



TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

APPLICATION FOR WAIVER OF FIVE PERCENT (5%) RULE REGARDING PURCHASE OF REAL PROPERTY, FIXED ASSETS

Pursuant to Rule 0180-9-1-.02, no state-chartered credit union, without the prior written approval of the Commissioner, shall purchase fixed assets if the aggregate of all such investments exceeds five percent of assets. The term "fixed assets" means premises and furniture, fixtures, and equipment.

- A) Provide the most current month-end balance sheet statement for the credit union. If most current is not quarter-end, provide both.
- B) A summary of all costs involved with the proposal. Please indicate what basis is used for these costs. Be sure to include land, building, furniture, fixtures, equipment, paving, commissions, fees, and other significant costs.
- C) A copy of all contracts (lease agreements, options to purchase, construction contracts, etc.) executed in connection with the application. Fair market value comparisons should be included, if applicable.
- D) A signed Resolution by the Board of Directors approving the projected total costs of the branch facility, proposed branch manager, and their agreement with needs assessment and site selection.
- E) Income and Expense projections of the proposed branch for three (3) years. Provide the basis for these assumptions.
- F) Provide branch-only and credit union (including the branch) projections at year-end for each of the first full three (3) years of operation as to total deposits, total assets and total loans. Include the basis for assumptions.
- G) Discuss details regarding where the credit union stands in regard to hiring an architect, having plans drawn for the new building, various zoning and local ordinance requirements, employment of a general contractor and/or builder, and expenditures-to-date for site acquisition and site preparation work.
- H) Discuss details of the credit union's projected year-end Net Worth capital ratios during the next three (3) years.