions under subsection 002.03 maintains capitalization fully adequate to meet its obligations and support its activities and commensurate with industry standards for companies engaged in comparable leasing activities; and~~

~~002.03G The bank maintains separately identifiable records of the leasing activities conducted under sections 001 and 002, where it conducts leasing activities under the authority of both sections 001 and 002 of this rule.~~

~~003 Full payout calculations on leases of personal property to domestic governmental entities may be based on reasonably anticipated future transactions or renewals.~~

~~004 If, in good faith, a state bank believes that there has been an unanticipated change in condition which threatens its financial position by significantly increasing its exposure to loss, the limitations contained in sections 001 and 002 shall not prevent the bank,~~

~~004.01 As the owner and lessor under a new full-payout lease, from taking reasonable and appropriate action to salvage or protect the value of the property or its interests arising under the lease; or,~~

~~004.02 As the assignee of a lessor's interest in a lease, from becoming the owner and lessor of the leased property pursuant to its contractual right, or from taking any reasonable and appropriate action to salvage or protect the value of the property or its interests arising under the lease.~~

~~005 The limitations contained in sections 001 and 002 do not prohibit a state bank from including any provisions in a lease, or from making any additional agreements, to protect its financial position or investment in the circumstance set forth in subsections 004.01 and 004.02 of this ruling.~~

~~006 003 CONSTRUCTION OF RULE.~~

~~003.01 Nothing in this section Rule shall be construed to be in conflict with the duties, liabilities and standards imposed by the Consumer Leasing Act of 1976, 15 U.S.C. 1667 et. seq.~~

007 004 LIMITATIONS.

004.01 Leases permissible under this ~~ruling~~ Rule are subject to the limitations on loans under Neb. Rev. Stat. § 8-141, and the limitations on loans and investments under Neb. Rev. Stat. §§ 8-141 and 8-147.

004.02 The dollar amount of the lease for these purposes will be determined by using the following formulas:

~~007.01~~ 004.02A Bank cost of acquisition of personal property minus investment credit realized minus the balance of any nonrecourse debt; or,

~~007.02~~ 004.02B The sum of the present value of both the lease payments and the residual value of the property.

004.03 The Department ~~of Banking and Finance~~ reserves the right to determine that ~~such~~ leases of personal property are also subject to the limitations of any other law, or rule or regulation, or ruling which limits potential financial risks associated with other forms of bank financing.

008 005 EXCLUSION AND SCOPE OF EXCLUSION.

005.01 Except as provided in this Section, ~~this section~~ Rule shall does not apply to any leases executed prior to May 1, 1982.

005.02 With respect to the applicability of Section 007, 004 of this Rule, when making new extensions of credit, including leases, to a customer, ~~state a~~ banks must consider all outstanding leases regardless of the date they were entered into.

005.03 Any lease which was entered into in good faith prior to ~~such date~~ May 1, 1982, which does not satisfy the requirements of ~~the ruling~~ this Rule may be renewed without violation of this Section only if:

005.03A There is a binding agreement in the expiring lease which requires the bank to renew it at the lessee's option, and the bank cannot otherwise reasonably or properly avoid its commitment to do so, or

005.03B The bank, in good faith, determines and demonstrates by full documentation that renewal of the lease is necessary to avoid significant financial loss and recover its total investment plus the cost of financing.

009 006 POLICIES.

006.01 The Board of Directors of ~~the bank~~ must adopt leasing policies, procedures, objectives, and internal controls which adequately protect the bank and provide customer services.

006.02 Such leasing policies must recognize that leasing is a form of term debt financing and, ~~as such, shall~~ therefore must include adequate credit standards.

~~010 The lease must be accounted for under Financial Accounting Standard 13—Direct Financing Lease. Standards Board Board Statement L13—Accounting for Leases, as amended and interpreted, incorporated herein by reference and available for viewing at the Nebraska Department of Banking and Finance, 1200 N Street, Suite 311, The Atrium, Lincoln, Nebraska 68508.~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 20 - ~~REPEALED. LOANS SECURED BY WAREHOUSE RECEIPTS~~

~~001 Obligations of any person, co-partnership, association, or corporation which are secured by negotiable warehouse receipts in an amount not less than one hundred-fifteen percent of the face amount of the note or notes shall also be secured by a prior financing statement and security agreement on the inventory covered by warehouse receipts, as of the date of the loan.~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 23 - ~~REPEALED MINIMUM RECORD KEEPING STANDARDS~~

~~001—Introduction. The Nebraska Department of Banking and Finance is defining standards for certain aspects of computerized record keeping systems employed in the recording, updating and maintenance of the financial transactions of State Chartered Banks. The purpose is to establish minimum standards within sound record keeping principles which the Director deems necessary to ascertain the true condition of the bank, and to insure that State Examiners can extract or have extracted information from data files that is necessary to the examination. In general, data centers should record, update and maintain specific information as set forth herein, while the various departments of the bank should submit information in a format specified by the data center. Definitions and guidelines set forth herein are intended to aid data centers and banks in compliance with these standards.~~

~~A data center is defined as: 1) a data processing department within a bank staffed by direct employees of the bank; 2) a data processing service organization that processes the transactions of a state chartered bank; including but not limited to service organizations wholly or partially owned by the bank, or owned wholly or partially by other banks, or private organizations not affiliated with any bank that provides services by contractual agreement.~~

~~The computerized records of the bank should be maintained according to the standards set forth hereinafter. These are minimum standards only; any additional data, not defined herein, may be included in the computerized records of the bank.~~

~~Those fields which reflect the original terms, conditions or provisions entered into by and between the bank and the customer, should not be altered by file maintenance transactions, except to correct a recording or processing error. In the event any of these fields are altered, a hard copy (report, microfilm, etc.) record of same should be created and retained in accordance with 8-107.~~

~~001.01 DEMAND DEPOSIT ACCOUNTS (DEFINITIONS)~~

~~001.01A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. Range of account numbers is not an acceptable method.~~

~~001.01A1 TYPE CODE designates an account that receives special services.~~

~~001.01A1a REVOLVING CREDIT ACCOUNT (OVERDRAFT CHECKING ACCOUNT) A demand deposit account on which the bank has pre-approved payment of insufficient checks.~~

~~001.01A2 IDENTIFICATION CODE designates owner of the funds.~~

~~001.01A2a PUBLIC FUND ACCOUNT
Deposits may include: 1) for which the bank is required to pledge securities or, 2) belonging to any federal, state, local public entity or, 3) deposited by an officer of a public entity in an official capacity. A method of differentiation between federal and state, county municipal deposits should be maintained.~~

~~001.01A2b CREDIT BANK ACCOUNT
(COMMONLY REFERRED TO AS
CORRESPONDENT BANK ACCOUNTS)
Deposits due to any commercial bank, savings bank or trust company.~~

~~001.01A2c TRUST FUND ACCOUNT
Funds deposited in your bank by the Trust Department of your bank. This is applicable to banks with trust powers only.~~

~~001.01A2d ACCOUNTS OF DIRECTORS,
OFFICERS OR EMPLOYEES OF YOUR BANK
A single code may be used to identify all three categories.~~

~~001.01A2e DEALER RESERVE ACCOUNT
An account belonging to any retail dealer, the purpose of which is to receive that dealer's portion of finance charges, credit insurance premiums or other similar type funds.~~

~~001.01A2f BANK CONTROL ACCOUNT
Each account, which represents outstanding cashier's checks, officer's checks, expense checks or other similar bank checks, or which represent suspense items, unposted items, income, expense, or any other type of account belonging to the bank. (Each such item so maintained shall be carried in a separate account.)~~

~~001.01A3 STATUS CODE designates a unique feature of an individual account. These codes may not necessarily be mutually exclusive.~~

~~001.01A3a ACCOUNTS ON WHICH NO STATEMENT IS TO BE PRINTED.~~

~~001.01A3b ACCOUNTS ON WHICH NO STATEMENT IS TO BE MAILED.~~

~~001.01A3c RESTRICTED ACCOUNT An account on which notification has been given or received by the bank to preclude activity in that account.~~

~~001.01A3d DORMANT ACCOUNT An account belonging to an entity which the bank cannot locate or identify. This shall not include an account involved in litigation where the court will determine the rightful owner of the funds; or an account awaiting distribution through estate settlement procedures.~~

~~001.01A3e INACTIVE ACCOUNT An account in which no customer initiated dollar activity has occurred, for a period of time as specified by the Board of Directors of your bank. Inactive account means an account in which your bank still has contact as opposed to a dormant account as defined above.~~

~~001.01B Fields of data that must be recorded in the computer records:~~

~~001.01B1 DATE ACCOUNT OPENED The date the account was opened, or date the initial deposit was made. If the account was opened prior to the date records were converted from manual to automated system, then the date the records were so converted may be used.~~

~~001.01B2 ACCOUNT NUMBER~~

~~001.01B3 NAME OF DEPOSITOR Short name is acceptable.~~

~~001.01B4 ADDRESS OF DEPOSITOR Address must include the zip code.~~

~~001.01B5 CURRENT BALANCE Actual posted dollar balance of the account including uncollected funds and funds on which "holds" have been placed.~~

~~001.01B6 COLLECTED OR UNCOLLECTED FUNDS~~
That portion of a deposit balance which has either been collected or uncollected by the depository bank. Either method will be acceptable, as long as it is identified.

~~001.01B7 DATE AND AMOUNT OF LAST CUSTOMER DEPOSIT~~ The date and amount of the last deposit activity, initiated by the customer, that was posted to the account.

~~001.01B8 DATE AND AMOUNT OF LAST CUSTOMER WITHDRAWAL~~ The date and amount of the last withdrawal activity, initiated by the customer, that was posted to the account.

~~001.01B9 DATE OF LAST CUSTOMER INITIATED ACTIVITY IN THE ACCOUNT~~ The date the last activity was posted to the account which was initiated by the customer.

~~001.01B10 DATE ACCOUNT WAS OVERDRAWN~~
The date a currently overdrawn account first became overdrawn and remained in a continuously overdrawn status.

~~001.01B11 NUMBER OF TIMES AND NUMBER OF DAYS AN ACCOUNT WAS OVERDRAWN~~ This could be accumulated on a previous twelve month running total, or year-to-date plus total previous year.

~~001.01B12 DATE OF THE LAST STATEMENT~~
The date of the last statement of the account was printed and activity purged from the file.

~~001.01B13 BALANCE OF THE LAST STATEMENT~~
The balance of the last statement of the account which was printed and activity was purged from the file.

~~001.02 SAVINGS DEPOSIT ACCOUNTS (DEFINITIONS)~~

~~001.02A~~ If any of the following accounts are maintained in the computer records, they must be identified by a unique code. Range of account numbers is not an acceptable method.

~~001.02A1 TYPE ACCOUNT CODE~~

~~001.02A1a REGULAR SAVINGS~~ An interest bearing account where

~~withdrawal may be made without penalty.~~

~~001.02A1b CLUB SAVINGS An account where the bank is to make payment at a pre-arranged date, which may or may not pay interest (Christmas, vacation, etc.)~~

~~001.02A1c OTHER SAVINGS Any other account that is not regular savings or club savings.~~

~~001.02A2 IDENTIFICATION CODE — designates the owner of the funds.~~

~~001.02A2a PUBLIC FUNDS SAVINGS ACCOUNT Savings deposits may include: 1) for which the bank is required to pledge securities or, 2) belonging to any federal, state, local public entity, or 3) deposited by an officer of a public entity in an official capacity. A method of differentiation between federal and state, county, municipal deposits should be maintained.~~

~~001.02A2b CREDIT BANK SAVINGS ACCOUNT Savings deposits due to any commercial bank, savings bank or trust company.~~

~~001.02A2c TRUST FUND SAVINGS ACCOUNT Funds deposited in a savings account in your bank by the Trust Department of your bank. This is applicable to banks with trust powers only.~~

~~001.02A2d SAVINGS ACCOUNTS OF DIRECTORS, OFFICERS OR EMPLOYEES OF YOUR BANK A single code may be used to identify all three categories.~~

~~001.02A2e BANK CONTROL ACCOUNT Any savings account belonging to the bank, such as suspense items and unposted items recorded as separate accounts.~~

~~001.02A3 STATUS CODE — designates a unique feature of an individual account. These codes may not necessarily be mutually exclusive.~~

~~001.02A3a SAVINGS ACCOUNT ON WHICH NO STATEMENT IS TO BE PRINTED. An account where no statement is to be produced by request of the depositor.~~

~~001.02A3b SAVINGS ACCOUNT ON WHICH NO STATEMENT IS TO BE MAILED. An account where no statement is to be mailed.~~

~~001.02A3c RESTRICTED SAVINGS ACCOUNT A savings account on which notification has been given or received by the bank to preclude activity in that account.~~

~~001.02A3d DORMANT SAVINGS ACCOUNT A savings account belonging to an entity which the bank cannot locate or identify. This shall not include an account involved in litigation where the court will determine the rightful owner of the funds; or an account awaiting distribution through estate settlements procedure.~~

~~001.02A3e INACTIVE SAVINGS ACCOUNT A savings account in which no customer initiated dollar activity has occurred, for a period of time as specified by the Board of Directors of your bank. Inactive savings account means an account in which your bank still has contact as opposed to a dormant account as defined above.~~

~~001.02B Fields of data that must be recorded in the computer records:~~

~~001.02B1 SAVINGS ACCOUNT NUMBER~~

~~001.02B2 DATE THE SAVINGS ACCOUNT WAS OPENED The date the account was opened or the initial savings deposit was made which opened the account. If the account was opened prior to the date the records were converted from manual to automated system, then the date the records were so converted may be used.~~

~~001.02B3 NAME OF THE DEPOSITOR Short name is acceptable.~~

~~001.02B4 ADDRESS OF THE DEPOSITOR Address must include zip code.~~

~~001.02B5 CURRENT BALANCE Actual posted dollar balance of the savings account, including uncollected funds and funds on which "holds" have been placed.~~

~~001.02B6 COLLECTED OR UNCOLLECTED FUNDS That portion of a deposit balance which has either been collected or uncollected by the depository bank. Either method of accounting is acceptable, as long as it is identified.~~

~~001.02B7 DATE OF LAST CUSTOMER INITIATED ACTIVITY IN THE ACCOUNT The date the last activity was posted to the account which was initiated by the customer.~~

~~001.02B8 DATE AND AMOUNT OF LAST CUSTOMER DEPOSIT The date and amount of the last deposit activity, initiated by the customer, that was posted to the account.~~

~~001.02B9 DATE AND AMOUNT OF LAST CUSTOMER WITHDRAWAL The date and amount of the last withdrawal activity, initiated by the customer, that was posted to the account.~~

~~001.02B10 DATE OF LAST STATEMENT The date of the last statement of the savings account was printed and the activity purged from the file. (This applies only to "Statement Savings Accounts" or other similar savings accounts relative to which statements reflecting the activities in the account are customarily produced.)~~

~~001.02B11 BALANCE OF LAST STATEMENT The balance of the last statement of the account which was printed and activity purged from the file.~~

~~001.02B12 INTEREST RATE The annual rate of simple interest paid on that savings account. This is not the effective rate determined by periodic compounding. A code may be used to specify the annual rate of interest.~~

~~001.03 CERTIFICATES OF DEPOSIT (DEFINITIONS)~~

~~001.03A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. Range of account numbers is not an acceptable method.~~

~~001.03A1 TYPE CODE designates a contractual arrangement.~~

~~001.03A1a AUTOMATIC RENEWABLE CERTIFICATE Certificate of Deposit where the instrument specifically states the contract will, automatically be extended for an additional term equal to that originally agreed upon between the depositor and the bank unless withdrawn by the customer within a specified time following the maturity.~~

~~001.03A1b SINGLE MATURITY CERTIFICATE Certificate of Deposit which is not automatically renewable.~~

~~001.03A2 IDENTIFICATION CODE designates the owner of the funds.~~

~~001.03A2a PUBLIC FUND CERTIFICATE OF DEPOSIT Certificate may include: 1) for which the bank is required to pledge securities or, 2) belonging to any federal, state, local public entity or, 3) deposited by an officer of a public entity in an official capacity. A method of differentiation between federal and state, county, municipal deposits should be maintained.~~

~~001.03A2b CREDIT BANK ACCOUNT Certificates of Deposit due to any commercial bank, savings bank or trust company.~~

~~001.03A2c TRUST FUND ACCOUNT Certificates of Deposit issued by your bank to the Trust Department of your bank. This is applicable to banks with trust powers only.~~

~~001.03A2d CERTIFICATE OF DEPOSIT ISSUED TO DIRECTORS, OFFICERS OR~~

~~EMPLOYEES OF YOUR BANK—A single code may be used to identify all three categories.~~

~~001.03A3 STATUS CODE—designates a unique feature of an account. These codes may not necessarily be mutually exclusive.~~

~~001.03A3a NEGOTIABLE CERTIFICATE Certificate of Deposit which is made payable to the bearer or endorser.~~

~~001.03A3b DEMAND CERTIFICATE~~

~~001.03A3c REDEEMED CERTIFICATE (CLOSED)—A Certificate of Deposit that has been presented to the bank for payment.~~

~~001.03A3d DORMANT CERTIFICATE OF DEPOSIT—Certificates belonging to an entity which the bank cannot locate or identify. This shall not include a certificate involved in litigation where the court will determine the rightful owner of the fund or certificate awaiting distribution through estate settlement procedures.~~

~~001.03A3e PLEDGED CERTIFICATE~~

~~001.03B Fields of data that must be recorded in the computer records:~~

~~001.03B1 CERTIFICATE NUMBER—Number assigned to the Certificate of Deposit for identification purposes. This is not what is usually referred to as a "Customer Identification Number."~~

~~001.03B2 NAME OF DEPOSITOR—Short name is acceptable.~~

~~001.03B3 ADDRESS OF DEPOSITOR—Address must include zip code.~~

~~001.03B4 DATE ISSUED—The date the certificate was originally issued.~~

~~001.03B5 TERM OF CERTIFICATE—The number of months or days which determine the maximum interest to be paid.~~

~~001.03B6 INTEREST PAID The annual rate of simple interest paid on the certificate.~~

~~001.03B7 NEXT MATURITY DATE The date shown on the Certificate of Deposit on which the principal amount matures or is due and payable to the depositor. In the case of automatically renewable certificates of deposit, the maturity date is the next date the certificate is due.~~

~~001.03B8 CURRENT BALANCE The actual posted balance of the certificate of deposit.~~

~~001.03B9 DATE LAST INTEREST WAS PAID The date interest was calculated and paid direct to the holder or added to the current balance.~~

~~001.04 INSTALLMENT LOANS (DEFINITIONS)~~

~~001.04A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. A range of account numbers is not an acceptable method.~~

~~001.04A1 TYPE OF LOAN designates the classification of the loan according to legal definitions.~~

~~001.04A1a DIRECT LOANS TO BORROWERS Loans governed by Personal Loan Act, Article 8, Section 8 (Installment Loans)~~

~~001.04A1b INDIRECT LOANS - PURCHASED PAPER Loans governed by Installment Sales Act, Article 45, Section 3 (Dealer Paper)~~

~~001.04A1c OTHER LOANS Loans not governed by Personal Loan Act or Installment Sales Act~~

~~001.04A1d DIRECT LEASE PAPER (IF MAINTAINED WITH INSTALLMENT LOANS)~~

~~001.04A1e INDIRECT LEASE PAPER (IF MAINTAINED WITH INSTALLMENT LOANS)~~

~~001.04A2 LOAN CLASSIFICATIONS Minimum classifications:~~

~~1) Loans to purchase passenger automobiles on installment basis.~~

- ~~2) Credit cards and related plans
 - ~~a) Retail (charge account) credit card plans~~
 - ~~b) Check credit and revolving credit plans~~~~
- ~~3) To purchase retail consumer goods on installment basis.
 - ~~a) Mobile homes (exclude travel trailers)~~
 - ~~b) Other retail consumer goods (exclude credit cards and related plans)~~~~
- ~~4) Loans to repair and modernize residential property.~~
- ~~5) Other installment loans for household, family and other personal expenditures.~~

~~001.04A3 IDENTIFICATION CODE — designates the borrower on a loan.~~

~~001.04A3a DIRECTOR, OFFICER OR EMPLOYEE OF YOUR BANK — A single code may be used to identify all three categories.~~

~~001.04A4 STATUS CODE — designates a unique feature of an account. These codes may not necessarily be mutually exclusive.~~

~~001.04A4a RECOURSE INDICATOR (WITH OR WITHOUT)~~

~~001.04A4b REPURCHASE INDICATOR (FULL OR LIMITED)~~

~~001.04A4c REPOSSESSED INDICATOR~~

~~001.04B Fields of data that must be recorded in the computer records:~~

~~001.04B1 BORROWER NUMBER — A number assigned to a particular borrower. This number can be either common for all indebtedness or a common number may be used for all installment loan indebtedness.~~

~~001.04B2 LOAN NUMBER~~

~~001.04B3 NAME OF BORROWER(S) — Short name is acceptable.~~

~~001.04B4 ADDRESS OF BORROWER — Address must include zip code.~~

~~001.04B5 LOAN OFFICER~~

~~001.04B6 DATE OF LOAN The date shown on the face of the note.~~

~~001.04B7 AMOUNT ADVANCED The principal amount of the loan; sometimes called proceeds, net amount financed or amount of loan. It may be disclosed to the borrower in a single amount or sale price less any down payment of cash or goods.~~

~~001.04B8 TOTAL OF PAYMENTS (TIME BALANCE) The sum of amount advanced, insurance premiums, official fees and the total finance charge.~~

~~001.04B9 AMOUNT FINANCED The sum of the amount advanced, insurance premiums and official fees.~~

~~001.04B10 FINANCE CHARGE (TIME PRICE DIFFERENTIAL) The total time balance less amount advanced, insurance premiums and official fees.~~

~~001.04B11 ORIGINAL MATURITY DATE The date the current note was originally contracted to be paid off.~~

~~001.04B12 DATE OF THE FIRST PAYMENT The date the first payment is required from the borrower by disclosure on the contract.~~

~~001.04B13 CURRENT MATURITY DATE The date the current note is presently contracted to be paid off. If this date is the same as the original maturity date, both fields will contain identical data.~~

~~001.04B14 NUMBER OF EXTENSIONS The number of months or days (where 30 days equal one month) that the original maturity date has been extended.~~

~~001.04B15 EXTENSION CHARGES ASSESSED The accumulated additional finance charges assessed by the bank when extending the maturity date of the loan. Extensions may affect the rebate on finance charges.~~

~~001.04B16 EXTENSION CHARGES PAID OR UNPAID The balance of extension charges assessed, either paid or unpaid.~~

~~001.04B17 NUMBER OF TIMES LATE (DELINQUENT) Method of determining delinquency is described by applicable law.~~

~~001.04B18 LATE (DELINQUENT) CHARGES ASSESSED The accumulated charges assessed to the obligor for late payment.~~

~~001.04B19 LATE (DELINQUENT) CHARGES PAID OR UNPAID The balance of late charges assessed, either paid or unpaid.~~

~~001.04B20 NUMBER OF TIMES REWRITTEN The number of times a new loan has been written to replace one or more existing loans, regardless of whether any new money was involved. Extension of maturity is not considered a rewritten note.~~

~~001.04B21 SCHEDULE OF PAYMENTS To include number of regular payments, regular payment amount, number(s) of irregular payment(s), and amount(s) of irregular payment(s).~~

~~001.04B22 NUMBER OF PAYMENTS MADE OR REMAINING The total number of scheduled payments made or remaining, including regular and irregular payments.~~

~~001.04B23 AMOUNT OF PAYMENTS MADE The total amount of payments made which has reduced the time balance. This should not include amounts for any unscheduled charges.~~

~~001.04B24 DATE OF LAST CUSTOMER PAYMENT MADE The date that the last dollar transaction was posted, not to include any unscheduled charges.~~

~~001.04B25 AMOUNT OF LAST PAYMENT The dollar amount of the last payment that does not include any unscheduled charges.~~

~~001.04B26 DATE NEXT PAYMENT IS DUE~~

~~001.04B27 UNPAID BALANCE The sum of amount advanced, insurance premiums,~~

~~official fees, total finance charges minus the amount of payments made.~~

~~001.04B28 INTEREST RATE The annual percentage rate as disclosed in the contract in the form of xx.xxx%. This is the same as the APR described in Regulation Z.~~

~~001.04B29 DESCRIPTION OF COLLATERAL/OR COLLATERAL TYPE INDICATOR A descriptive identification of the collateral pledged, or an indicator code for type of collateral.~~

~~001.04B30 DEALER NUMBER~~

~~001.04B31 PARTICIPATION INDICATOR (PURCHASED OR SOLD) When a specific loan is a participation, it must have an indicator.~~

~~001.04B32 PARTICIPATION IDENTIFICATION NUMBER An identification of who the participation was purchased from or sold to. A current list of codes assigned should be maintained at the bank. A single code may be used to identify multiple entities.~~

~~001.04B33 GUARANTOR, ENDORSER, CO-SIGNERS INDICATOR An indicator that specifies if the loan has a guarantor, endorser, or co-signer.~~

~~001.04B34 MINIMUM CHARGES The charge allowed by law. Minimum charges are allowed in lieu of interest.~~

~~001.04B35 ATTORNEY'S FEE AND COURT COST ACTUALLY EXPENDED Those fees actually expended if allowed by applicable statute.~~

~~001.04B36 OFFICIAL FEES Actual fees paid to official agencies for recordation of title or lien.~~

~~001.04B37 PAYOFF The amount necessary to retire the debt, after deducting those fees that are subject to rebate.~~

~~001.04B38 INSURANCE PREMIUMS Insurance premiums must be recorded separately as one of the following:~~

- ~~a) Credit Life Insurance~~
- ~~b) Accident and Health Insurance~~

~~e) Other insurance (any insurance other than Credit Life or A&H)~~

~~001.04B39 FLOOR PLAN LOANS:~~

~~001.04B40 NAME OF DEALER~~

~~001.04B41 ADDRESS Address must include zip code.~~

~~001.04B42 DEALER NUMBER~~

~~001.04B43 DATE OF TRUST RECEIPT OR CHATTEL MORTGAGE Date of either document.~~

~~001.04B44 ORIGINAL AMOUNT OF ITEM~~

~~001.04B45 SERIAL NUMBERS~~

~~001.04B46 DESCRIPTION Year, model, make, etc.~~

~~001.04B47 CURRENT BALANCE~~

~~001.04B48 DATE INTEREST PAID TO~~

~~001.04B49 PAST DUE INTEREST INDICATOR~~

~~001.04B50 AMORTIZATION PLANS OR INDICATOR AS TO METHOD OR PERCENTAGE~~

~~001.04B51 DATE OF LAST INSPECTION~~

~~001.05 REAL ESTATE SYSTEMS~~

~~001.05A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. A range of account numbers is not an acceptable method.~~

~~001.05A1 TYPE OF LOAN - designates the classification of the loan according to legal definitions (FHA, VA, conventional, construction, interim financing, etc.)~~

~~001.05A2 IDENTIFICATION CODE - designates the borrower on a loan.~~

~~001.05A2a DIRECTOR, OFFICER OR EMPLOYEE OF YOUR BANK A single code may be used to identify all three categories.~~

~~001.05B Fields of data that must be recorded in the computer records.~~

~~001.05B1 BORROWER NUMBER A number assigned to a particular borrower. This number can be either common for all indebtedness or a common number may be used for all real estate loan indebtedness.~~

~~001.05B2 LOAN NUMBER~~

~~001.05B3 NAME OF BORROWER(S) Short name is acceptable.~~

~~001.05B4 ADDRESS OF MORTGAGED PROPERTY File must contained the address of the mortgaged property, including the zip code. This address may not necessarily be the mailing address of the borrower.~~

~~001.05B5 LOAN OFFICER CODE~~

~~001.05B6 ORIGINAL DATE Date on the note and mortgage.~~

~~001.05B7 ORIGINAL AMOUNT Amount on the note and mortgage.~~

~~001.05B8 ORIGINAL COMMITMENT Original amount of the loan approval.~~

~~001.05B9 UNADVANCED FUNDS~~

~~001.05B10 DATE OF LAST DISBURSEMENT OF UNADVANCED FUNDS~~

~~001.05B11 AMOUNT OF LAST DISBURSEMENT OF UNADVANCED FUNDS~~

~~001.05B12 SECURITY TYPE Residential, multifamily, commercial, etc.~~

~~001.05B13 APPRAISED VALUATION The amount of the latest appraisal conducted by an authorized agent of the bank. Any releases of collateral should reduce the appraised valuation.~~

~~001.05B14 DATE OF APPRAISAL Date of the latest valuation conducted by an authorized agent of the bank.~~

~~001.05B15 TERMS Information should be sufficient to identify the re-payment schedule agreed to by the bank and the borrower.~~

~~001.05B16 FIRST PAYMENT DUE Date indicated by the note which the debtor is to make the first payment on the loan balance, for either interest or principal or any combination thereof.~~

~~001.05B17 MATURITY DATE~~

~~001.05B18 INTEREST RATE Rate of interest currently being charged on the note. There should also be an indicator if the note is of a variable interest type.~~

~~001.05B19 CURRENT BALANCE Balance on which interest is being calculated.~~

~~001.05B20 ESCROW BALANCE (IF APPLICABLE)~~

~~001.05B21 PARTICIPATION INDICATOR Indicates whether loan is purchased or sold.~~

~~001.05B22 PARTICIPATION BASIS Either percentage or dollar amount.~~

~~001.05B23 PARTICIPANT IDENTIFICATION NUMBER An identification of who the participation was purchased from or sold to. A current list of codes assigned should be maintained at the bank. A single code may be used to identify multiple entities.~~

~~001.05B24 DATE PRINCIPAL PAID TO~~

~~001.05B25 DATE OF LAST CUSTOMER INITIATED PAYMENT The date that the last dollar transaction was posted, not to include any unscheduled charges.~~

~~001.05B26 AMOUNT OF LAST CUSTOMER INITIATED PAYMENT The dollar amount of the last payment that does not include any unscheduled charges.~~

~~001.05B27 DATE NEXT PAYMENT DUE~~

~~001.05B28 STATUS INDICATOR Open end, closed, real estate in judgment, foreclosure, etc.~~

~~001.05B29 NUMBER OF TIMES LATE (DELINQUENT) Delinquent policy is established by the bank.~~

~~001.05B30 LATE (DELINQUENT) CHARGES ASSESSED The accumulated charges assessed for late payments.~~

~~001.05B31 LATE (DELINQUENT CHARGES PAID/UNPAID The balance of the late charges assessed either paid or unpaid.~~

~~001.05B32 LIEN CLASS First, second, etc.~~

~~001.05B33 GUARANTOR, ENDORSER, CO-SIGNER INDICATOR~~

~~001.06 COMMERCIAL LOANS (DEFINITIONS)~~

~~001.06A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. A range of account numbers is not an acceptable method.~~

~~001.06A1 TYPE OF LOAN designates the classification of the loan according to legal definitions (demand, time, term, etc.)~~

~~001.06A2 IDENTIFICATION CODE designates the borrower on a loan. These codes may not necessarily be mutually exclusive.~~

~~001.06A3 DIRECTOR, OFFICER OR EMPLOYEES OF YOUR BANK A single code may be used to identify all three categories.~~

~~001.06A4 LOAN SECURED BY THE STOCK OF OTHER BANKS~~

~~001.06A5 LOANS TO THIS BANK'S AFFILIATES AND LOANS SECURED BY THE STOCK OR OTHER OBLIGATIONS OF THIS BANK'S AFFILIATES.~~

~~001.06B Fields of data that must be included in the computer records:~~

~~001.06B1 BORROWER NUMBER A number assigned to a particular borrower. This number can be either common for all indebtedness or a common number may be used for all commercial loan indebtedness.~~

~~001.06B2 LOAN AND/OR NOTE NUMBER~~

~~001.06B3 NAME OF BORROWER(S) Short name is acceptable.~~

~~001.06B4 ADDRESS OF BORROWER Address must include zip code.~~

~~001.06B5 COLLATERAL CODE A descriptive identification of the collateral pledged or a code to indicate same.~~

~~001.06B6 GUARANTOR, ENDORSER, OR CO-SIGNER INDICATOR~~

~~001.06B7 LOAN OFFICER CODE~~

~~001.06B8 INTEREST RATE Actual interest rate, or if interest is tied to prime, an indicator of same plus the interest additive.~~

~~001.06B9 TERMS Information should be sufficient to identify the re-payment schedule agreed to by bank and borrower.~~

~~001.06B10 ORIGINAL DATE OF CURRENT LOAN The date the initial loan proceeds were disbursed and interest began to accrue.~~

~~001.06B11 ORIGINAL AMOUNT OF CURRENT LOAN The amount of initial loan proceeds.~~

~~001.06B12 ORIGINAL DATE OF CURRENT NOTE The date the current note was executed.~~

~~001.06B13 ORIGINAL AMOUNT OF CURRENT NOTE The amount of current note proceeds.~~

~~001.06B14 DATE OF LAST RENEWAL The date of last renewal of the current note.~~

~~001.06B15 ORIGINAL MATURITY DATE The final date on which the principal amount of the note becomes due and payable. If the current maturity date is different, an additional field must be used.~~

~~001.06B16 DATE FIRST PAYMENT DUE (IF APPLICABLE)~~

~~001.06B17 DATE NEXT PAYMENT DUE (IF APPLICABLE)~~

~~001.06B18 AMOUNT OF NEXT PAYMENT DUE (IF APPLICABLE)~~

~~001.06B19 DATE INTEREST PAID TO Date interest on the obligation has been paid through.~~

~~001.06B20 DATE PRINCIPAL PAID TO Date principal on the obligation has been paid through.~~

~~001.06B21 CURRENT BALANCE HERE The remaining outstanding amount of the note after deduction for participations sold.~~

~~001.06B22 GROSS LOAN BALANCE Current balance here plus participations sold.~~

~~001.06B23 PAST DUE AMOUNT INTEREST Amount of interest currently past due.~~

~~001.06B24 PAST DUE AMOUNT PRINCIPAL Amount of principal currently past due.~~

~~001.06B25 NON-ACCRUAL INDICATOR An indicator that the interest rate has been lowered or reduced to zero.~~

~~001.06B26 PARTICIPANT IDENTIFICATION NUMBER (IF APPLICABLE)~~

~~001.06B27 PARTICIPANT CODE PURCHASED OR SOLD (IF APPLICABLE)~~

~~001.06C The following fields must be maintained and/or totaled by borrower number.~~

~~001.06C1 LINE OR COMMITMENT INDICATOR Identifies the type of line or commitment (advised, internal guideline, fee paid, etc.)~~

~~001.06C2 TOTAL LINE OR COMMITMENT Total approved contingent liability.~~

~~001.06C3 UNUSED PORTION Total amount of unused commitment or line or credit.~~

~~001.06C4 FEE BASIS INDICATOR Type of fee (None, percentage or dollar amount)~~

~~001.06C5 DATE FEE PAID TO (IF APPLICABLE)~~

~~001.06C6 HIGHEST NUMBER OF CONSECUTIVE DAYS OUT OF DEBT IN THE LAST 12 MONTHS This could be accumulated on a previous twelve month running total, or year to date plus total previous year.~~

~~001.06C7 HIGH AND LOW CREDIT IN LAST 12 MONTHS This could be accumulated on a previous twelve month running total, or year-to-date plus total previous year.~~

~~001.06C8 RELATED BORROWERS (CONCENTRATION OF CREDIT) Borrower number of related organizations or persons that have commercial loans. An organization or person is defined as: closely allied interests, the repayment of whose obligations is interdependent by reason of affiliated ownership or control. A current list of codes assigned should be maintained at the bank. A single code may be used to identify multiple entities.~~

~~001.06C9 CREDIT STATUS INDICATORS Loan classification by (1) Internal loan review and (2) Examiners review.~~

~~001.06C10 DATE LAST REVIEWED BY BANK OR DATE LAST AUTHORIZED~~

~~001.06C11 DATE OF LAST CUSTOMER FINANCIAL STATEMENT~~

~~001.06D The following information must be available, but may be maintained in a manual system.~~

~~001.06D1 PARTICIPANT IDENTIFICATION NUMBER~~

~~001.06D2 NAME OF PARTICIPANT~~

~~001.06D3 ADDRESS OF PARTICIPANT~~

~~001.06D4 BORROWER NUMBER AND LOAN NUMBER OF LOAN PURCHASED OR SOLD~~

~~001.06D5 PARTICIPATION CODE (PURCHASED OR SOLD)~~

~~001.06D6 PARTICIPATION TYPE (RECOURSE, REPURCHASE, ETC.)~~

~~001.06D7 PARTICIPATION BASIS (PERCENT OR DOLLAR AMOUNT)~~

~~001.06D8 AMOUNT OF PARTICIPATION~~

~~001.06D9 NOTE: Participation information should be maintained for all loan participations, including 100%~~

~~purchased or sold loans. This information should be maintained for both bank and non bank participants.~~

~~001.06D10 DESCRIPTION OF COLLATERAL~~

~~Á 001.06D11 VALUE OF COLLATERAL~~

~~001.06D12 DATE OF LAST VALUATION~~

~~001.07 SECURITIES (DEFINITIONS)~~

~~001.07A If any of the following accounts are maintained in the computer records, they must be identified by a unique code. Range of account numbers is not an acceptable method.~~

~~001.07A1 TYPE CODE designates the obligor or type of instrument~~

~~001.07A1a U.S. Treasury~~

~~001.07A1b Federal Agencies not guaranteed~~

~~001.07A1c State, County, and Municipals~~

~~001.07A1d Other bonds, notes and debentures~~

~~001.07A1e Stocks~~

~~001.07B Fields of data that must be recorded in the computer records:~~

~~001.07B1 SECURITY OR ACCOUNT NUMBER The number assigned to the security.~~

~~001.07B2 NAME OF ISSUER The name of the issuer liable for re-payment and the nature of the obligation as stated on the face of the instrument.~~

~~001.07B3 COUPON DATES The month and day the interest coupon may be redeemed.~~

~~001.07B4 MATURITY DATE The date the obligation will mature and principal amount of the investment will be re-paid to the holder. (This is not necessarily the optional call date of the instrument.)~~

~~001.07B5 PAR VALUE The amount of principal which will be paid to the holder by the obligor on maturity date.~~

~~001.07B6 CALL DATE If security provides for a call option, call date should be recorded.~~

~~001.07B7 DATE PURCHASED The date on which the security became an asset of the bank. (This is not necessarily the date on which a bid or offer to buy was made by the bank.)~~

~~001.07B8 SOURCE OF PURCHASE CODE Identification of the source from which the security was purchased.~~

~~001.07B9 PURCHASE PRICE The price paid for the security including broker fees less accrued interest.~~

~~001.07B10 BOOK VALUE The purchase price adjusted for the appropriate accretion or amortization.~~

~~001.07B11 MARKET VALUE Must be updated at least every 90 days.~~

~~001.07B12 INTEREST RATE The rate of interest which the obligor has agreed to pay to the holder of the security.~~

~~001.07B13 YIELD The rate of return on the security.~~

~~001.07B14 CUSIP NUMBER (IF USED) The number that gives a description of the security.~~

~~001.07B15 CREDIT RATING The current rating assigned to the security by any rating service. It is recommended that this be updated quarterly by using a reliable source.~~

~~001.07B16 RATING SOURCE The source used to obtain the current rating.~~

~~001.07B17 REPURCHASE OR RESALE INDICATOR An indicator which signifies the security has a repurchase or resale agreement.~~

~~001.07B18 GUARANTEE OR INSURANCE INDICATOR An indicator which signifies the security is insured or guaranteed.~~

~~001.07B19 PLEDGED CODE These securities which are pledged must be~~

~~identified by the entity or entities to whom the security is pledged. Current list of codes assigned will be maintained at the bank. A single code may be used to identify multiple entities.~~

~~001.07B20 PLEDGED AMOUNT That amount of the security that is pledged. If the security is pledged to more than one entity this field will contain the aggregate amount pledged.~~

~~001.07B21 DISCOUNT ACCRETED That portion of the discount (face value less price paid) not including accrued interest, which has been accreted since the date of acquisition. Premium amortized and discount accreted may be the same field.~~

~~001.07B22 PREMIUM AMORTIZED That portion of the premium (purchase price less face value) not including accrued interest, which has been amortized since the date of acquisition.~~

~~001.07B23 ACCRUED INTEREST PURCHASED The amount of accrued interest paid to the seller.~~

~~001.07B24 SAFEKEEPING NUMBER The number of the safekeeping receipt, issued by the responsible party for the security.~~

~~001.07B25 SAFEKEEPING LOCATION The name or a code of the physical location where the security is held within the bank or identity of the institution responsible for safekeeping.~~

~~001.08 TECHNICAL SECTION~~

~~001.08A (Record Identification) The following applies to all applications as set forth previously:~~

~~001.08A1 Identification of record types within a file. Various types of records such as account, header, trailer, control, etc., are normally maintained within a file. Each record type should be identified by a unique code in the same field of each like record. Any method of recording the code is acceptable.~~

~~001.08A2 Identifying Records for a given bank. Two methods are in general use and either is acceptable:~~

~~001.08A2a A separate file for each bank processed by the data center.~~

~~001.08A2b Multiple bank records on one file with each identified by a unique code.~~

~~It is also acceptable to record more than one application (demand deposit, savings, etc.) with either of the above methods. However, records for each application should be identified by a unique code located in the same record.~~

~~001.08A3 Identification of accounts. Certain accounts (public funds, trust funds, etc.) must be identified if the accounts are maintained in the file. The following guidelines apply to all applications:~~

~~001.08A3a A unique code (or codes) can be established by the data center, common to all users, or the data center can provide any method for the bank to identify specified types of accounts. In the event, a bank establishes its own codes, an up-to-date list must be maintained by the bank. The data center must be able to specify where within the record the codes established by the bank are maintained. It is recommended that banks use the coding structure provided by the data center.~~

~~001.08A3b A range of account numbers is not an acceptable method of coding.~~

~~001.08A3c The type account code should be maintained in either the master account record or an associated record or file. (Master account record is defined as that record where financial activity is recorded vs. any other associated record or file such as name and address master.)~~

~~001.08A3d Provision for expansion of type account code should be considered for future use. The Department of Banking and Finance may require the identification of additional account types within two years.~~

~~001.08A3c For purposes of processing, different types of accounts may be identified on a multi-bank file by a separate bank number. Example: Regular passbook savings vs. accounts that receive a periodic statement, or, club and regular savings account.~~

~~Banks and/or data centers may use any other codes to identify accounts not specified herein for their own purposes (such as sub-type of account) provided that the minimum standards as set forth are satisfied. It is not the intent of these standards to limit or exclude the coding of account types.~~

~~001.08A4 Identifying Status of Account. Codes are needed to identify the status of an account. Standards applicable to identifying status for all applications are:~~

~~001.08A4a A unique code (or combination of codes) should be used to identify status.~~

~~001.08A4b The status code should be maintained either in the master account record or any associated record or file. (Master account record is defined as that record where the financial activity is recorded as opposed to any associated record or file such as master name and address.) A range of account numbers is not an acceptable method of coding.~~

~~001.08A4c Provide for expansion of status codes.~~

~~Any code or combination of codes may be used to identify the status of an account. Any recording method is acceptable provided that the method is uniform from record to record for a given bank. Banks and/or data centers~~

~~may establish status classifications other than those specified herein for other purposes if they so desire. It is not the intent of these standards to limit or exclude the identification of accounts by a status indicator.~~

~~001.08B Data Fields Within a Record~~

~~001.08B1 Record-keeping guidelines~~

~~001.08B1a Data may be recorded using any of the standard techniques provided by the manufacturer. Acceptable recording methods include, but are not limited to:~~

~~001.08B1a(1) standard alpha numeric (character data)~~

~~001.08B1a(2) packed signed; signs may be high or low order~~

~~001.08B1a(3) packed unsigned~~

~~001.08B1a(4) zone decimal signed; may be high or low order~~

~~001.08B1a(5) zone decimal unsigned~~

~~001.08B1a(6) binary~~

~~Any unique space savings recording technique or recording techniques designed for security purposes are acceptable. The data center should be able to clearly describe the technique to the Department of Banking and Finance.~~

~~001.08B1b The recording technique used for any given field should be consistent for all like records within a given file.~~

~~001.08B1c The format of data recorded in any given field should be consistent for all like records. Example: If the format for a given date fields is MMDDYY, it should be recorded in that format for the given date field for all like records.~~

~~001.08B1d All fields of data handled arithmetically should be initialized. Blanks are normally not considered to be a sound record-keeping technique for an arithmetic field. All amount and date fields should be initialized with numeric zero's in the absence of specific values, except in those instances when, for security or coding purposes, a string of non-numeric characters are recorded in the field (documentation should, of course, clearly describe the reason for non-numeric values).~~

~~001.08B1e All the data for a given item of information should be recorded as a single contiguous field.~~

~~Exhibit A TIME TABLE FOR COMPLIANCE~~

~~If the data center computer programs are currently designed to accommodate the identification of the type or status of accounts for each application set forth herein (i.e. Demand Deposit, Savings, Etc.) the bank, with the cooperation of the data center, shall comply within six (6) months from the date this material becomes effective.~~

~~If any of the following conditions exist, the data center shall prepare a schedule as to when changes will be made subject to reasonable effort. This time schedule for compliance shall be completed and forwarded to the Department of Banking and Finance at the earliest possible date.~~

- ~~1. the data center programs do not include the necessary routines to identify any or certain of the accounts by type or status;~~
- ~~2. the data files do not include the required fields;~~
- ~~3. the system does not comply with the standards governing the creation and maintenance of required fields.~~

The banks shall have three (3) months to code the accounts after the data center has made the provisions in their programs.

~~CONSUMER LOAN REFERENCE CHARTER~~

~~PERSONAL LOAN ACT
Chapter 8, Article 8~~

~~SALES FINANCE
Chapter 45, Article 3~~

REQUIRED FIELD/FACTOR	STATUTE	DEFINITION	STATUTE	DEFINITION
A. Amount Advanced	8-821	Net amount of credit received	45-335	The cash sale price of goods or services which are contracted for; less the amount of the buyer's down payment in money or goods or both.
B. Insurance Premiums	8-821	a. Premiums paid to the Insurer on policies covering tangible personal property securing the loan. b. Premiums paid for credit life, sickness and accident insurance policies. c. The actual costs of non-filing insurance.	45-337	The amount, included for insurance, shall not exceed the applicable premium rates chargeable in accordance with fillings. If any, with the Department of insurance.
C. Official Fees	8-121	Lawful fees actually and necessarily paid to a public officer for filing, recording, or releasing an instrument securing the loan.	45-335	Lawful fees actually and necessary paid to a public officer for filing, recording, or releasing an Instrument securing a loan.
D. Amount Financed		A+B+C-D		A+B+C-D
E. Finance Charge (Time Price installment Differential)	8-820	F=D+E Not to exceed eighteen percent simple interest per year on the first one thousand dollars and twelve percent simple interest per year on the balance over one thousand dollars.	45-338	The time price differential for any goods or services sold under an installment contract shall not exceed eighteen percent per annum on that part of the unpaid balance not in excess of one thousand dollars and not exceeding twelve percent per annum on that part of the unpaid principal balance in excess of the one thousand dollars.
F. Time Balance	8-815	D+E=F		D+E=F

G. Amount of Payments Made		The amount that applies solely to the balance F-H-C		The number, amount and due date or period of each installment F-H-C.
H. Current Balance		(A+B+C+E)-G=H or F-G=H		(A+B+C+E)-G=H or F-G=H
I. Unearned Discount 1. Finance Charge (Time Price Differential) 2. Insurance	8-822	Rule of 78's or other method as prescribed by law. Applied to E. Rule of 78's or other method as prescribed by law. Applied to B.	45-342	Rule of 78's or other method as prescribed by law. Applied to E. Rule of 78's or other method as prescribed by law. Applied to B.
J. Extension Charges		No specific statutory provision for extension charges, but in lieu of delinquent charges a bank may take interest on each delinquent installment after the original maturity date, but within 121 months.		No specific statutory provision for extension charges, but in lieu of delinquent charges, a bank may take interest on each delinquent installment after the original maturity date, but within 145 months.
K. Minimum Charges	8-820	A minimum fee of five dollars may be made in lieu of E.	45-338	A minimum charge of ten dollars may be made in lieu of E.
L. Delinquent Charges	8-822	Delinquency charges on any scheduled installment or portion thereof, if contracted for, may be taken not in excess of five per cent on each installment or five dollars, whichever is less.	45-342	An installment contract may provide that the holder thereof may collect a delinquency charge on each installment in default for a period no less than ten days, if provided for in the contract not in excess of five percent of each installment or five dollars, whichever is less.
M. Attorney Fees and Court costs		Taxable costs to which the bank is adjudged to be entitled in judicial proceedings instituted to collect the loan.	45-342	Costs which are adjudged to be entitled in judicial proceedings instituted to collect the account.
N. Payoff	8-822	H-(I+J)=N	45-342	Notwithstanding the provisions of any contract to the contrary, any buyer may prepay in full at any time before maturity the obligation of any contract and in so paying such obligation shall receive a refund credit thereon for such anticipation of payments.

~~NEBRASKA ADMINISTRATIVE CODE~~

~~LAST ISSUE DATE: JANUARY 9, 1991~~

TITLE 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 24 - ~~REPEALED. DIRECTORS' EXAMINATIONS PERFORMED BY CERTIFIED PUBLIC ACCOUNTANTS OR PUBLIC ACCOUNTANTS~~

~~001~~ When the board of directors of a bank accepts one annual audit by an accountant or accounting firm in lieu of the one annual examination by the board of directors, these procedures must be followed:

~~001.01 APPLICATION~~ The accountants or accounting firms desiring to perform the one annual audit, replacing the one statutory annual examination, shall make application for such approval upon forms furnished by the Department of Banking and Finance. If the Director of Banking and Finance determines that the applicant accountant or accounting firm is reputable, qualified and independent, approval shall be granted without an accompanying charge. Approval must be obtained for each individual bank audited, such approval to be perpetual, or until cancelled by the individual bank, or revoked by the Department of Banking and Finance.

~~001.02 QUALIFICATIONS~~ The accountant or accounting firm must be a certified public accountant or public accountant. A certified public accountant or public accountant is deemed to be a person who is duly registered and is in good standing under the Public Accountancy Laws of Nebraska.

~~001.03 INDEPENDENCE~~ A certified public accountant or a public accountant will not be considered independent, if he or she, or any member of the accounting firm:

~~001.03A~~ is connected with the bank or any of its affiliates as an officer, director, attorney, or employee or is a member of the immediate family of an officer, director, attorney or employee of the bank or any of its affiliates;

~~001.03B~~ is the beneficial owner, directly or indirectly, of any shares of stock of the bank or any of its affiliates;

~~001.03C~~ has any proprietary interest in any partnership, firm, corporation, syndicate, or other business or legal entity which, directly or indirectly, controls the bank or any of its affiliates;

~~001.03D~~ is a borrower from the bank or any of its affiliates except with respect to:

~~001.03D1~~ a loan on the security of his or her residence;

~~001.03D2~~ a loan to make alterations, repairs, or improvements to his or her residence; or

~~001.03D3 a loan secured solely by his or her savings credits in a bank.~~

~~001.03E makes entries or postings on the books of account or performs any other operating functions for the bank or any of its affiliates;~~

~~001.03F or any partner or principal of the accounting firm receives any special consideration in any transaction with the bank or its affiliates or has any interest, directly or indirectly, financial or otherwise in any real property owned by or securing any loan or otherwise made by the bank or any of its affiliates except as provided in the fourth point of this subdivision subsection 001.03D, or in any other operating activity or function of the institution or any of its affiliates; or~~

~~001.03G has any conflict of interest, or the appearance thereof, by reason of business or personal relationships with management or its decisions or functions.~~

~~001.04 An accounting firm which has a member who is not considered independent shall exclude such accountant from any personal involvement in the audit.~~

~~001.04 001.05 The foregoing points are not be to construed as all-inclusive criteria in judging the independence of a certified public accountant, or a public accountant, but rather as setting forth the most common conditions which contribute to a lack of independence. The certified public accountant or public accountant must adhere to the American Institute of Certified Public Accountants' rules for independence, unless further restricted by the rules or interpretations of the Department of Banking and Finance. It is the responsibility of the individual or the accounting firm to disclose to the State Department of Banking and Finance any unusual relationships or affiliations which he or she or any member may have with the bank, any affiliate of the bank, or any persons closely connected with the bank, and to have resolved any question as to his or her or the firm's independence before proceeding with the engagement.~~

~~001.05 001.06 The individual or the accounting firm must state specifically in the report of audit or directors' examination that he or she or the accounting firm has met the tests of independence specified above and that he or she or the accounting firm is in fact independent.~~

~~001.06 001.07 STANDARDS FOR ACCEPTABILITY AND SCOPE OF EXAMINATION FOR DIRECTORS' EXAMINATIONS The Directors' Examination must be conducted in accordance with "Nebraska Department of Banking and Finance - Standards for Acceptability and Scope for Directors' Examination." See 45 NAC 25. An opinion audit of a bank holding company is acceptable as a Directors' Examination of a subsidiary bank if the same audit procedures are applied to the subsidiary bank as if the opinion audit was being conducted on the subsidiary bank, and such is stated in the opinion audit of the bank holding company.~~

~~001.07 001.08 DIRECTORS' EXAMINATION PERFORMED BY OTHER THAN CERTIFIED PUBLIC ACCOUNTANTS OR PUBLIC ACCOUNTANTS In the event the board of directors does not elect to provide for an annual audit by an accountant or an accounting firm, it must of itself make a thorough examination of the books, records, fund and securities held by the bank. This examination must be conducted in accordance with 45 NAC 25 of the Rules and Regulations of the Department of Banking and Finance. However, it may assign the performance of such a Directors' Examination to one or more persons who may not necessarily be a member of such board, if the report compiled thereof is made in accordance with 45 NAC 25 of the Rules and Regulations of the Department of Banking and Finance and is verified as to its correctness and signed by a majority of the board so attesting. The report is to be made a part of the record of the bank.~~

~~001.08 001.09 PERIODIC DIRECTORS' EXAMINATION A Directors' Examination which is conducted over the course of a calendar year is acceptable. Such an examination must meet all the requirements of 45 NAC 24 and 45 NAC 25. Submission of the examination to the Department shall be within 90 days of the calendar year end, or within 90 days of the completion of the examination if such completion date is earlier.~~

TITLE 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 25 - ~~REPEALED. STANDARDS FOR ACCEPTABILITY AND SCOPE OF EXAMINATIONS FOR DIRECTORS' EXAMINATIONS~~

~~001 (Bank)~~

~~001.01 STANDARDS FOR ACCEPTABILITY:~~

~~001.01A An annual examination of a state bank, to be acceptable, must be made in accordance with the minimum examination procedures outlined in this rule or in accordance with the standards for acceptability of audits of financial statements in accordance with generally accepted auditing standards and in accordance with 45 NAC 24 of the Rules and Regulations of the Department of Banking and Finance.~~

~~001.01B The Director of Banking and Finance has the responsibility to determine whether an examination or an audit is acceptable. The Director also has the authority to reject any examination or an audit which does not conform in all respects with prescribed requirements. If, at any time, it is found that the individual(s) conducting the examination has not followed recognized rules of ethics or conduct, or has not met the minimum standards of the Department of Banking and Finance, the examination will be rejected. Any misstatement of facts or circumstances or any misrepresentation of any kind knowingly made will not only cause an examination to be rejected but will also form a basis for the temporary or permanent disqualification of the individual(s) from conducting similar examinations under Section 8-124 as amended of the Nebraska Banking Act.~~

~~001.02 SCOPE OF EXAMINATION:~~

~~001.02A General - The examination procedures listed below are minimum procedures to be performed under provisions of Section 8-124, as amended, of the Nebraska Banking Act. They should not be construed as restrictive. Circumstances relating to individual engagements or situations encountered may make it necessary or desirable to expand certain procedures, apply alternate procedures, or extend examination procedures to other areas. The examination should be coordinated with the Nebraska Department of Banking and Finance to avoid conflicts with the Department's examination timing.~~

~~001.02B Minimum Examination Procedures~~

~~001.02B1 Control - Commence examination on a surprise basis. Assume control over all irregular items and records to be examined until procedures have been completed.~~

~~001.02B2 Cash, Cash Items, Clearings and Exchange - Count cash on a test basis and reconcile to general ledger,~~

~~examine cash items on a test basis and request confirmation of totals of clearings and exchanges. Determine the disposition of larger return items.~~

~~001.02B3 Due From Banks - Examine (or prepare if necessary) bank reconciliations with correspondent banks by obtaining statements for several days beginning with the audit date, and on a test basis compare checks and drafts with the records of instruments issued. Also confirm the balance directly with the related banks.~~

~~001.02B4 Investments - Total the securities ledgers, reconcile carrying values with applicable general ledger accounts, account for all securities by examination of securities on hand and confirmation of those held by others.~~

~~001.02B5 Loans - Total the loan ledger cards, or obtain a trial balance from the service center and prove totals on a test basis, or review the service center audit, and reconcile totals with applicable ledger accounts. See Direct Confirmation with Borrowers and Depositors in this section for confirmation requirements.~~

~~001.02B6 Federal Funds Sold - Confirm all Federal funds sold with the borrowing bank, ascertain that the aggregate of the detail agrees with the general ledger and examine evidence of subsequent settlement.~~

~~001.02B7 Bank Building: Furniture and Fixtures - From the date of the prior examination, review transactions in the accounts, trace approval of major expenditures to the minutes of the board of directors' meetings and test the computation of depreciation.~~

~~001.02B8 Demand Deposits - Total individual ledgers or obtain trial balance from the service center and prove totals on a test basis, or review the service center audit, and reconcile totals with general ledger accounts. Review overdrafts, trace disposition of selected unposted items. Review the latest reconciliation for official checks and bank money orders. See Direct Confirmation with Borrowers and Depositors in this section for confirmation requirements.~~

~~001.02B9 Time Deposits - Total the time deposit accounts or obtain trial balance from the service center and prove totals on a test basis, or review the service center audit, and reconcile totals with general ledger accounts. Trace disposition of selected unposted items. See Direct Confirmation with Borrowers and Depositors in this section for confirmation requirements.~~

~~001.02B10 Income and Expense - Test selected "debits" to both income and expense accounts for possible overstatement. Do this by examination of proper documentation for selected items. Ascertain on a test~~

~~basis by some independent means that all "credits" to the income and expense accounts have been recorded and have not been understated. Review the related accounts of accrued income, accrued expenses, unearned discounts and deferred income by testing "debits" and "credits" as above; also ascertain that the balances in these accounts are fairly stated.~~

~~001.02B11 U.S. Savings Bond, Travelers Checks and Other Consigned Items — Examine bank's most recent reconciliation of items on hand with memo controls and related confirmation from issuing agents, or, if such records are not available, count items on hand; reconcile with total on consignment, and obtain confirmation from issuers.~~

~~001.02B12 Safekeeping Department — Review accounting procedures for recording items held in safekeeping for customers; inspect selected items on hand and confirm selected items held in custody by other banks; and confirm selected safekeeping accounts by direct communication with customers.~~

~~001.02B13 Trust Department — Total the summary cards for the various trust accounts and reconcile the totals with the trust general ledger control accounts where practicable. Total the detail asset cards and reconcile to the amounts shown on the trial selected trusts as noted on the detail asset cards. Verify savings on a test basis by reference to the bank records or by direct communication with the bank.~~

~~001.02B14 Internal Controls — The bank's system of internal controls and operating procedures shall be reviewed, and the report shall include comments and recommendations from this review.~~

~~001.03 GENERAL — Review accounting procedures for handling nonledger assets, such as charged-off loans, recoveries, etc. Review minutes of board of directors' meetings and latest report of supervisory examiners; trace authorizations for dividends declared and transfers to surplus.~~

~~001.04 DIRECT CONFIRMATION WITH BORROWERS AND DEPOSITORS — Prepare (or have prepared, under the auditor's supervision) and mail positive and/or negative confirmation requests on a test basis for all loans and deposit categories, including participation loans purchased and sold. For participation loans purchased, confirm balances with the selling bank only. For participation loans sold, confirm the balances sold with the purchasing bank and the total balances with the borrower on a test basis. Mail confirmation requests to a selected number of customers whose loans were charged off since last examination. Mail confirmation requests for a selected number of those that are dormant, accounts that have zero balances and have been closed since last examination. Any positive confirmation request not acknowledged by a loan customer after two weeks from the date of the original mailing shall be followed by a second confirmation request. A listing of positive confirmation~~

~~requests not acknowledged after the mailing of both a first and second request shall be included in the report.~~

~~001.05 REPORTING -- A report shall be prepared and submitted to the board of directors describing the scope of examination and setting forth the findings and recommendations as a result of the examining procedures performed and review of the bank's operating procedures and system of internal controls. Any open or unreconciled item at the time the report is submitted to the board of directors shall be disclosed and commented upon in the report.~~

~~001.05A The report shall include the date of the audit and a statement that the minimum requirements outlined in the minimum examination procedures under the scope of examination in this rule were met.~~

~~001.05B For purposes of review by the Department of Banking and Finance, reports should follow the order of section entitled, Scope of Examination, and include the balance of the general ledger asset and liability accounts examined as of the examination date under the specific account headings. A description of procedures followed is to be a part of this report.~~

~~001.05C Verification of accounts may be made on a basis of sampling based on statistical probability as set forth in any handbook on sampling. Such handbooks available include, "Sampling in Auditing" by Hill, Roth and Arkin, and "Handbook of Sampling for Auditing and Accounting" by Arkin. Once the number of accounts are determined for confirmation, a review of a statistical sampling table will indicate the number of such accounts that should be verified in order to achieve a certain percent of reliability. For most examinations, a 95% reliability factor is considered adequate, or in lieu thereof, the accountant may verify 10% of the number of accounts determined for confirmation; these two methods will give the accountant some flexibility when examining larger banks. If a shortage is determined to exist, a 100% verification of accounts should be made.~~

~~001.05D With respect to the confirmation of loan and deposit accounts, submit confirmation statistics summary showing the extent and results by type of confirmation and type of account rather than report the extent and results of such procedures under each specific account heading in the body of the report. Any accounts selected for confirmation which have not been or cannot be mailed or delivered to the customer are to be so listed in the final report.~~

~~001.05E The board of directors must file three copies of the report with the Department of Banking and Finance within 90 days from the examination date, or authorize the individual or firm performing the examination to file three copies of the report with the Department of Banking and Finance within 90 days from the examination date. Any defalcation discovered during the examination shall be reported to the Department of Banking and Finance immediately by the board of directors. In~~

~~the event the board of directors does not report the defalcation immediately, the individual or firm performing the examination has the obligation to do so. The individual conducting the examination should have the bank authorize him or her in advance of his or her examination to notify the Department of Banking and Finance of discovered defalcations.~~

~~NEBRASKA ADMINISTRATIVE CODE~~

~~LAST ISSUE DATE: June 14, 1982~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 26 - ~~REPEALED. BANKS: LEASING OF PERSONAL PROPERTY~~

~~001 A state bank may:~~

~~001.01 Become the legal or beneficial owner and lessor of specific personal property or otherwise acquire such property at the request of the lessee who wishes to lease it from the bank; or~~

~~001.02 Become the owner and lessor of personal property by purchasing the property from another lessor in connection with its purchase of the related lease (this does not include an interest in a syndicated limited partnership or joint venture which would be considered a security under the Nebraska Securities Act); and~~

~~001.03 Incur obligations incidental to its position as the legal or beneficial owner and lessor of the leased property;~~

~~if the lease is a net, full-payout lease representing a noncancelable obligation of the lessee, notwithstanding the possible early termination of that lease.~~

~~002 For the purposes of this ruling:~~

~~002.01 A "net lease" is a lease under which the bank will not, directly or indirectly, provide or be obligated to provide for:~~

~~002.01A the servicing, repair or maintenance of the leased property during the lease term;~~

~~002.01B the purchasing of parts and accessories for the leased property; however, improvements and additions to the leased property may be leased to the lessee upon its request in accordance with the full-payout requirements of this ruling;~~

~~002.01C the loan of replacement or substitute property while the leased property is being serviced;~~

~~002.01D the purchasing of insurance for the lessee, except where the lessee has failed in its contractual obligation to purchase or maintain the required insurance; or,~~

~~002.01E the renewal of any license or registration for the property unless such action by the bank is clearly necessary to protect its interest as an owner or financier of the property.~~

~~002.02 A "full-payout" lease is one from which the lessor can reasonably expect to realize a return of its full investment in the leased property plus the estimated cost of financing the property over the term of the lease from:~~

~~002.02A rentals;~~

~~002.02B estimated tax benefits; and,~~

~~002.02C the estimated residual value of the property at the expiration of the initial term of the lease.~~

~~The estimate by the lessor of the total cost of financing the property over the term of the lease should reflect, among other factors, the term of the lease, the modes of financing available to the lessor, the credit rating of the lessor and/or the lessee if a factor in the financing, and prevailing rates in the money and capital markets. Where the calculation of the cost of financing according to this formula is not reasonably determinable, a lease may be considered to have met the test for recovering the cost of financing if the bank's yield from the lease is equivalent to what the yield would be on a similar loan. Any unguaranteed portion of the estimated residual value relied upon by the bank to yield a full return under this subsection shall not exceed 25 percent of the original cost of the property to the lessor. The amount of any estimated residual value guaranteed by a manufacturer, the lessee, or a third party which is not an affiliate of the bank, may exceed 25 percent of the original cost of the property where the bank has determined, and can provide full supporting documentation that the guarantor has the resources to meet the guarantee. In all cases, both the estimated residual value of the property and that portion of the estimated residual value relied upon by the lessor to satisfy the requirements of a full-payout lease must be reasonable in light of the nature of the leased property and all relevant circumstance so that realization of the lessor's full investment plus the cost of financing the property primarily depends on the creditworthiness of the lessee and any guarantor of the residual value, and not on the residual market value of the leased item.~~

~~002.03 Leasing tangible personal property or acting as agent, broker, or advisor in leasing such property, in which the lessor relies on an estimated residual value of the property in excess of the 25 percent limitation described in subsection 002.02 is allowed, if the following conditions are met:~~

~~002.03A The activity otherwise meets the requirements of section 001, and subsections 002.01 and 002.02 of this rule;~~

~~002.03B The lessor in no case relies on an estimated residual value of the property in excess of 100 percent of the acquisition cost of the property to the lessor;~~

~~002.03C The aggregate book value of all personal property described in 002.03D of this subsection does not exceed 10 percent of the bank's assets;~~

~~002.03D For purposes of calculation of the limit provided in~~

~~002.03C of this subsection, the bank shall include all tangible personal property held for lease in transactions in which the bank relies on an estimated residual value in excess of 25 percent of the acquisition cost of the property;~~

~~002.03E The term of the lease is at least 90 days;~~

~~002.03F Each company that conducts leasing transactions under subsection 002.03 maintains capitalization fully adequate to meet its obligations and support its activities and commensurate with industry standards for companies engaged in comparable leasing activities; and~~

~~002.03G The bank maintains separately identifiable records of the leasing activities conducted under sections 001 and 002, where it conducts leasing activities under the authority of both sections 001 and 002 of this rule.~~

~~003 Full-payout calculations on leases of personal property to domestic governmental entities may be based on reasonably anticipated future transactions or renewals.~~

~~004 If, in good faith, a state bank believes that there has been an unanticipated change in condition which threatens its financial position by significantly increasing its exposure to loss, the limitations contained in paragraphs sections 001 and 002 of this section shall not prevent the bank,~~

~~004.01 As the owner and lessor under a new full-payout lease, from taking reasonable and appropriate action to salvage or protect the value of the property or its interests arising under the lease; or,~~

~~004.02 As the assignee of a lessor's interest in a lease, from becoming the owner and lessor of the leased property pursuant to its contractual right, or from taking any reasonable and appropriate action to salvage or protect the value of the property or its interests arising under the lease.~~

~~005 The limitations contained in paragraphs sections 001 and 002 of this section do not prohibit a state bank from including any provisions in a lease, or from making any additional agreements, to protect its financial position or investment in the circumstance set forth in paragraphs subsections 004.01 and 004.02 of this ruling.~~

~~006 Nothing in this section shall be construed to be in conflict with the duties, liabilities and standards imposed by the Consumer Leasing Act of 1976, 15 U.S.C. 1667 et. seq.~~

~~007 Leases permissible under this ruling are subject to the limitations on loans under § 141, on loans and investments under § 141. The dollar amount of the lease for these purposes will be determined by using the following formulas:~~

~~007.01 Bank cost of acquisition of personal property minus investment credit realized minus the balance of any nonrecourse debt;~~

~~07~~

~~007.02 Sum of the present value of both the lease payments and the residual value of the property.~~

~~The Department of Banking and Finance reserves the right to determine that such leases are also subject to the limitations of any other law, regulation or ruling which limits potential financial risks associated with other forms of bank financing.~~

~~008 This section shall not apply to any leases executed prior to May 1, 1982. With respect to the applicability of section 007, when making new extensions of credit, including leases, to a customer, state banks must consider all outstanding leases regardless of the date they were entered into. Any lease which was entered into in good faith prior to such date which does not satisfy the requirements of the ruling may be renewed without violation of this section only if there is a binding agreement in the expiring lease which requires the bank to renew it at the lessee's option, and the bank cannot otherwise reasonably or properly avoid its commitment to do so, or the bank, in good faith, determines and demonstrates by full documentation that renewal of the lease is necessary to avoid significant financial loss and recover its total investment plus the cost of financing.~~

~~009 The Board of Directors of the bank must adopt leasing policies, procedures, objectives and internal controls which adequately protect the bank and provide customer services. Such leasing policies must recognize that leasing is a form of term debt financing and, as such, shall include adequate credit standards.~~

~~010 The lease must be accounted for under Financial Accounting Standards Board Statement L13 Accounting for Leases, as amended and interpreted, incorporated herein by reference and available for viewing at the Nebraska Department of Banking and Finance, 1200 N Street, Suite 311, The Atrium, Lincoln, Nebraska 68508.~~

~~Effective date: January 9, 1991~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 27 - ~~REPEALED SCHEDULE FOR RECORDS RETENTION BY BANKS~~

~~001 The Department of Banking and Finance, pursuant to the provisions of Sections 8-170 and 8-175, authorizes banks to dispose of old records in accordance with the following schedule. Ledger sheets showing unpaid balances in favor of any depositor or corporate records that relate to the corporate existence of the bank shall not be destroyed.~~

~~Records established through a computer and information received relative to this record in the form of a computer print-out shall be maintained in such a manner so that the accounts reflected thereon can be reconstructed from the date of origin to show all entries, and may be retained in accordance with the attached schedules. Computer print-outs reflecting unpaid balances in favor of depositors shall not be destroyed without means of reconstruction of each such account. Microfilm or microfiche is an acceptable means of maintaining such records providing it is readable.~~

~~This retention schedule indicates only the minimum retention period prescribed by the Department. Longer retention periods may be prescribed by other agencies in some cases and individual entities may prefer to maintain certain records for longer periods of time. This schedule is also not considered an all-inclusive list of records which the bank may be responsible for retaining.~~

~~001.01 PERMANENT RECORDS~~

~~001.01A Keep original~~

~~001.01A1 Bank charter~~

~~001.01A2 Capital stock book~~

~~001.01A3 Customer's deposit ledgers showing unpaid balances~~

~~001.01A4 Inventory of drilled safe deposit boxes~~

~~001.01A5 Minutes of stockholders meetings~~

~~001.01A6 Minutes of directors meetings~~

~~001.01A7 All other records that relate to the corporation or to the corporate existence of the bank. (See Section 8-170.)~~

~~001.02 ALL OTHER RECORDS~~

~~001.02A Keep records for time period indicated, which commences from the date the record originated unless otherwise noted. Microfilm or microfiche is an acceptable means of maintaining such records providing it is readable.~~

001.02A1	Advices of deposits	1 year
001.02A2	Advices from correspondents (due from banks)	1 year
001.02A3	Bank Call Reports	7 years
001.02A4	Bank examination reports	10 years
001.02A5	Bank statements (due from banks)	3 years
001.02A6	Bond ledger	7 years
001.02A7	Cancelled checks for truncated checking accounts - original must be maintained for 6 months and may be filmed at that time.	6 years
001.02A8	Cash item records	3 years
001.02A9	Cashiers checks	7 years
001.02A10	Certified check register	7 years
001.02A11	Collection receipts	1 year
001.02A12	Collection register	3 years
001.02A13	Credit files (after credit is extinguished)	3 years
001.02A14	Correspondence, general	1 year
001.02A15	Coupon cash letters, outgoing	1 year
001.02A16	Customers' deposit ledgers	7 years
001.02A17	Daily Statement	10 years
001.02A18	Debit and credit tickets	7 years
001.02A19	Departmental or teller's proof sheets	1 year
001.02A20	Drafts	7 years
001.02A21	Draft register	7 years
001.02A22	Dividend checks	7 years
001.02A23	Dividend check register	7 years
001.02A24	Expense checks	7 years
001.02A25	Expense check register	7 years

001.02A26	Financial Institution Bonds (after expiration of bond)	7 years
001.02A27	General ledger	10 years
001.02A28	General journal	10 years
001.02A29	General ledger tickets	10 years
001.02A30	Income and expense records	7 years
001.02A31	Incoming cash letter	10 years
001.02A32	Incoming registered mail log	1 year
001.02A33	Insurance records (after expiration of policy)	7 years
001.02A34	Liability ledger	7 years
001.02A35	Minutes of any committee appointed by either stockholders or directors (If report in written form is incorporated or attached to minutes of appointing authority, that is sufficient.)	10 years
001.02A36	Negotiable collateral record	7 years
001.02A37	Night depository agreements	7 years
001.02A38	Night depository daily records	1 year
001.02A24	001.02A39	Note or discount ledger
		7 years
001.02A40	Outgoing cash letter	7 years
001.02A41	Outgoing registered mail log	1 year
001.02A42	Personnel records (After termination of employment and pension rights)	10 years
001.02A43	Paid certificates of deposits	7 years
001.02A44	Proof tapes	7 years
001.02A45	Proxies	1 year
001.02A46	Reconcilements (due to banks)	3 years

~~001.02A47 Reconcilements register
(due from banks) 3 years~~

~~001.02A48 Registered mail return
receipt cards 1 year~~

~~001.02A49 Reserve computations, daily 3 years~~

~~001.02A50 Safe deposit contracts
(after termination of contract) 7 years~~

~~001.02A51 Safe deposit
entry records (after termination of
contract) 7 years~~

~~001.02A52 Safe keeping records and
receipts 7 years~~

~~001.02A53 Signature cards (after
closing of account) 7 years~~

~~001.02A54 Stop payment orders 3 years~~

~~001.02A55 Tax records 7 years~~

~~001.02A56 Tellers' cash books 1 year~~

~~001.02A57 Tellers' tickets 1 year~~

~~001.02A58 Traveler's checks, records
of close 1 year~~

~~001.02A59 Travelers' checks register 1 year~~

TITLE 45-DEPARTMENT OF BANKING AND FINANCE

Chapter 28 ~~REPEALED. RULES OF PRACTICE AND PROCEDURE APPLICABLE TO EXECUTIVE OFFICERS LICENSES OBTAINED FROM THE NEBRASKA DEPARTMENT OF BANKING AND FINANCE PURSUANT TO NEBRASKA REVISED STATUTES, 1943.~~

~~001 SCOPE AND APPLICATION~~

~~001.01 This rule shall govern all applications for executive officer licenses from the Nebraska Department of Banking and Finance. It provides for classes of executive officer licenses; conditions and qualifications for obtaining such licenses; definitions; and license removal standards and procedures pursuant to Neb. Rev. Stat. Sections 8-1,134 to 8-1,139. Executive officer licenses subject to this rule are all those required for commercial banks by Neb. Rev. Stat. Section 8-139, and industrial loan and investment companies by Neb. Rev. Stat. Section 8-403.04, or as may be required by future legislation.~~

~~002 DEFINITIONS OF TERMS~~

~~002.01 "Active Executive Officer" shall mean any employee of a financial institution, or any person under contract to perform services for a financial institution, who exercises management functions in said financial institution, or exercises major policy-making functions in said financial institution, or exercises substantial employee supervision including power to terminate employment, or is determined by the Department to be a policy-dominant individual in said financial institution. Examples of titles of such officers include President, any Vice President, Cashier, Assistant Cashier, Chief Executive Officer, Loan Officer, or Investment Officer;~~

~~002.02 "Applicant" shall mean any person applying to the Department for an executive officer's license, or for whom an application has been made by a financial institution;~~

~~002.03 "Class I Executive Officer's License" shall mean a license granted to any active executive officer who performs any functions defined in Paragraph 002.01 with the exception of directly or indirectly making loans or investments;~~

~~002.04 "Class II Executive Officer's License" shall mean a license granted to any person who directly or indirectly makes loans or investments for a financial institution;~~

~~002.05 "Department" shall mean the Nebraska Department of Banking and Finance;~~

~~002.06 "Director" shall mean the Director of the Nebraska Department of Banking and Finance;~~

~~002.07 "Financial Institution" shall mean any institution under the jurisdiction of the Department in which officers are required by law to obtain an appropriate executive officer's license;~~

~~002.08 "Indirect" shall mean any use of influence, persuasion or exercise of authority to cause a loan or investment to be made by a financial institution.~~

~~002.09 "Investment" shall mean an outlay or expenditure of institutional funds requiring individual judgment as to the appropriateness of the expenditure, but shall not include routine outlays or expenditures requiring little or no judgment, such as the investment of excess funds in overnight federal funds.~~

~~003 APPLICATION PROCESS AND GENERAL QUALIFICATIONS~~

~~003.01 Any person desiring to exercise any or all of the functions of an active executive officer in a financial institution, as described in Paragraph 002.01, shall not perform any of such functions without having first acquired from the Department an appropriate executive officer's license.~~

~~003.01A Any person desiring such license shall complete forms in such manner and content as the Department shall require, and shall forward such completed forms to the Department along with any required fee.~~

~~003.01A(1) As part of the application, the applicant shall include a financial statement and a letter from the president or chief executive officer of the financial institution stating reasons why the institution desires an executive officer's license for the applicant, and how the applicant qualifies for such a license. Provided however, this requirement may be waived by the Department in the event the applicant is the president or chief executive officer of the institution.~~

~~003.01B Any applicant shall clearly identify on said form which class of license is being sought by the applicant.~~

~~003.01C An active executive officer shall hold an appropriate executive officer's license for every financial institution in which such officer exercises the functions of an active executive officer.~~

~~003.01D Any executive officer's license obtained pursuant to this Rule shall not be deemed transferable to any other financial institution.~~

~~003.02 Applicants for any executive officer's license shall demonstrate to the Department evidence of good moral character, known integrity, business experience in a financial institution or related field, and responsibility; and be capable of conducting the affairs of a financial institution on sound financial principles. In addition, the applicant must demonstrate familiarity with the statutes and rules and regulations of the Department applicable to the relevant financial institution for which the license is being sought.~~

~~003.03 In the event of an emergency declared by the Director, a temporary executive officer's license may be issued for a period of up to 30 days, and renewed once thereafter, pending receipt of an application for a permanent executive officer's license.~~

~~004 PERMISSIBLE ACTIVITIES, CLASS I EXECUTIVE OFFICER'S LICENSE~~

~~004.01 Any holder of a Class I Executive Officer's License may perform any of the functions of an active executive officer, except that such holder shall not be permitted by reason of holding such license to directly or indirectly make loans or investments on behalf of the financial institution.~~

~~004.01A Any holder of a Class I Executive Officer's License may directly or indirectly make loans or investments only upon applying for and receiving a Class II Executive Officer's License in accordance with the requirements of this Rule.~~

~~004.01B Any holder of a Class I Executive Officer's License who applies to the Department for a Class II Executive Officer's License shall surrender to the Department his or her Class I Executive Officer's License upon receipt of the Class II Executive Officer's License.~~

~~005 PERMISSIBLE ACTIVITIES, CLASS II EXECUTIVE OFFICER'S LICENSE~~

~~005.01 Any holder of a Class II Executive Officer's License may perform all functions of an active executive officer, in accordance with the personnel and management policies and structure of the financial institution in which such license holder is employed or has otherwise contracted with for services.~~

~~005.01A In addition to the requirements of Paragraph 003, an applicant for a Class II Executive Officer's License shall be issued such a license only upon having first demonstrated to the satisfaction of the Department either two years experience in the making of loans and investments, or comparable educational experience.~~

~~005.01A(1) "Comparable educational experience" means closely related to the experience requirements in such things as examining and reviewing loans or investments or attending specific schools on credit and investments.~~

~~005.01A(2) The applicant shall have successfully completed at least one school or educational program concentrating on both loans and investments.~~

~~005.02 No applicant shall be permitted to hold a Class II Executive Officer's License in any financial institution which does not have a written loan policy procedure.~~

~~005.03 The holder of a Class II Executive Officer's License may have under his or her direct supervision one or more individuals engaged in making loans or investments, and who shall be deemed as loan officers in training.~~

~~005.03A No loans or investments shall be made by such officers in training without having first secured the approval of the holder of a Class II Executive Officer's License. Written evidence of such approval for each loan or investment transaction shall be reflected in the loan file or on the loan documents.~~

~~006 SURRENDER, CANCELLATION OR REVOCATION OF LICENSE~~

~~006.01 Any holder of any executive officer's license issued by the Department shall surrender to the Department such license upon termination of employment with the financial institution for which such license was obtained.~~

~~006.01A Any such surrender to the Department shall be made without prejudice to the holder of such license unless the Director of the Department shall make a finding in accordance with the requirements of Paragraph 006.03B.~~

~~006.02 The Department shall take possession of and cancel any executive officer's license held by any person in any financial institution that is in the possession of the Department or has been temporarily or permanently closed by the Department.~~

~~006.02A Any cancellation made pursuant to Paragraph 006.02 shall be without prejudice to the holder of such license unless the Director of the Department shall make a finding in accordance with Paragraph 006.03B.~~

~~006.03 Any holder of any executive officer's license is subject to revocation of such license by the Department pursuant to the requirements and procedures of Neb. Rev. Stat. Sections 8-1,134 to 8-1,139 (1984 Supp.) and rules promulgated pursuant thereto.~~

~~006.03A Any person whose license has been revoked shall forthwith terminate his or her employment with the financial institution and the financial institution's board of directors if such membership is held.~~

~~006.03B The Department shall revoke with prejudice the executive officer's license held by any person upon entry by the Director of the Department of an appropriate finding and order based upon discovery of evidence of the following:~~

~~006.03B(1) Conducting the business of a financial institution in an unsafe or unauthorized manner;~~

~~006.03B(2) Endangering the interests of stockholders, shareholders or depositors;~~

~~006.03B(3) Violating any laws or rules applicable to the Department including this rule, or any administrative orders entered by the Department.~~

~~006.03B(4) Supplying false, misleading or incomplete information in connection with the application for any executive officer's license held by the applicant.~~

~~006.03C In lieu of the revocation contemplated by Paragraph 006.03B, the Director of the Department may suspend the executive officer's license held by any person for a period of time not to exceed five years.~~

~~006.03C(1) As part of any order of suspension the Director may require suspension of compensation to the holder of the license, and suspension from the financial institution's board of directors if such membership is held by the license holder.~~

~~006.03D As part of any order of revocation or suspension the Director may levy a money penalty or fine personally against the holder of an executive officer's license in an amount not to exceed \$10,000, such amount not to be payable out of the assets of any financial institution in which the holder of an executive officer's license is employed or otherwise performing services pursuant to contract.~~

~~006.03E Any holder of an executive officer's license who has had such license revoked or suspended with prejudice shall surrender any other executive officer licenses held in any other financial institution, and shall not be eligible to apply for another executive officer's license.~~

~~007 APPLICATION OF RULE TO EXISTING LICENSE HOLDERS~~

~~007.01 This rule shall apply to all applications received and not yet acted upon by the Department as of the effective date of this rule, and all applications and renewal applications received after the effective date of this rule.~~

~~007.01A No active executive officer holding an executive officer's license issued by the Department shall be required to apply for and obtain a new license pursuant to this rule; provided however, that all executive officer licenses in existence as of the effective date of this rule shall be subject to all provisions of this rule at the time of renewal of such licenses.~~

~~007.01B Nothing in this rule shall be construed to expand the authority of any holder of an executive officer's license held prior to the effective date of this rule.~~

~~007.02 The provisions of Paragraph 006 shall apply to all holders of executive officer's licenses issued by the Department, whether issued prior to or after the effective date of this rule.~~

~~NEBRASKA ADMINISTRATIVE CODE~~

~~LAST ISSUE DATE: January 9, 1991~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 30 - ~~REPEALED. REQUIREMENTS FOR PURCHASES OF SHARES OF INVESTMENT COMPANIES~~

~~001 Scope and Application~~

~~001.01 This rule will govern certain investments made by a state bank pursuant to the provisions of Neb. Rev. Stat. section 8-148 (2) (Reissue 1987). Such investments include only the purchase of shares of an investment company registered under the Investment Company Act of 1940.~~

~~001.02 This rule addresses a state bank's purchases of investment company shares for its own account.~~

~~002 Statutory Limitation~~

~~002.01 The assets of the investment company must consist solely of and are limited to obligations that are eligible for investment by the bank.~~

~~003 Definitions~~

~~003.01 "Obligations that are eligible for investment" shall mean those specified in Neb. Rev. Stat. sections 8-141, 8-147, 8-148, 8-148.01, 8-148.02, and 8-148.03.~~

~~004 Investment Limits~~

~~004.01 When an investment company's assets consist solely of and are limited to obligations that are eligible for~~

~~unlimited investment by a state bank, there is no limit on a bank's investment.~~

~~004.02 When an investment company's assets contain obligations which are subject to the bank's investment or lending limitations, investment by the bank must be limited to twenty-five percent (25%) of the paid-up capital, surplus, capital notes and debentures of the bank.~~

~~004.03 When an investment company makes use of repurchase agreements, the bank's investment is limited to twenty-five percent (25%) of the paid up capital, surplus, capital notes and debentures of the bank, provided that all of the following conditions are met:~~

~~004.03A The repurchase agreements are fully secured by securities of the United States government or any authorized agency thereof.~~

~~004.03B Possession of the collateral is obtained by either the bank or a third party custodian designated by the bank under a written custodial agreement which explicitly recognizes the bank's interest in the securities as superior to that of any other person, or, in the case of book-entry securities by appropriate entry in an account maintained in the name of the bank by a Federal Reserve Bank;~~

~~004.03C The collateral is marked to market on a daily basis.~~

~~004.04 When an investment company makes use of repurchase agreements which do not contain the elements set forth in section 004.03 of this rule, and/or securities lending arrangements, the bank's investment is limited to ten percent (10%) of the paid-up capital, surplus, capital notes and debentures of the bank.~~

~~004.05 When an investment company makes use of futures, forwards and options, or has the ability to do so, the fund is not an eligible investment for state banks. A state bank may invest in an investment company which makes use of forward contracts, provided that the investment company maintains, in a segregated account, cash or cash equivalents or other portfolio securities equal in value to commitments to purchase securities, so that no leverage is employed.~~

~~005 Requirements of the Investment Company~~

~~005.01 In addition to the eligibility requirements of the underlying assets of the investment company, the fund must provide that:~~

~~005.01A The shareholder must have a proportionate undivided interest in the underlying assets of the investment company.~~

~~005.01B The shareholders of the fund must be shielded from personal liability for acts or obligations of the investment company.~~

~~006 Review and Documentation Requirements~~

~~006.01 The bank's formal investment policy, as adopted and approved by its board of directors, shall specifically provide for the investments addressed by this rule.~~

~~006.02 Specific prior approval of the bank's board of directors is required for the initial investment in specific investment companies. Such approval shall be noted in the official board minutes.~~

~~006.03 Procedures, standards, and controls for managing such investments shall be implemented prior to the investment being made. Such procedures, standards, and controls shall be in written form and approved by the board of directors.~~

~~006.04 A copy of the prospectus for each such investment shall be maintained in the bank's files for a period of one year after the investment is no longer held in the bank's own portfolio.~~

~~006.05 The bank shall conduct a review at least quarterly of its holdings of investment company shares to ensure that such investments are in accordance with its investment policy and statutory and regulatory requirements. Such review shall be noted in the official board minutes.~~

~~007 Reporting and Accounting Requirements~~

~~007.01 Existing instructions for the quarterly Reports of Condition require bank holdings of investment company shares to be reported at the lower of the aggregate cost or market value in Schedule RC-B SECURITIES. Reference the instructions for the Report of Condition, glossary entry for "marketable equity securities" and Statement of Financial Accounting Standards No. 12, Accounting for Certain Marketable Securities ("FAS 12").~~

~~007.01A Market value of "open-end" investment companies should be based on net asset value rather than offering price.~~

~~007.01B Shares in "closed-end" investment companies should be marked to the bid price.~~

~~007.01C At no time may the carrying value of investment company holdings be increased above their aggregate cost as a result of net unrealized gains.~~

~~007.02 Net unrealized losses on marketable equity securities and subsequent recoveries of net unrealized losses should be excluded from Schedule RI-INCOME STATEMENT and instead be reported (reduced by applicable income tax effect) in Schedule RI-A CHANGES IN EQUITY CAPITAL as an adjustment to "Undivided Profits and Capital Reserves." A loss on an individual investment which is other than temporary should be charged to noninterest expense on Schedule RI-INCOME STATEMENT.~~

~~007.03 As part of the market value determination referred to above, mutual fund sales fees, both "front end load" and "deferred contingency", must be deducted in calculating market value to more accurately reflect the current value of fund shares. Unless the market value of such shares increases sufficiently to offset these fees, the amount of these fees will be reflected as unrealized losses and effectively charged against "Undivided Profits and Capital Reserves."~~

Chapter 31 - ~~REPEALED. LOANS SECURED BY DEPOSIT ACCOUNTS~~

~~001 Scope and Application~~

~~001.01 Loans or extensions of credit to any person, co-partnership, association, or corporation which are properly secured by a segregated deposit account in the lending bank shall not be subject to any limitation based on paid-up capital, surplus, and capital notes and debentures.~~

~~002 Eligible Deposit Accounts~~

~~002.01 Deposit accounts which qualify for this exception are limited to deposits in the form generally recognized as time certificates of deposit.~~

~~003 Collateral Requirements~~

~~003.01 The bank must ensure that a security interest has been perfected in the deposit, including the assignment of the specifically identified deposit. The bank should obtain possession of the certificates(s) of deposit. The bank must establish written internal procedures which will prevent the release of the deposit prior to the release of the security interest. Only that amount in excess of twenty-five percent of paid-up capital, surplus, and capital notes and debentures must be secured pursuant to this rule.~~

~~Effective date: January 9, 1991~~

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 32 - ~~REPEALED. SCHEDULE FOR RETENTION OF RECORDS: BANKS
EXERCISING TRUST POWERS AND TRUST COMPANIES~~

~~001 The Department of Banking and Finance, pursuant to statutory authority granted in Section 8-170 and 8-175, authorizes banks exercising trust powers and stand-alone trust companies organized pursuant to 8-201 through 8-233 R.R.S., to dispose of old records pursuant to the conduct of fiduciary business in accordance with the following schedule for destruction of trust records, except those ledger sheets and records showing unpaid balances in favor of any trustor, grantor, beneficiary, or other parties interested in fiduciary accounts administered by the bank or trust company. Corporate records that relate to the authorization and existence of trust powers shall not be destroyed.~~

~~Records established through a computer and information received relative to this record in the form of a computer print-out shall be maintained in such a manner as the accounts reflected thereon can be reconstructed from the date of origin to show all entries, and may be retained in accordance with the attached schedules. Computer print-outs reflecting unpaid balances in favor of trustors, beneficiaries and/or other interested parties shall not be destroyed without means of reconstruction of each such account. Microfilm and microfiche are acceptable means of maintaining such records provided the same is clearly readable.~~

~~This retention schedule indicates only the minimum retention period prescribed by the Department. Longer retention periods may be prescribed by other agencies in some cases and individual entities may prefer to maintain certain records for longer periods of time. This schedule is also not considered an all-inclusive list of records which the bank or trust company may be responsible for retaining.~~

~~001.01 PERMANENT RECORDS~~

~~001.01A Original document must be kept~~

~~001.01A1 Capital stock ledger (stand-alone trust company)~~

~~001.01A2 Charter certificate; numbered and executed by the Director of Banking~~

~~001.01A3 Department of Banking & Finance "Order" granting trust powers~~

~~001.01A4 Minutes of stockholder meetings (stand-alone trust company)~~

~~001.01A5 Minutes of the board of directors (stand-alone trust company)~~

~~001.01A6 Minutes of the trust committee and all other committees appointed by the board of directors to oversee fiduciary activity~~

~~001.01A7 Receipts for final distribution of account assets~~

~~001.01A8 Records and receipts for cash or property conveyed to the State of Nebraska under the Uniform Unclaimed Property Act (Escheat Laws)~~

~~001.01A9 Registration confirmation regarding "Direct" or "Indirect Inquiry" concerning lost, stolen or misplaced securities (Rule 17-f-1)~~

~~001.01A10 Required records and logs pursuant to FDIC Regulation Part 344 (O.C.C. 12 CFR 12.6 or FRB Regulation "H")~~

~~001.01A11 All other records relating to the corporate existence of a stand-alone trust company or the authorization for a bank to conduct a trust business pursuant to Sections 8-201 through 8-233 R.R.S.~~

~~001.02 OTHER CORPORATE RECORDS~~

~~001.02A Retain original records for ten (10) years following date of issue or expiration (which ever is later). Records may be microfilmed after ten (10) years and the original destroyed provided microfilm is clearly readable.~~

~~001.02A1 Annual call reports of corporate and fiduciary activity, prepared for any supervisory agency~~

~~001.02A2 Federal, state and other governmental tax records (stand-alone trust company)~~

~~001.02A3 Insurance records, Bankers' Blanket Bond, Excess Dishonesty Bonds~~

~~001.02A4 Receipts for stock certificates issued (stand-alone trust company)~~

~~001.02A5 Stock certificate stubs (stand-alone trust company)~~

~~001.02A6 Surrendered stock certificates (stand-alone trust company)~~

~~001.03 ALL OTHER FIDUCIARY RECORDS~~

~~001.03A Retain the following original records for six (6) years after fulfillment of duties specified in the governing documents of individual accounts. After six (6) years, the original document may be microfilmed and destroyed, provided microfilm is clearly readable.~~

~~001.03A1 Advice of payments of bequests, gifts, discretionary distributions, income distributions, scheduled payments, or extraordinary payments requested by interested parties~~

~~001.03A2 Common Investment Fund (CIF) or Common Trust Fund (CTF) records including annual reports, annual fund audits, governing plan documents, and all terminations reports. (Retention shall continue 6 years beyond the date of termination of the CIF or CTF and full payment of all investor share accounts.)~~

~~001.03A3 Correspondence relative to the administration of accounts~~

~~001.03A4 Court orders issued regarding legal appointment, judgements or other litigation settlement and/or trustee requests for direction~~

~~001.03A5 Cremation/destruction certificates regarding matured, redeemed or cancelled corporate bond issue certificates~~

~~001.03A6 Dividend checks paid on corporate bond issue accounts~~

~~001.03A7 Escrow account records (including payment schedules)~~

~~001.03A8 Final accounting report for any fiduciary account~~

~~001.03A9 Legal opinions or other letters of legal counsel pertaining to the administration of trust accounts~~

~~001.03A10 Real estate records~~

~~001.03A11 Safekeeping records relating to assets held during course of account administration~~

~~001.03A12 Trust indentures and other authorizing documents creating fiduciary relationships and/or limiting authority of the named fiduciary~~

~~001.03A13 Wills of decedents which appointed the bank or trust company as personal representative and/or trustee of subsequent trust accounts created by the will~~

~~001.03A14 Worthless assets, including documentation regarding determination of worthless status and distribution of such assets in kind (if applicable)~~

~~001.03B Retain the following records within individual account files until six (6) years after accounts have been closed or terminated:~~

~~001.03B1 Accounting records of individual fiduciary accounts~~

~~001.03B2 Administrative expenses charged to and paid from individual account funds~~

~~001.03B3 Annual (or other periodic) reports provided grantors/beneficiaries during administration of the account~~

~~001.03B4 Approvals of administrative action by co-fiduciaries and third parties authorized to provide advice~~

~~001.03B5 Authorization of transactions by co-fiduciaries and investment advisors~~

~~001.03B6 Bondholder records regarding corporate bond issues over which the institution exercises trustee or agency authority~~

~~001.03B7 Bond transfer records for corporate bond issue accounts~~

~~001.03B8 Broker/dealer statements relating to liquidation of assets for final distribution and/or re-registration of securities for distributions in kind~~

~~001.03B9 Cash journals or ledgers reflecting receipt and disposition of principal and income cash~~

~~001.03B10 Corporate bond issue accounting records~~

~~001.03B11 Corporate bond issue asset ledgers where fiduciary capacity included trustee or escrow agent investment duties~~

~~001.03B12 Coupon and/or Dividend collection records pertaining to assets held by accounts~~

~~001.03B13 Employee benefit plan account records (both as agent and trustee)~~

~~001.03B14 Indemnification agreements and surety bonds in regard to lost, stolen, or misplaced certificates of corporate bond issues for which the institution acted as trustee or agent~~

~~001.03B15 Keogh & IRA account records (custodial accounts)~~

~~001.03B16 Mortgage and loan collection records for individual accounts (when an asset of the account)~~

~~001.03B17 Mortgage and loan payment records for individual accounts (when a liability of the account)~~

~~001.03B18 Original records and documents pertaining to trust entries at the inception of accounts~~

~~001.03B19 Receipts for the exchange or substitution of trust assets~~

~~001.03B20 Rent and lease payment receipts for accounts holding income producing real or personal property~~

~~001.03B21 Signature files of authorized signatories for direction of accounts~~

~~001.03B22 Stock transfer ledgers where institution is fiduciary for an equity stock issue~~

~~001.03B23 Stockholder records specifying current stock ownership where institution is fiduciary for an equity stock issue~~

~~001.04 TEMPORARY RECORDS~~

~~001.04A During active administration, retention of the originals of following items will vary in accordance with suggested time frames as noted:~~

~~001.04A1 Annual account review documents - 2 years~~

~~001.04A2 Annual reports of securities held in accounts - until superseded~~

~~001.04A3 Appraisal of personal property held in fiduciary accounts - until superseded~~

~~001.04A4 Appraisal of real estate parcels held in fiduciary accounts - until superseded~~

~~001.04A5 Audit reports and work files of internal/external auditors - 2 years~~

~~001.04A6 Broker/dealer invoices - 3 years~~

~~001.04A7 Broker/dealer transaction confirmations - 3 years~~

~~001.04A8 Checking account statements with paid drafts - 6 years~~

~~001.04A9 Check register detailing disposition of fiduciary account funds - 6 years~~

~~001.04A10 Contracts and agreements - 3 years after expiration~~

~~001.04A11 Correspondence not relative to administration of account - 3 years~~

~~001.04A12 Decedents' final tax returns - 3 years after filing~~

~~001.04A13 Farming leases - 3 years after expiration~~

~~001.04A14 Federal and State Estate Tax Returns - 3 years after filing~~

~~001.04A15 Federal and State Gift Tax Returns - 3 years after filing~~

~~001.04A16 Fiduciary Income Tax Returns (Fed & State) - 3 years after filing~~

~~001.04A17 General ledger and journal entry tickets or advices - 3 years~~

~~001.04A18 Income statements from account assets - 3 years after closing~~

~~001.04A19 Internal policies and procedures - until superseded~~

~~001.04A20 Investment records - 3 years~~

~~001.04A21 Invoices paid from individual fiduciary accounts - 3 years after closing~~

~~001.04A22 Other documentation not specified - 3 years~~

~~001.04A23 Proxy statements regarding voting of company stock (stand-alone trust company) - 2 years~~

~~001.04A24 Proxy statements regarding voting rights for securities held as assets of fiduciary accounts - 2 years~~

~~001.04A25 Stop payment orders - 3 years~~

~~001.04A26 Surety bonds required by court order or other agreement - 3 years after release~~

~~001.04A27 Synoptic account records - until superseded~~