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Executive Orders

EXECUTIVE ORDER DCT 80-16

WHEREAS, The Older Americans Act of 1965 as amended requires the delineation of Planning and Service Areas for purposes of planning, coordination and implementation of services and programs for the elderly population of the State; and

WHEREAS, the Older Americans Act of 1965 as amended mandates the establishment of area agencies on aging to work cooperatively with the state agency on aging to plan, coordinate and administer programs for the elderly; and

WHEREAS, area agencies shall be designated and shall operate through the Office of Elderly Affairs to plan, coordinate and administer programs and services for the elderly,

NOW, THEREFORE, I, DAVID C. TREEN, Governor of the State of Louisiana, in order to facilitate the administration of the Older Americans Act and all the programs thereof, do hereby authorize the Office of Elderly Affairs to designate planning and service areas to coincide with the geographic boundaries of the sixty-four parishes of the State of Louisiana and to designate Area Agencies on Aging therein to provide an effective and efficient community based system of comprehensive planning and coordination of services to the elderly population of Louisiana.

IN WITNESS WHEREOF, I have hereunto set my hand officialy and caused to be affixed the Great Seal of the State of Louisiana, at the Capitol, in the City of Baton Rouge, on this the 1st day of August, A.D., 1980.

David C. Treen
Governor of Louisiana

Policy and Procedure Memoranda

POLICY & PROCEDURE MEMORANDA Office of the Governor Division of Administration Policy & Procedure Memorandum No. 49 (Revised)

Subject: General Travel Regulations
Effective: August 20, 1980

Pursuant to the authority extended by Louisiana Revised Statutes 39:231, the following travel regulations have been established by the Commissioner of Administration. The regulations and allowances contained herein pertain to the travel of State officers and employees on official State business, the expenses incurred therein and the maximum claims for reimbursement that will be allowed. These regulations apply to all State Departments, boards, and commissions created by the Legislature or Executive Order and operating from funds appropriated, dedicated, self-sustaining and/or federal funds.

Legal Basis - R.S. 39:231 — "The Commissioner, with the approval of the Governor, shall prescribe rules defining the conditions under which each of various forms of transportation may be used by State officers and employees and used by them in the

discharge of the duties of their respective offices and positions in the State service, and he shall define the conditions under which allowances will be granted for all other classes of traveling expenses and the maximum amount allowable for expenses of each class."

Scope of Regulations — The following regulations cancel and supercede all preceding travel regulations and special approvals or exceptions granted accordingly by the Commissioner of Administration to specifically include departmental regulations as provided for in Section II C herein. All agencies which desire to retain special approvals or exceptions to the state travel regulations must re-submit a request for approval or exception to the Commissioner of Administration within thirty days of the adoption of these regulations.

These regulations are adopted in accordance with the Louisiana Administrative Procedures Act and thereby will become effective on the date of publication in the *Louisiana Register*.

I. Definitions: For the purpose of this section, the following words have the meaning indicated.

A. State Officer —

1. State Elected Officials.

2. Department Head as defined by Title 36 of the Louisiana Revised Statutes (Secretary, Deputy Secretary, Undersecretary, Assistant Secretary, and the equivalent positions in Higher Education and the Offices of Elected Officials).

B. State Employee — Employees below the level of State Officer.

C. Authorized Persons — Advisors and consultants who are called upon to contribute time and services to the state who are not otherwise required to be reimbursed through a contract for professional, personal or consulting services in accordance with R.S. 39:1481 et seq.

D. Official Domicile —

1. The official domicile of an officer or employee assigned to an office shall be the city in which the office is located, except where domicile is fixed by law.

2. The official domicile of a person located in the field shall be the city or town nearest to the area where the majority of work is performed, or such city, town, or area as may be designated by the department head, provided that in all cases such designation must be in the best interests of the agency and not for convenience of the person.

3. Every State Officer or Employee, except those on temporary assignment, shall be assigned an official domicile, and no travel or subsistence expenses shall be allowed at the place of official residence unless granted under the provisions of VI-A-5.

E. Temporary Assignment — Any assignment made for a period of less than thirty-one consecutive days at a place other than the official domicile.

F. Traveler — A State Officer, State Employee, or authorized person when performing authorized travel.

G. Travel Period — A period of time between the time of departure and the time of return.

H. In-State Travel — All travel within the borders of Louisiana.

I. Out-of-State Travel — Travel to other states within the continental United States.

J. Travel Outside the Continental United States — All travel to states, nations, or territories outside the continental United States.

K. Special Meals — Meals for non state officials or employees who are considered guests of the state.

II. Exceptions to Regulations — The Travel Regulations established by the Commissioner of Administration shall govern reimbursement of travel expenses (transportation, meals, lodging, and miscellaneous expenses) for all State Officers and Employees with the following exceptions.

A. Where allowances are fixed by law.

B. Where the best interests of the State call for exceptions; however, no change from the established regulations will be

allowed without first securing prior written approval from the Commissioner of Administration.

C. Department heads may establish travel regulations within their respective agencies, but such regulations shall not exceed the maximum limitations established by the Commissioner of Administration. Three copies of such regulations shall be submitted for prior review and approval by the Commissioner of Administration.

D. Department heads may, in special instances, allow their employees to exceed the lodging and meals provisions of these regulations by no more than twenty percent on a case by case basis. Each case must be fully documented as to necessity (i.e., convention or conference held in same hotel, proximity to meeting place, etc.) Documentation must be readily available in the Department's travel reimbursement files.

E. Unless exception to these regulations is requested and approved, the rates and procedures contained herein will be the only basis upon which reimbursement may be made.

III. Eligibility for Reimbursement of Travel Expenses.

A. All State Officers and Employees are eligible to receive reimbursement for travel and subsistence only when away from "official domicile" or on temporary assignment or unless reimbursed under provisions of VI-A-5.

Temporary assignments will be deemed to have ceased after a period of thirty-one days, and after such period, the place of assignment shall be deemed to be his/her official domicile. He/she shall not be allowed travel and subsistence unless permission to extend the thirty-one day period has been previously secured from the Commissioner of Administration.

B. A State Officer or Employee whose residence is other than the official domicile of his/her office shall not receive travel and subsistence while at his/her official domicile nor shall he/she receive reimbursement for travel to and from his/her residence.

C. State Officers will be reimbursed on an actual expense basis for all reasonable travel expenses except in cases where other provisions for reimbursement have been made by statute. In cases where actual expenses are claimed, all State Officers will cooperate to the extent that all records of travel will be clear and complete. Receipts and other supporting documents must accompany the request for reimbursement.

IV. Authority to Incur Traveling Expenses (Applicable to all State Officers and Employees)

A. All travel must be authorized and approved in writing by the head of the department, board, or commission from whose funds the traveler is paid. A file shall be maintained on all approved travel authorization. Attachment "A" depicts the format to be used for travel authorization.

B. Traveling expenses of travelers shall be limited to those expenses necessarily incurred by them in the performance of a public purpose authorized by law to be performed by the agency, and must be within the limitations prescribed.

V. Transportation (Applicable to all State Officers and Employees)

A. Travel Routes — The most direct and usually traveled route must be used by official State travelers. All mileage shall be computed on the basis of odometer readings or from point of origin to point of return on the basis of the current official state Department of Transportation and Development highway map. For out-of-state travel mileage shall be computed on the basis of standard highway guides. Any substantial deviations from distances shown in the standard highway guides shall be documented.

B. Method of Transportation — A common carrier (train, bus, or airplane) should be used for out-of-state travel. As otherwise provided herein, air travel by State Officers and Employees will be reimbursed only at coach or economy class rates. The difference between the air coach or economy class rates and first class air rates will be paid by the traveler, if travel was performed at first class air rates. If space is not available in less than first class air accommodations in time to carry out the purpose of the travel, the

traveler will secure a certification from the airline indicating this fact. The certification will be attached to the travel voucher. When the use of a privately-owned automobile for out-of-state travel has been approved in accordance with Section V-C-8, the traveler shall be reimbursed transportation cost in accordance with Section VI-A-1 not to exceed the cost of travel by coach/economy class air rates. Reimbursement shall be on the basis of the most direct route.

C. State-Owned Automobiles.

1. No State Officer or Employee may operate a State-owned vehicle without having in his possession a valid State Driver's License.

2. No State-owned vehicle may be operated in violation of the State or Local laws.

3. All accidents, major or minor, involving State-owned vehicles must be reported on standard state police form SR-10 and immediately sent in writing to the Insurance Section of the Division of Administration, together with name and addresses of available witnesses and principals.

4. All purchases made on state gasoline credit cards must be signed for by the State Officer or Employee making the purchase, and the license number and the unit price and quantity of the commodity purchases must be noted on the delivery ticket by the vendor. Items incidental to the operation of the vehicle may be purchased via state gasoline credit cards only when away from official domicile on travel status. In all instances, where a credit card is used to purchase items or services which are incidental to the operation of a vehicle, the tissue copy of the credit ticket along with a written explanation of the reason for the purchase will be attached to the report required in Item 7 of this section.

5. Travelers in State-owned automobiles, who purchase needed repairs and equipment while on travel status, shall make use of all fleet discount allowances and State bulk purchasing contracts where applicable. Each agency/department shall acquaint themselves with the locations of such allowance and/or contracts by contacting the Purchasing Office, Division of Administration.

6. No State Officer or Employee may carry unauthorized passengers in State-owned automobiles unless their presence is for purposes relating to official State business.

7. The user of each state-owned automobile shall submit a monthly report to the department head, board, or commission indicating the number of miles traveled, odometer readings, credit card charges, dates, and places visited. When an agency car pool vehicle is used, the traveler, upon returning the vehicle to the pool, shall report the operating condition of the vehicle to the person designated as the responsible assigning officer.

8. No state-owned vehicle may be taken outside the geographic boundaries of the State of Louisiana without written permission of the Commissioner of Administration prior to the time of departure.

D. Personally-Owned Vehicles.

1. No personally-owned vehicle may be used on official State business unless prior written approval, as outlined in Section IV-Subparagraph A, has been granted.

2. No personally-owned vehicles may be operated on official State business in violation of the generally recognized State and Local laws, including the automobile insurance coverage requirements as provided by R.S. 32:861.

3. All accidents, major or minor, involving personally-owned vehicles being operated on official State business, must be reported immediately by sending a copy of state police standard form SR-10 to the Insurance Section of the Division of Administration together with names and addresses of available witnesses and principals.

4. When two or more persons travel in the same personally-owned vehicle only one charge will be allowed for the use or expense of the vehicle. The person claiming reimbursement shall report the names of the other passengers.

5. If available, safety restraints must be used by the driver and occupants of state-owned vehicles and are recommended for use in personally-owned vehicles used for official state business.

VI. Reimbursement for Travel, Subsistence and Other Expenses.

A. Transportation — For the purposes of reimbursement, the following regulations are prescribed.

1. A mileage allowance shall be authorized for travelers using personally-owned vehicles while in the conduct of official State business. Mileage shall be reimbursable on the basis of 21¢ per mile. Mileage will be computed as provided for in Section V. The traveler shall be required to pay all operating expenses of the vehicle such as, but not limited to fuel, repairs, replacement of parts, and insurance.

2. State Officers and Employees using either State-owned vehicles or personally-owned vehicles on official State business will be reimbursed for storage and parking fees, ferry fares, and road and bridge tolls.

3. State-owned credit cards will not be issued to State Officers or Employees for use in the operation of privately-owned vehicles.

4. In no case will a traveler be allowed mileage or transportation when he/she is gratuitously transported by another person.

5. When an employee is required to use his/her personally-owned vehicle for agency activities in the immediate vicinity of his/her official domicile, the agency head may request authorization from the Commissioner of Administration for a lump sum allowance for transportation or reimbursement for transportation (mileage) as provided in Section VI-A-1. Requests for a lump sum allowance must be accompanied by a detailed account of routine travel listing exact mileage for each such route. Miscellaneous travel must be justified by at least a one month travel history to include a complete mileage log for all travel incurred showing all points traveled to or from and the exact mileage. Requests for lump sum allowance shall be granted for periods not to exceed one fiscal year. Upon the effective date of these guidelines all prior grants of lump sum allowances shall terminate.

6. Reimbursement will be made as provided for in VI-A-1 or the cost of coach/economy class commercial air rates, whichever is less. Before travel by privately-owned aircraft is authorized by a department head, traveler shall certify that (a) at least one hour of working time will be saved by such travel and (b) no other form of transportation, such as commercial air travel, will serve this same purpose.

B. Lodging and Meals — In-State/Out-of-State Travel - For purposes of reimbursement, the following rates will apply.

1. Meals only (including tips) — Employees, while on in-state/out-of-state travel, may be allowed up to the following amounts for meals.

Breakfast	-	\$ 3.00
Lunch	-	4.00
Dinner	-	8.00
		\$15.00

2. Employees may be reimbursed for meals according to the following schedule.

Breakfast — When travel begins on/or before 6:00 a.m. on the first day of travel, or extends beyond 9:00 a.m. on the last day of travel, and for any intervening days.

Lunch — When travel begins on/or before 10:00 a.m. on the first day of travel, or extends beyond 2:00 p.m. on the last day of travel, and for any intervening days.

Dinner — When travel begins on/or before 4:00 p.m. on the first day of travel, or extends beyond 8:00 p.m. on the last day of travel, and for any intervening days.

3. Lodging Only — Employees may be reimbursed actual expenses for lodging, not to exceed \$30 (plus tax) per day. Receipts from a bona fide hotel or motel for lodging shall be submitted and attached to the travel voucher.

C. Lodging and Meals in High Cost Areas — for purposes of reimbursement, the following rates will apply.

1. Meals only (including tips) — Employees, while traveling on official state business in high cost areas as designated by Section VI-C-5, may be reimbursed up to the following amounts for meals.

Breakfast	-	\$ 5.00
Lunch	-	7.00
Dinner	-	14.00
		\$26.00

2. Employees may be reimbursed for meals according to the following schedule.

Breakfast — When travel begins on/or before 6:00 a.m. on the first day of travel, or extends beyond 9:00 a.m. on the last day of travel, and for any intervening days.

Lunch — When travel begins on/or before 10:00 a.m. on the first day of travel, or extends beyond 2:00 p.m. on the last day of travel, and for any intervening days.

Dinner — When travel begins on/or before 4:00 p.m. on the first day of travel, or extends beyond 8:00 p.m. on the last day of travel, and for any intervening days.

3. Lodging Only — Employees may be reimbursed actual expenses for lodging, not to exceed \$52 (plus tax) per day. Receipts from a bona fide hotel or motel for lodging shall be submitted and attached to the travel voucher.

4. Extended Stays — For travel assignment involving duty for extended periods, usually in excess of thirty days, at a fixed location outside of the State, the reimbursement rate indicated in Items 1 and 3 should be adjusted downward whenever possible. Care should be exercised to prevent allowing rates in excess of those required to meet the necessary authorized subsistence expenses. The traveler is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business. It is the responsibility of each agency head to authorize only such travel allowances as are justified by the circumstances affecting the travel. The rates authorized will not exceed reimburseable allowance stated herein, unless special approval is granted by the Commissioner of Administration.

5. High Cost Areas — Atlanta, Georgia, Baltimore, Maryland, Boston, Massachusetts, Chicago, Illinois, Dallas, Texas, Denver, Colorado, Detroit, Michigan, Houston, Texas, Las Vegas, Nevada, Los Angeles, California, Miami, Florida, New Orleans, Louisiana, New York, New York, Orlando, Florida, Philadelphia, Pennsylvania, San Francisco, California, Seattle, Washington, Washington, D.C.

D. Other expenses — Only the following expenses incidental to travel may be reimbursed.

1. Communication expense relative to official state business.
2. Registration fees at conferences (meals that are a designated integral part of the conference may be reimbursed on an actual expense basis with prior approval by the department head).
3. Charges for storage and handling of equipment.
4. Taxi and bus fares.
5. Tips (for baggage handling only).
6. Limousine services to and from terminals or stations.
7. Vehicle Rental — when determined to be in the best interest of the state and approved by the Commissioner of Administration prior to rental of vehicle.

E. Special Meals — Reimbursement for special meals incurred by state officials while on travel status.

1. Permission to incur expenses relative to Special Meals must be obtained from the Commissioner of Administration prior to the time of departure. The request for permission must include a statement of justification which fully describes the purpose of the gathering and why it is in the best interest of the state. Additionally, such a request must list all persons to attend by name and title.

2. Subsequent to a Special Meal and prior to actual reimbursement a detailed breakdown of all expenses incurred accompanied by receipts must be sent to the Commissioner of Administration for review and approval.

3. For the purpose of this section there will be no reimburse-

ment for alcoholic beverages either separately or as part of a special meal reimbursement as provided for above.

F. Restrictions Governing Claims for Reimbursement.

1. Travel allowances shall not be granted for travel accomplished on Saturday, Sunday, or holidays unless approved in writing by the head of the department or his designee. (Approval and justification must be readily available in the department's reimbursement file).

2. No claim for reimbursement shall be made for any lodging and/or meals furnished at a State institution or other State agency.

3. In case an employee travels by an indirect route for his/her own convenience, any extra cost shall be borne by the traveler and reimbursement for expenses shall be based only on such charges as would have been incurred by the most direct and usually traveled route.

4. Items included in any expense account which do not fully conform to these regulations will be disallowed for payment.

G. Receipts or Other Support (Applicable to Employees).

Receipts or other substantiation are required for travel expenses, except for the following.

1. Taxicab, local bus or streetcar fares.

2. Routine meals (number of meals must be shown on travel voucher).

3. Telephone and telegraph under \$3.00.

4. Tips for baggage handling.

H. Reimbursement for travel outside the continental United States — All travel outside the continental United States must be approved by the Commissioner of Administration prior to the time of departure.

VII. General.

A. Funds for Travel Expense — Persons traveling on official business will provide themselves with sufficient funds for all routine expenses. Advances of funds for travel shall be made only for extraordinary travel and should be punctually repaid when submitting travel voucher covering the related travel.

The expense claim covering the related travel shall be submitted not later than the fifteenth day of the month following the completion of travel, and any advance made for the purpose of travel shall be repaid no later than the time the expense claim is submitted.

B. State Agency Credit Cards — Credit cards used in the name of the State agency are not to be used for the purpose of securing transportation, lodging, meals, or telephone and telegraph service, unless prior written permission has been obtained from the Commissioner of Administration.

C. Claims — All claims for reimbursement for travel shall be submitted on State Form BA-12 (Attachment B) and shall include all details provided for on the form. It must be signed by the person claiming reimbursement and approved by his/her immediate supervisor. The purpose for extra and unusual travel must be stated in the space provided on the front of the form. In all cases, the date and hour of departure from and return to domicile must be shown.

Excepting where the cost of air transportation is invoiced directly to the agency/department, all expenses incurred on any official trip shall be paid by the traveler and his travel voucher shall show all such expenses in detail to the end that the total cost of the trip shall be reflected by the travel voucher. If the cost of air transportation is paid directly by the agency/department, a notation will be indicated on the travel voucher depicting the date of travel, destination, amount, and the fact that it has been paid by the agency/department. The Traveler's copy of the passenger ticket shall be attached to the travel voucher.

In all cases, and under any travel status, cost of meals and lodging shall be paid by the traveler and claimed on the travel voucher for reimbursement, and not charged to the State Department.

D. Lodging — Agency heads shall take necessary steps to inform all personnel on travel status that whenever possible, travelers shall request and make use of special discount rates for lodging, usually granted to government employees.

E. Advisors and Consultants — Reimbursement of expenses for travel to be performed by authorized persons who are called upon to contribute time and services as consultants or advisors, shall require prior written approval from the Commissioner of Administration. Complete explanation and justification must be shown on the travel expense form or attached thereto.

F. Fraudulent Claims — Any person who submits a claim pursuant to the aforementioned regulations, and who willfully makes and subscribes to any such claim which he/she does not believe to be true and correct as to every material matter, or who willfully aids or assists in, or procures, counsels or advises the preparation of presentation of a claim which is fraudulent or is false as to any material matter shall be guilty of official misconduct. Whoever shall receive an allowance or reimbursement by means of a false claim shall be subject to immediate dismissal, as well as being criminally and civilly liable within the provisions of State Law.

VIII. The Commissioner of Administration may waive in writing any provision in these regulations when the best interest of the State will be served.

Effective Date: August 20, 1980.

E. L. Henry

Commissioner of Administration

Emergency Rules

DECLARATION OF EMERGENCY

Board of Elementary and Secondary Education

The State Board of Elementary and Secondary Education, at its meeting on July 24, 1980, exercised those powers conferred by the emergency provisions of the Administrative Procedures Act R.S. 49:953B and adopted Guidelines for Tuition Exemption Continuing Education Program for Teachers. The effective date for implementation of these guidelines will be August 18, 1980 in order that the guidelines can be printed and distributed to allow approximately 8,000 teachers to return to school in the fall semester of 1980 under this program as provided by the Legislature.

GUIDELINES

Tuition Exemption Continuing Education Program for Teachers

Bulletin 1533/1980-81

Louisiana State Department of Education

Introduction

The Louisiana Legislature during the First Extraordinary Session of 1977, passed Act 20, which established funding for continuing education. Louisiana Revised Statute 17:7.3 provides continuing education funding at Louisiana colleges and universities. The purpose of the Act is to make it possible for teachers to return to Louisiana colleges and universities to take courses in their fields or disciplines.

The attached Guidelines have been adopted by the State Board of Elementary and Secondary Education by the authority vested in them in Louisiana Revised Statute 17:7.3. By Board authority, the Guidelines are subject to further administrative interpretation by the Louisiana State Department of Education. The Guidelines are addressed to participants in the continuing education program. Infractions of these Guidelines will cause applicants to pay their own tuition. Questions relative to the Guidelines should be submitted to the State Department of Education, Continuing Education Office, Box 44064, Room 603, Baton Rouge, Louisiana 70804; telephone numbers (504) 342-3414 or (504) 342-3422 or toll free 1-800-272-9872.

Application Forms

A. Distribution.

1. The State Department of Education prepares and distributes the forms.
2. Participating parish or city school systems secure forms from the State Department.
3. Participating schools secure forms from either parish or city school board office.
4. Participating applicants secure forms from either employing school or school board office.

B. Completion.

1. Read the directions on the application.
2. Complete Section I and sign.
3. Have employing authority complete Section II and sign.
4. Have university official complete Section III and sign.
5. Present application to appropriate university official at the time of official university registration. (You must inquire at the Registrar's Office at the university which you plan to enroll as to the specific university official to whom this form is submitted. Applicant will be declared ineligible for tuition exemption if the application form is incomplete or inaccurate.

Deadlines

A. Applications and courses.

1. Regular Semester or Quarter.
 - a. Application forms must be submitted to the specific university official no later than the fourteenth official university class day.
 - b. Courses to be reimbursed shall be courses for credit which begin and end within the same semester or quarter in which registration is held no later than the fourteenth official university class day of the semester or quarter.
2. Summer Session.
 - a. Application forms must be submitted to the specific university official no later than the seventh official university class day.
 - b. Courses to be reimbursed shall be courses for credit which begin and end within a summer session in which registration is held no later than the seventh official university class day.
3. Interim Courses.
 - a. Application forms must be submitted to the specific university official no later than the fifth official university class day.
 - b. Courses to be reimbursed shall be courses for credit which begin after the close of one term and before the opening of the following term.

B. Unsuccessfully completed courses.

1. Applicants who do not successfully complete the course(s) for which tuition exemption was applied must pay the tuition as determined by the college or university in which the applicant was enrolled.
2. The applicant will receive a bill for the dropped, failed, or incompleting course(s) from the State Department of Education.
3. Courses dropped before the university deadline will cause the applicant to be billed a percentage of the tuition. The university determines the percentage of the tuition due.
4. The deadline for removal of an incomplete "I" grade shall be sixty university class days into the following semester unless the university deadline is sooner.
5. The applicant shall be allowed thirty days from receipt of the billing for unsuccessfully completed courses in which to pay the tuition due. After thirty days from the applicant's receipt of the billing, if no payment is made, the applicant's name and the signed application form shall be submitted by the Department of Education to the Attorney General of the Louisiana Department of Justice for collection. A penalty in the amount of five percent of the tuition shall be imposed on each applicant who fails to meet the thirty day time restraint.

Eligibility

A. Participants.

1. Elementary and Secondary Teachers — Any full-time degreed teacher who is regularly employed or on approved leave

from a state approved elementary or secondary school, listed on the annual school report as a member of the faculty of a state approved elementary or secondary school under the jurisdiction of the State Board of Elementary and Secondary Education is eligible. These schools shall include public, nonpublic, alternative, and special schools as defined in Bulletin 741.

2. Vocational-Technical Instructors.

- a. Any full-time instruction regularly employed or on approved leave from a vocational-technical school, which is under the direction of the State Board of Elementary and Secondary Education, and who is required by Bulletin 746 to earn fifteen credit hours in VTIE courses for certification, or who desires to take courses in his field of specialization is eligible.

- b. Vocational-technical instructors must be listed on a composite report which is submitted to the State Board of Elementary and Secondary Education.

3. Adult Education Teachers — Any full-time degreed teacher teaching adult education for a minimum of thirty hours per week in schools under the jurisdiction of the State Board of Elementary and Secondary Education, who is under agreement with a city or parish school system to teach a full year in this capacity, or an adult education teacher who is on approved leave from such schools is eligible.

4. Teachers in thirteenth and fourteenth Grades — Any full-time degreed teacher regularly employed or on approved leave listed on the annual school report as a member of the faculty of Bossier Parish Community College or St. Bernard Parish Community College is eligible.

5. Academic Supervisors — Any degreed person holding a teacher's certificate and working in a supervisory capacity with an academic program within the state school system and under its jurisdiction is eligible. This includes academic supervisors working in the city and parish school systems of the state, the nonpublic school system, the State Department of Education.

B. Colleges and Universities.

1. State Supported — Delgado College, Grambling State University, Louisiana State University, Louisiana Tech University, McNeese State University, Nicholls State University, Northeast Louisiana University, Northwestern State University, Southeastern Louisiana University, Southern University, University of New Orleans and University of Southwestern Louisiana.

2. Nonpublic — Centenary College, Dillard University, Louisiana College, Loyola University, Our Lady of Holy Cross College, St. Mary's Dominican College, Tulane University, Xavier University.

Application for admission to colleges and universities must be in compliance with the college or university regulations, entrance requirements, deadlines, and any other conditions for admissions.

No student shall be allowed to pursue courses at more than one college or university simultaneously under this program.

C. Courses.

1. Credit courses in the subject matter area in which the applicant is currently teaching, or courses outside the subject matter area, provided the principal or superintendent recommends the area of instruction in which the applicant shall enroll, are eligible.

2. Course load shall not exceed six semester hours or its equivalency in quarter hours while a teacher is teaching full-time. Summer Session course load may exceed the six hour limit providing a teacher is not teaching summer school. Teachers who are on sabbatical or approved leave are not limited to six hours.

3. Eligibility of courses will be determined by either the principal or the superintendent and the college or university official.

4. Applicants will not receive tuition exemption for the following ineligible courses.

- a. Non-credit courses or audit courses.

- b. Non-instructional credit courses such as examination courses. Thesis courses are eligible for reimbursement only in the semester in which credit is earned.

- c. Courses in theology or divinity.
- d. Courses pursued at more than one college or university simultaneously under this program.
- e. Courses taken outside the geographical boundaries of the State of Louisiana.
- f. Correspondence courses.
- g. Courses which are not successfully completed by the end of the semester or sixty university class days into the following semester unless the university deadline is sooner.
- h. Dropped, incompleting, or failed courses.

D. Tuition.

1. Tuition, for the purposes of this program, is defined as the registration fee and the building use fee per semester hour. The state will not reimburse for student activity fees. Tuition exemption shall be limited to the amount of tuition assessed for on-campus courses.

2. Tuition paid to eligible nonpublic colleges and universities shall be equal to, but not greater than, the highest tuition charged by a public college or university in Louisiana. The difference in the amount of tuition paid by the state and the amount charged by private colleges and universities shall be paid by the applicant.

3. Reimbursement shall be made to the colleges and universities by the State Department of Education from state appropriated funds.

Collections

A. The State Department of Education shall send by certified mail, with return receipt requested, a single billing to each applicant who is ineligible for any reason, for the amount of the outstanding tuition costs.

B. The applicant shall be allowed thirty days from receipt of the billing date in which to pay the amount due.

C. After thirty days from the applicant's receipt of the billing, if no payment is made, the applicant's name and the signed application form shall be submitted by the Department of Education to the Attorney General of the Louisiana Department of Justice for collection. A penalty in the amount of five percent of the tuition shall be imposed on each applicant who fails to meet the thirty day time restraint.

Appeals

A. Any applicant whose tuition exemption is denied may appeal to the State Department of Education, Continuing Education Office, Box 44064, Baton Rouge, Louisiana, 70804.

B. Any applicant whose appeal is denied by the State Department of Education shall have the right to a due process appeal before the State Board of Elementary and Secondary Education. The applicant should contact the Executive Director of the State Board of Elementary and Secondary Education, Box 44064, Baton Rouge, Louisiana 70804, no later than fourteen days following receipt of notification from the State Department of Education of tuition exemption denial.

C. While an appeal is pending, the thirty day time restraint imposed for payment of tuition costs shall be temporarily waived until the appeal process has been completed.

D. If the appeal is denied, the applicant shall have thirty days from the date of the notice of the denial in which to pay the amount due. The names and the application forms of all students failing to pay within thirty days shall be submitted to the Attorney General of the Louisiana Department of Justice for collection.

College and University Procedures

A. At the time of registration, the applicant shall be exempt from paying tuition for eligible course work covered in this program.

B. The last date for the colleges and the universities to accept applications for tuition exemption shall be the fourteenth official university class day of a regular semester or quarter, the seventh official university class day of a summer session, and the fifth official university class day for interim courses.

C. Two weeks after the official dates stated above, the university or college shall submit to the State Department of Education the following documents.

- 1. Application forms.
 - 2. A master list of applicants enrolled in the tuition exemption program.
 - 3. An invoice for tuition payments.
- D. Prior to the middle of the semester or quarter, the State Department of Education shall submit to the colleges and universities a check for the full amount of the invoice which shall cover only those charges designated as "tuition" for eligible applicants.

E. Within two weeks after the end of the semester or quarter, the colleges and the universities shall submit to the State Department of Education a list of names and tuition due for applicants who either dropped, failed, or received an incomplete.

F. The deadline for removal of an incomplete grade shall be sixty university class days into the following semester unless the university deadline is sooner. Immediately following the sixty day deadline for completion of incomplete grades, the university shall submit the names and the mailing addresses of applicants who did not successfully complete an "I" grade.

G. Courses dropped before the university deadline will cause the applicant to be billed a percentage of the tuition. The university determines the percentage of the tuition due.

James V. Soileau
Executive Director

DECLARATION OF EMERGENCY

**Office of the Governor
Office of Elderly Affairs**

In accordance with Executive Order Number 80 - 16 which was signed by Governor Treen on August 1, 1980, and the Older American Act of 1965 as amended on October 18, 1978, the Office of the Governor, Office of Elderly Affairs will implement policy effective, October 1, 1980, providing for the designation of planning and service areas, the designation of Area Agencies on Aging to plan, coordinate and administer programs and services for the elderly and the adoption of the State's Plan on Aging for 1981-1983.

The designation of Area Agencies on Aging is necessary to allow the Title III Program which is administered by the Office of Elderly Affairs to be in compliance with the *Federal Register* for the Older American's Act, as amended, Volume 45, Number 63, Monday, March 31, 1980, page 21153 and 21154.

It is also necessary for the office of Elderly Affairs in accordance with Section 1321.29 of the *Federal Register* page 21150 to hold public hearings throughout the State. The hearings of the State Plan will be held as follows: August 20, 1980, Louisiana Tech University, Wyley Towers, Bond Street, Ruston, Louisiana, 1:00 p.m.-3:00 p.m.; August 21, 1980, Christopher Inn, 2110 Royal, New Orleans, Louisiana, 10:00 a.m.-12:00 p.m.; and August 22, 1980, City Hall, City Council Auditorium, 705 W. University, Lafayette, Louisiana, 1:00 p.m.-3:00 p.m.

Public hearings must be scheduled in compliance with Federal Policy Guidelines to allow for the submission of the State Plan on Aging to the Administration by September 1, 1980.

Copies of and information concerning the proposed action may be obtained by writing to: Ms. Rita Coutee, Aging Services Planning Officer, Office of Elderly Affairs, 530 Lakeland Drive, Baton Rouge, Louisiana 70802, Phone: (504) 342-2747. All written comments must be submitted by August 25, 1980, 4:30 p.m.

Priscilla R. Engolia, BCSW, ACSW
Executive Director

DECLARATION OF EMERGENCY

**Department of Health and Human Resources
Office of Family Security**

The Department of Health and Human Resources, Office of Family Security, does hereby exercise the emergency provision of

the Administrative Procedures Act (R.S. 49:953 B) to adopt, effective August 1, 1980, the following increases in the Aid to Families with Dependent Children (AFDC) and General Assistance (GA) grant amounts.

Using a fourteen percent increase standard for AFDC and a ten percent increase standard for GA the new grant amounts are proposed as follows.

I. AFDC.

A. For Parishes Other Than Those Specified in B. Below.

Number of Persons	Flat Grant Amount	Number of Persons	Flat Grant Amount
1	\$ 60	10	\$404
2	112	11	438
3	158	12	474
4	197	13	513
5	235	14	551
6	269	15	588
7	304	16	626
8	339	17	663
9	371	18	701

For each additional person, add 41.00 to the flat grant amount.

B. For Orleans, Jefferson, St. Bernard, and East Baton Rouge Parishes.

Number of Persons	Flat Grant Amount	Number of Persons	Flat Grant Amount
1	\$ 65	10	\$420
2	125	11	455
3	173	12	491
4	213	13	527
5	252	14	564
6	287	15	602
7	320	16	643
8	355	17	674
9	388	18	717

For each additional person, add \$44.00 to the flat grant amount.

II. General Assistance.

A. Regular Grant — The maximum amount paid for a regular grant shall be

- \$83.00 when only one person is to be included in the certification.
- \$120.00 when two or more persons are included in the certification.

B. Special Grant — The maximum amount paid for a special GA grant shall be

- \$121.00 when the budget plan includes an allowance for a special diet approved for a special grant and only one person included in the certification. \$127.00 when a special diet is approved and there are two or more persons in the certification.
- \$139.00 when the budget plan includes an allowance for discharge from a state mental institution.
- \$132.00 when the budget includes one person and an allowance is necessary for special care in his own home or home of a relative or in a private home by an unrelated person. \$138.00 when the budget includes two or more persons and special care as explained above is necessary.

C. GA 111 or Handicapped Children's Grant — The amount paid shall be the family budgetary deficit subject to \$121.00 maximum without inclusion of the extra cost of the child's special diet and/or essential transportation (if any), plus the cost of this item or items subject to a maximum of \$306.00

D. Other Grants.

1. Financial Assistance to persons who were patients in Carville and who ceased to be eligible for OAA, ANB, or DA assistance on January 1, 1974, as a result of the SSI Program. This is applicable in Iberville Parish only. (Effective October, 1975.)

Those persons who are currently patients at Carville referred to above, if otherwise eligible, shall be allowed \$39.00 for basic

requirements to provide for personal needs not provided by the hospital.

2. GA recipients receiving SNF care in a skilled nursing home or ICF I or ICF II care in an intermediate care facility shall receive a personal care needs allowance of \$24.00.

E. Indochinese one Person Households — Indochinese one person households shall receive payment in accordance with the payment level applicable to a one person GA certification.

GA

	Pre-Added Basic Requirements	
	13 Years and Over and Less than 65	Birth Through 12 Years
Food	\$40.00	\$27.00
Clothing	9.00	7.00
Incidentals	6.00	5.00
Total	\$55.00	\$39.00

Alvis D. Roberts
Assistant Secretary

DECLARATION OF EMERGENCY

**Department of Natural Resources
Office of Conservation**

Pursuant to the provisions of R.S. 49:953, the Commissioner of Conservation has amended and readopted Section 245.19(a) of Statewide Order 29-0-1 relative to requests for hearings concerning civil penalties assessed in connection with surface mining activities under the Louisiana Surface Mining Program. This rule is being amended and readopted on an emergency basis due to the Surface Mining Control and Reclamation Act of 1976. Failure to amend and readopt Section 245.19(a) could imperil approval by the Department of Interior of final authority for the State of Louisiana to control surface coal mining operations within the state and an imminent peril to public welfare requires this emergency action.

This section shall be effective on and after August 20, 1980.
Emergency Rule

Section 245.19(a)

The person charged with the violation may contest the proposed penalty or the fact of the violation by submitting a petition and an amount equal to the proposed penalty or, if a conference has been held, the reassessed or affirmed penalty, to the Commissioner (to be held in escrow as provided in Paragraph (B)) within thirty days from receipt of the proposed assessment or fifteen days from the date of service of the conference officer's action, whichever is later. The fact of the violation may not be contested if it has been decided in a review proceeding commenced under Section 243.16.

R. T. Sutton
Commissioner of Conservation

Rules

RULE

Department of Commerce & Industry Office of Financial Institutions

Under authority granted by R.S. 6:902B, the Commissioner of Financial Institutions does hereby adopt the following rule for the purpose of providing a means by which State Chartered Savings & Loan Associations may have authority consistent with that granted Federal associations by the Depository Institutions Deregulation & Monetary Control Act of 1980 passed during the Second Session, 96th Congress.

Rule

Notwithstanding any limitations imposed by R.S. 6:701, et seq, State Chartered Savings and Loan Associations, with certain limitations, are hereby empowered to engage in the following activities authorized Federal associations by the Depository Institutions Deregulation and Monetary Control Act of 1980 passed during the 2nd Session, 96th Congress:

1) Effective immediately, State Chartered Savings and Loan Associations may make up to twenty per cent of their assets in consumer loans as defined by the Louisiana Consumer Credit Law (LRS 9:3516 (13)). All provisions of the Louisiana Consumer Credit Law (LRS 9:3510, et seq) will apply to loans made under this authority.

2) Effective immediately, State Chartered Savings and Loan Associations may issue credit cards in their own name and generally engage in credit card operations as permitted by the Louisiana Consumer Credit Law. As an alternative, they may act as an agent in a credit card program as authorized by a rule published in Volume 4, Number 8, of the *Louisiana Register*, dated August 20, 1978.

3) Effective immediately, State Chartered Savings and Loan Associations may exercise trust powers subject to prior approval of the Commissioner of Financial Institutions.

Hunter O. Wagner, Jr.
Commissioner of Financial Institutions

RULE

Department of Commerce & Industry Office of Financial Institutions

The Commissioner of Financial Institutions hereby issues the following rules which contain instructions for completing an application for permission to organize a State Chartered Savings & Loan Association.

Rule

Instructions

for completing the

Application for Permission to Organize

A State Savings and Loan Association

The application for permission to organize a state savings and loan association is composed of a set consisting of the application

form and six separate exhibits, each outlining specific data which must be attached to the exhibit forms. In addition, each of the applicants and the managing officer are required to complete, on prescribed forms, a Confidential Biographical and Financial Report which is to be included in the Confidential Section. Application forms may be obtained from the Commissioner of Financial Institutions, Box 44095, Baton Rouge, Louisiana 70804.

When the application is made, two separate sets must be submitted, the original and a copy. An original and a copy of the Confidential Section must also be submitted.

Four fundamental factors must be fully developed by the applicants upon which the Office of Financial Institutions gives primary consideration. These are, 1) necessity for the proposed association, 2) reasonable probability of usefulness and success, 3) possible undue injury to properly conducted existing local thrift and home-financing institutions, and 4) character and responsibility of applicants. It is important that all sources of the various data used in developing these factors be clearly stated which includes any reference made to any research reports or special surveys that are attached to exhibit VI.

To expedite the processing of an application, the supporting information should include, but not necessarily be limited to the matters outlined in the various exhibits, with particular emphasis on trend data concerning the proposed service area. Latest Bureau of Census data and special economic surveys made primarily for the applicants, local industries, governmental subdivisions or agencies or educational institutions are extremely useful.

The contents of Exhibits I through VI should be completed to the fullest extent possible. Appropriate notation should indicate data that cannot be ascertained or if not applicable. Application and the exhibits will be available for public inspection. The Confidential Section, to which the required Confidential Biographical and Financial Report of each applicant and the managing officer are attached, will not be available for public inspection.

Processing Procedure

After the application and all supporting data are received by the Office of Financial Institutions and determined to be complete, the applicants will be notified through their appointed chairman that notice of their application should be published in a local newspaper within fifteen days. The Office will also give written notice to each association in the community to be affected that an application has been filed. The notice will state the name and the location of the proposed association. Interested parties then have the opportunity to file communications in favor, or in protest of the application. During this period, the application and supporting data, except for the Confidential Section, will be available for inspection at the Office of Financial Institutions in Baton Rouge.

A representative of the Office will visit the community in which the proposed association is to be established. This visit enables the Office's representative to assess further the information submitted by the group, to acquaint generally the group with over-all procedures, and to answer any subsequent questions which may have arisen in the minds of the petitioners.

Upon completion of the examination of the entire file, the Commissioner will issue either a conditional approval or disapproval.

Upon receipt of the Commissioner's approval for permission to

organize, the applicants should proceed in fulfilling all the requirements of the Office as a condition of its approval of the application. After all conditions have been met, a certificate of authority will be issued by the Commissioner and the Association may commence operation, provided it has been duly incorporated under the State laws.

Additional Information

No new association may operate in Louisiana without being a member of the Federal Home Loan Bank of Little Rock and without its savings accounts or shares being insured by the Federal Savings and Loan Insurance Corporation. A schedule of the minimum savings capital and minimum initial subscribers is attached for your information. At least the minimum required amounts in accordance with the schedule should be indicated on Page 1 of the application.

An excerpt, "Part II - Organization and Incorporation," of the Louisiana Savings and Loan Law is attached for your convenience.

Also attached for your information is a copy of Section 563.33 of the Insurance Regulations for current guidelines concerning the composition of the directorate and Section 563.34 concerning deposit relationships.

The organization of a new association is an important undertaking which requires serious thought and careful planning from the very start, as those who direct the affairs and operations of such an institution are, in effect, the trustees of funds invested by other members of the community. Therefore, it should be understood before an association is organized, there should be no conflicts of interest or transactions between directors, officers, employees or association attorneys and the association. This particularly pertains to loans on properties in which any such individuals have a direct or indirect interest other than loans secured by a first lien on the home or combination of home and business property owned and occupied by such individual. It should also be understood the association will not be permitted to lease its office quarters from directors, employees or other affiliated persons.

Further information may be obtained from Mr. Hunter O. Wagner, Jr., Commissioner of Financial Institutions, Box 44095, Baton Rouge, Louisiana 70804.

Minimum Capital Requirements

Population of Area (1)	Mutual Applicant Amount of Withdrawable Savings (2)
Under 25,000	\$ 500,000 (350)
25,001 - 100,000	\$1,000,00 (750)
Above 100,000	\$2,000,000 (1,000)

This schedule is only a minimum and the Commissioner may impose higher requirements to reflect likely savings growth, operating results and other factors relating to the risk exposure.

(1) In determining population, the area will be defined as the SMSA, if the association is located in an SMSA. In a non-SMSA, the population will be based on the delineated service area or the parish in which the association is located, whichever is greater.

(2) The association will be required to raise one hundred percent of the amount in cash prior to the granting of final approval. The figures in parenthesis indicate the minimum number of subscribers to withdrawable accounts.

R.S. 6:701 Revised Statutes

PART II. ORGANIZATION AND INCORPORATION

Acts 1970, No. 234 enacted this Part containing Sections 11-20, which have been redesignated as § 702-711 on authority of R.S. 24:253.

§702. Organization

Any number of natural persons, not less than five, who are residents of Louisiana may organize on a mutual basis, a corporation to encourage the promotion of thrift and to assist the members of the corporation in purchasing, building, improving, and repairing immovable property and homesteads, and removing encumbrances therefrom, and for the purpose of loaning money to the members thereof.

Acts 1970, No. 234, § 1.

§ 703. Incorporation; Chairman

The proposed incorporators shall appoint one of their number as chairman of the incorporators. The Incorporators shall, either in cash or by subscription, have paid in to the chairman such amount as may be required by the regulations of the Federal Home Loan Bank and the commissioner as a prerequisite to the organization of an association.

Acts 1970, No. 234, § 1.

§ 704. Chairman of incorporators to procure surety bond

The incorporators may require the chairman to procure from a surety company or other surety acceptable to the commissioner, a surety bond in form approved by the commissioner in an amount at least equal to the amount subscribed by the incorporators plus the expense fund. Such bond shall name the commissioner as obligee and shall be delivered to him. It shall assure the safekeeping of the funds subscribed and their delivery to the association after the issuance of the certificate of incorporation and after the bonding of the officers. In the event of failure to complete organization, such bond shall assure the return of the amounts collected to the respective subscribers or their assigns, less reasonable expense which shall be deducted from the expense fund.

Acts 1970, No. 234, § 1.

§ 705. Expense fund for incorporation and organization

The incorporators, in addition to their subscriptions to shares or savings accounts, shall create an expense fund from which expense fund the expense of organizing the association and its operating expenses shall be paid until such time as its net income is sufficient to pay such earnings as may be declared and paid or credited to its savings account holders or shareholders from sources available for payment of earnings. The incorporators and others, before a certificate of incorporation is issued, shall deposit to the credit of the chairman of the incorporators in cash the amount of the expense fund. The amounts contributed to the

expense fund by the incorporators and others shall not constitute a liability of the association.

Acts 1970, No. 234, § 1.

§ 706. Incorporation; articles

A. Every association under this Chapter shall be incorporated and formed under written articles of incorporation. These articles shall be written in the English language and shall be signed by each incorporator or by an agent of each incorporator duly authorized by a document attached to the articles. The articles shall be acknowledged by an incorporator before a notary public and two witnesses, or may instead be executed by authentic act.

B. The articles shall set forth:

- (1) The name of the corporation;
- (2) The duration of the corporation, if other than perpetual;
- (3) The place chosen for its domicile;
- (4) The full name and post office address of each incorporator;
- (5) The mode of liquidation after dissolution of the corporation;
- (6) The maximum and minimum number of directors and the mode of their election.

C. The articles may also contain the following:

- (1) Any provision concerning the powers or rights of the corporation, the directors or the members.
- (2) Any other provisions for the regulation of the business and conduct of the affairs of the corporation not prohibited by this Chapter or other laws of this state.
- (3) Authorization to adopt by-laws.

Acts 1970, No. 234, § 1.

§ 707. Articles of incorporation; recordation

A. The articles of incorporation or a multiple original thereof, shall be filed with the commissioner, accompanied by the incorporation fee. The incorporators shall submit with their articles and bylaws, statements, exhibits, maps and other data which the commissioner may require, which data shall be sufficiently detailed and comprehensive to enable the commissioner to pass upon the petition for incorporation as to the criteria set out in Subsection (B) hereof.

B. On the receipt of the articles of incorporation, attendant data, and the request from the incorporators for approval of incorporation, the commissioner shall give written notice to each association in the community to be affected that a petition for a request for approval of incorporation has been made. This notice shall state the name of the proposed association and the place where the incorporators propose to establish a principal office of the association. The commissioner shall not approve the incorporation of an association unless he shall affirmatively have found that all the requirements in respect to the subscription and payment of shares or savings accounts at the time of organization and previous to the doing of business by any newly organized association have been complied with strictly and in complete good faith. The commissioner, before issuing a certificate of authority to any association, local or foreign, shall examine the qualifications, character and responsibility of the persons organizing the association and shall examine the present and future savings association needs of the community or locality to be served by the proposed association, and, generally, shall consider the possibility of usefulness and service which the proposed association may reasonably be expected to meet and fulfill in the light of the considerations herein set forth, and shall determine that the proposed allocation has been approved for insurance of accounts as provided for in R.S. 6:731(I). If in his judgment and discretion the commissioner deems that the public interest will not be served by permitting such persons to organize the association, he shall refuse to issue his certificate of authority.

C. No association shall commence business in Louisiana until it has procured from the commissioner a certificate of authority. This certificate of authority shall be issued by the commissioner upon approving the request for incorporation. The commissioner shall transmit to the incorporators two copies of the certificate of au-

thority.

D. The incorporators shall thereupon file the articles, or multiple original thereof and a copy of the commissioner's certificate of authority, with the secretary of state. When all incorporation taxes, fees and charges have been paid as required by law, the secretary of state shall record the articles or the multiple original thereof and the commissioner's certificate of authority, and endorse thereon the date, and if requested, the hour of filing thereof with him, and issue a certificate of incorporation which shall show the date and, if endorsed on the articles, the hour of filing of the articles with him. The certificate of incorporation shall be conclusive evidence of the fact that the corporation has been duly incorporated, except that in any proceeding brought by the state to annul, forfeit, or vacate a corporation's franchise, the certificate of incorporation shall be only prima facie evidence of due incorporation.

E. Upon issuance of the certificate of incorporation, the corporation shall be duly incorporated, and the corporate existence shall begin, as of the time when the articles were filed with the secretary of state, except that, if the articles were so filed within three days (exclusive of legal holidays) after acknowledgment thereof or execution thereof as an authentic act, the corporation shall be duly incorporated, and the corporate existence shall begin as of the time of such acknowledgment or execution.

F. A multiple original of the articles, or a copy certified by the secretary of state, with a copy of the commissioner's certificate of authority, and with a copy of the certificate of incorporation, shall, within thirty days after the certificate of incorporation was issued, be filed for record in the office of the recorder of mortgages of the parish in which the association is domiciled.

Acts 1970, No. 234, § 1.

§ 708. Organization meeting

Within thirty days after the corporate existence of an association begins, the directors of the association shall hold an organization meeting and shall elect officers, and adopt by-laws. At the organization meeting the directors shall take such other action as is appropriate in connection with beginning the transaction of business by the association. The commissioner may extend by order the time within which the organization meeting shall be held.

Acts 1970, No. 234, § 1.

§ 709. Corporate name

The words "homestead," "building and loan," "savings and loan" shall form a part of the name of every local association organized subsequent to July 27, 1932. Corporations existing prior to July 27, 1932, as building and loan or homestead associations, saving and loan associations, societies, or companies, may continue their present name or may use any other names authorized in this section. An ordinal number may not be used as a single descriptive word preceding the words "Savings Association," or "Savings and Loan Association," unless such words are followed by the words "of . . .," the blank being filled by the name of the community, town, city or parish in which the association has its home office. An ordinal number may be used together with another descriptive word, preceding the words "Savings Association" or "Savings and Loan Association" provided the other descriptive word has not been used in the corporate name of any other association in the state, in which case the suffix mentioned above is not required to be used. An ordinal number may be used together with another descriptive word, preceding the words "Savings Association" or "Savings and Loan Association," even when such other descriptive word has been used in the corporate name of an association in the State, provided the suffix "of . . .," as provided above, is also used. The suffix provided above may be used in any corporate name. The use of the words, "National," "Federal," "United States," "Insured," "Guaranteed," or any form thereof, separately or in any combination thereof with other words or syllables, is prohibited as part of the corporate name of an association. No certificate of incorporation of a proposed association having the same name as a corporation

authorized to do business under the laws of this state or a name so nearly resembling it as to be likely to deceive shall be issued by the commissioner, except to an association formed by the reincorporation, reorganization, or consolidation of the association with other associations, or upon the sale of the property or franchise of an association. Corporations existing as associations prior to July 29, 1970 may continue their present name or may use any of the names authorized in this section.
Acts 1970, No. 234, § 1.

§ 710. Corporate title and exclusiveness of name

No person, firm, company, association, fiduciary, partnership or corporation, either a domestic or foreign, unless it is lawfully authorized to do business in this state under the provisions of this Chapter and actually is engaged in carrying on a savings association business shall do business under any name or title which contains the terms "homestead savings association," "savings and loan association," "building and loan association," "building association," or any combination employing either or both of the words "building" or "loan" with one or more of the words "saving," "savings," or any combination employing one or more of the words "saving," "savings," with one or more of the words "association," "institution," "society," "company," "fund," "corporation," or use any name or sign or circulate or use any letterhead, billhead, circular or paper whatever, or advertise or represent in any manner which indicates or reasonably implies that his or its business is of the character or kind of business carried on or transacted by a savings and loan association or which is likely to lead any person to believe that his or its business is that of a savings and loan association. Upon application by the commissioner or any association, a court of competent jurisdiction may issue an injunction to restrain any such entity from violating or continuing to violate any of the foregoing provisions of this section. Any person who violates any of the provisions of this section shall be punishable by fine of not more than one thousand dollars and each day of violation shall constitute a separate offense.

Acts 1970, No. 234, § 1.

§ 711. Forfeiture of charter for nonuse

Any association which shall not commence business within six months after the date upon which its corporate existence shall have begun, shall forfeit its corporate existence, unless the commissioner, before the expiration of such six months period, shall have approved the extension of time within which it may commence business, upon a written application stating the reasons for such delay. Upon such forfeiture the certificate of incorporation shall expire, and all action taken in connection with the incorporation thereof, except the payment of the incorporation fee, shall become void. Amounts credited on shares and savings accounts, less expenditures authorized by law, shall be returned pro rata to the respective holders thereof.

Acts 1970, No. 234, § 1.

¶ 1142

§ 563.30 Reservation of right concerning advertising.

The Corporation reserves the right to prescribe the form in which insurance of accounts may be advertised.

¶ 1143

§ 563.31 Other insurance or guaranty.

(a) An insured institution shall not acquire any insurance or guaranty of all or any part of the accounts of such insured institution in addition to the insurance provided by Title IV of the National Housing Act. As used in this section the term "accounts" shall have the same meaning as the term "withdrawable or repurchasable shares, investment certificates, or deposits" where used in subsection (a) of section 405 of the National Housing Act, except that the term "accounts" shall not include mortgage-backed bonds or subordinated debt securities.

(Paragraph (a) revised eff. 5-23-75)

(b) The foregoing provisions of this section shall not be deemed to be violated by any action by a Federal savings and loan association that is in conformity with § 545.24-2 of this chapter or by any action by an insured institution which is not a Federal savings and loan association that would be in conformity with said § 545.24-2 if such institution were a Federal savings and loan association which was a "deposit association" within the meaning of that term as used in § 545.1-2 of this chapter.
(Paragraph (b) Added Eff. 12-31-74.)

(Added 7-7-62; revised 11-12-66; 12-31-74; 5-23-75)

1144

§ 563.32 Payment of trustee fees on pension trust accounts.

Notwithstanding any other provision of this subchapter, annual payment by an insured institution of a nominal fee, even if computed with reference to the number of persons having interests in the trust, may be made to the trustee of a trust qualified under the Self-Employed Individuals Tax Retirement Act of 1962, as amended, during the period that the account for such trust is maintained in such institution.

(As added eff. 3-19-69.)

1145

§ 563.33 Directors, officers, and employees.

(a) *Directors.* The following guidelines are recommended for composition of the board of directors of an insured institution:
563.33

(1) A majority of the directors of an insured institution should live or work in the normal lending territory of such institutions.

(2) Not more than one-third of the directors of an insured institution should be salaried officers or employees of such institution or of any subsidiary or holding company affiliate thereof.

(3) Not more than two of the directors of an insured institution should be members of the same immediate family.

(4) Not more than one director of an insured institution should be an attorney with the same law firm.

(5) (i) No director of an insured institution should be a director of any other financial institution or holding company affiliate thereof, other than a commercial bank or trust company.

(ii) Not more than one-third of the directors of an insured institution should be directors of a commercial bank, trust company, or holding company affiliate of such a bank or company.

(iii) Not more than one director of an insured institution should be a director of the same commercial bank, trust company, or holding company affiliate of such a bank or company.

(iv) No director of an insured institution should be a salaried officer or employee of any other financial institution or holding company affiliate thereof.

(v) Paragraphs (a) (5) and paragraph (c) of this section do not apply to directors, officers or employees of another financial institution or holding company affiliate thereof (a) if such other financial institution and such insured institution are subsidiaries of the same savings and loan holding company or (b) if neither such other financial institution nor any holding company affiliate thereof which is a financial institution has an office located within any county (or similar political subdivision) or standard metropolitan statistical area (SMSA) in which such insured institution has an office or within any county or SMSA from which such insured institution receives either more than \$5,000,000 or five percent of its savings accounts.

(b) *Inconsistent conditions of insurance or agreements for operating policies.* Any insured institution which agrees in writing with the Corporation to comply with all of the guidelines set forth in paragraph (a) if this section need no longer comply with any present condition of insurance or provision of its agreement for operating policies concerning the composition of its board of directors or the employment of its officers.

(c) *Officers.* Except as provided in paragraph (a) (5) (v) of this section, no salaried officer of an insured institution may become

or, after the 1978 annual meeting of such institution, continue to serve as a salaried officer or employee of any other financial institution or holding company affiliate thereof.

(d) *Other employment.* No insured institution or subsidiary thereof shall permit any salaried officer or employee to work during the hours of his employment by such institution or subsidiary for any affiliated person of such institution unless such affiliated person compensates such institution or subsidiary for the time during which such officer or employee is engaged in such work.

(As added eff. 9-30-76)

¶ 1146

§ 563.34 *Deposit relationships involving affiliated persons.*

No insured institution or subsidiary thereof shall maintain a deposit relationship with any affiliated person of such institution or with any financial institution or holding company affiliate thereof of which an affiliated person of such insured institution is a director, if the maintenance of such deposit relationship has been specifically disapproved by the Principal Supervisory Agent of the Corporation. No such deposit relationship shall be established (including a new interlock involving an existing deposit relationship) after September 30, 1976, without the prior written approval of the Principal Supervisory Agent. In taking action with respect to the maintenance or establishment of such deposit relationship, factors to be considered by the Principal Supervisory Agent will include:

- (a) The size of the depository relative to the deposits maintained or to be maintained by such insured institution or subsidiary;
- (b) The amount of the deposits relative to the size of such insured institution or subsidiary;
- (c) The need for the deposit relationship by such insured institution or subsidiary and available alternative deposit relationships not involving affiliated persons;
- (d) The extent to which affiliated persons have an interest in the depository;
- (e) Whether the deposit relationship has been approved by a disinterested majority of the entire board of directors of such insured institution or subsidiary;
- (f) Any current supervisory problems involving such insured institution or subsidiary and the affiliated persons having an interest in the depository;
- (g) Whether the deposit relationship involves an active demand account;
- (h) Whether the deposit relationship was established prior to July 1, 1972; and
- (i) Any other factors which may have a detrimental effect on such insured institution or subsidiary.

(12-28-70; 7-1-72; 10-19-73; 9-30-76)

¶ 1147

§ 563.35 *Restrictions involving loan services.*

(a) *Tie-in prohibitions.* No insured institution or service corporation affiliate thereof may grant any loan on the prior condition, agreement, or understanding that the borrower contract with any specific person or organization for the following:

- (1) Insurance services (as an agent, broker, or underwriter), except insurance or a guarantee provided by a government agency or private mortgage insurance;
- (2) Building materials or construction services;
- (3) Legal services rendered to the borrower;
- (4) Services of a real estate agent or broker; or
- (5) Real estate or property management services.

(b) *Notice with respect to insurance on home loans.* An insured institution or subsidiary thereof shall notify the borrower in writing of his right to freely select the person or organization rendering the insurance services referred to in paragraph (a) (1) of this section in connection with a loan on a home (as defined in § 541.10-2 of this chapter) occupied or to be occupied by the

borrower at or prior to the time of the written commitment to make such loan.

(c) *Limitation on paragraphs (a) and (b).* Notwithstanding paragraphs (a) and (b) of this section, an insured institution or subsidiary thereof may refuse to make any loan if it believes on reasonable grounds that the insurance services provided by the person or organization selected by the borrower will afford insufficient protection to such institution or subsidiary.

(d) *Payment of attorney's fee by home borrowers.* In connection with a loan on a home (as defined in § 541.10-2 of this chapter) occupied or to be occupied by the borrower, an insured institution or subsidiary thereof may require such borrower to reimburse it for legal services rendered by its attorney, or to directly pay such attorney for such services, only if:

- (1) Such attorney's fee is limited to legal services attributable to processing closing such loan (and not unrelated services performed for the institution or subsidiary by the attorney);
- (2) Such attorney's fee, if in excess of \$100, is supported by a statement provided to the borrower at or prior to settlement which (i) describes the legal services being performed.

Application for Permission to Organize
a State Savings and Loan Association

Date

To the Commissioner of Financial Institutions
P. O. Box 44095, Capitol Station
Baton Rouge, Louisiana 70804

We, the undersigned prospective incorporators, residents of Louisiana, being natural persons and of lawful age, being persons of good character and responsibility, and believing in the necessity for a local mutual thrift institution in the community to be served, and in the reasonable probability of its usefulness and success without undue injury to properly conducted existing local thrift and home-financing institutions, intend to organize a state savings and loan association. We hereby make application to the Office of Financial Institutions for permission to organize, under such terms and conditions as the Office of Financial Institutions may prescribe, a state savings and loan association to be named and located as follows:

Proposed Name

Street and Number

City, Parish, State and Zip Code

We hereby appoint _____ of _____ as chairman of the proposed incorporators to represent the undersigned before the Office of Financial Institutions, and to receive all notices, correspondence, and documents relating to this application.

We hereby agree to raise initial savings capital or shares in the amount of not less than \$_____ from _____ initial subscribers, or such other amount from such other number of subscribers as may be designated by the Office of Financial Institutions, under such conditions as it may prescribe.

The undersigned agree to pledge savings accounts or shares in the amount required by the Federal Home Loan Bank Board to be held in escrow as a pledge to indemnify the association against any loss or operating deficit incurred by the association under such conditions as the Federal Home Loan Bank Board may prescribe. We have, in connection with this application, read the provisions of the Louisiana law which govern the organization of a state savings and loan association.

It is understood that, in the event this application is approved, the proposed association shall not be authorized to commence business (a) until it has been incorporated under the laws of Louisiana, (b) until the initial savings capital or shares has been deposited by the subscribers, (c) until the insurance of its savings accounts or shares by the Federal Savings and Loan Insurance Corporation has become effective, (d) until it has become a member of the Federal Home Loan Bank, (e) until the Board of Directors of the association has adopted a resolution ratifying and confirming the action of these incorporators in making this application with supporting information, (f) until it has fulfilled all the requirements of the Office of Financial Institutions as a condition of its approval of this application and (g) until the association has received a certificate of authority issued by the Commissioner.

In support of this application, we hereby make the following statements and representations and submit the following information for the purpose of inducing the Commissioner of Financial Institutions to approve the organization of the proposed state savings and loan association.

THE UNDERSIGNED HEREBY CERTIFY, JOINTLY AND SEVERALLY, that the statements and representations made in this Application for Permission to Organize a State Savings and Loan Association, and all evidence and data submitted in support thereof are consistent with the facts to their best knowledge and belief, and that they are made for the purpose of inducing the Commissioner of Financial Institutions to approve the organization of the proposed association.

Typed Name _____ Signature _____

Residence _____ Business Address _____

Typed Name _____ Signature _____

Residence _____ Business Address _____

Typed Name _____ Signature _____

Residence _____ Business Address _____

Typed Name _____ Signature _____

Residence _____ Business Address _____

Typed Name _____ Signature _____

Residence _____ Business Address _____

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Residence _____ Business Address _____

Typed Name _____ Signature _____

Residence _____ Business Address _____

Typed Name _____ Signature _____

Residence _____ Business Address _____

Typed Name _____ Signature _____

Residence _____ Business Address _____

Name of Proposed Association

Date

EXHIBIT I

Legal and Other Documents

The required information should be securely attached to this form and in the order called for in the outline. If for any reason any of the required documentation is omitted explain in the Comment Section below.

A. Articles of Incorporation: At least one original copy of the Articles of Incorporation of the proposed association must be filed with the application.

B. Copy of the Proposed Bylaws.

C. Copy of the Proposed Lending Plan: If the Uniform Lending Plan approved by the Office of Financial Institutions is proposed, a copy of such will suffice. (Copies of the Approved Uniform Lending Plan are available upon request)

D. A model copy of Articles of Incorporation and Bylaws will be made available by the Office of Financial Institutions upon request.

Comment Section

Name of Proposed Association

Date

EXHIBIT II

Necessity for Proposed Association

The required information should be securely attached to this form and in the order called for in the outline. If for any reason any of the required documentation is omitted explain in the Comment Section on page 3 of this exhibit.

A. Maps: Use a sufficiently detailed map that includes a distance scale. The proposed site location and savings service area should each be clearly indicated along with the local and surrounding communities, any existing or proposed savings and loan offices, bank offices, and relative locations of such facilities as shopping centers. Delineate a realistic savings service area, and submit information justifying the delimitation of the savings service area as a logical, realistic choice. All maps should be original and required notations should be in contrasting colors for clear interpretation. See attached sheet concerning preparation, page 4.

B. Proposed Location: Describe in narrative form the geographical location of the proposed facility. Include in the description the character of land uses in the immediate vicinity such as: strip development; shopping center (neighborhood or regional — number of stores, principal tenants, square footage of retail space, area of draw, retail sales, etc.); office buildings, residential neighborhood, etc. If the proposed association is to be located in a shopping center not yet in operation, give full details regarding the status of development, number of stores and principal tenants, square footage of retail space, proposed opening date and other information you believe may be pertinent.

C. Proposed Savings Service Area: Describe in detail the general community characteristics of the proposed savings service area, and show specific statistics to support your application. All phases of community information are to be set forth on a current basis and on what you believe to be meaningful trends. Additional data covering a broader area may also be quite helpful. Sources of the various data should be clearly stated.

Remember, such data should relate to the savings service area in order for the application to be fairly analyzed. Information on other areas may be presented, but the impact on the savings service area should be fully explained. Information should be supplied on a trend basis and credible projections are helpful.

1. Population trends.
2. Resident income levels, type of housing occupancy; e.g. median family income, per household income and predominant range of income.
3. Savings potential of population and/or evidence of any untapped savings potential.
4. Existing or proposed major economic base of the community.

D. Local Savings:

1. Savings-type deposit data of financial institutions in the area. For banks use most recently published "Call Report."

E. Local Home Financing:

1. Characterize the strength of mortgage demand in the area using such relevant economic data as:

- a. Volume of tract housing and other new single family dwellings completed and sold.
- b. Volume of new multiple housing units completed and rented.
- c. Housing developments, recent and proposed, including number of units, value and type of housing occupancy.

In addition to the narrative discussion, the Data Sections I, II, and III that follow should be completed in support of Exhibit II.

DATA SECTION - I			
	Service Area	City	Parish
A. <u>Population</u>			
1. Number			
1960.....	_____	_____	_____
1970.....	_____	_____	_____
1980.....	_____	_____	_____
Present Estimate.....	_____	_____	_____
Projected Estimate.....	_____	_____	_____
2. Percentage Change			
1960/1970.....	%	%	%
1970/1980.....	%	%	%
1980/Present.....	%	%	%
B. <u>Median Age</u>			
1970.....	_____	_____	_____
1980.....	_____	_____	_____
Present.....	_____	_____	_____
C. <u>Persons Per Household</u>			
1970.....	_____	_____	_____
1980.....	_____	_____	_____
Present.....	_____	_____	_____
D. <u>Median Family Income</u>			
1970.....	\$	\$	\$
1980.....	\$	\$	\$
Present.....	\$	\$	\$

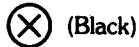
MAPS

Each set of the application and supporting documents must be accompanied by two original maps: (1) a map of the surrounding area of at least one hundred miles radius of the proposed location upon which is shown the proposed location and the proposed service area (PSA); and (2) a city, parish or local area map upon which is shown the proposed location, the PSA, other existing or proposed thrift institution offices, commercial banks and significant commercial facilities in or near the PSA.

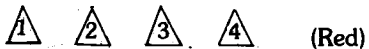
Notations appearing on maps submitted in support of an application should be as follows:

A. Proposed Service Area (PSA) — should be outlined by a heavy black line.

B. Proposed Location — should be marked with a black X and with a black circle around it.



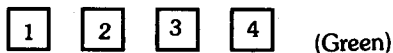
C. Other Savings and Loans — Any other existing or proposed savings and loan offices in or near the PSA should be marked by red numbers with red triangles around them.



D. Commercial Banks — should be marked by black numbers with black diamonds around them.



E. Commercial Facilities — Significant commercial facilities in or near the PSA should be marked by green numbers with green squares around them.



A key listing the names of each item identified by one of the above symbols should be provided as an attachment to each map. Each map should contain a distance scale.

Interested persons may submit written comments on the proposed rule through August 5, 1980, to the following address: Hunter O. Wagner, Jr., Commissioner, Office of Financial Institutions, Box 44095, Baton Rouge, Louisiana 70804, (504) 925-4661. Mr. Wagner is the person responsible for responding to inquiries about the proposed rule.

Hunter O. Wagner, Jr.
Commissioner of Financial Institutions

Name of Proposed Association

Date

EXHIBIT III

Reasonable Probability of Usefulness and Success

The required information should be securely attached to this form in the order called for in the outline. If for any reason any of the required documentation is omitted, explain in the Comment Section at the bottom of the last page of this exhibit.

A. Proposed Operations:

1. Statement describing office location as nearly as possible.
2. Statement as to estimated amount of initial savings and/or share capital and number of initial subscribers; (See application instructions for minimum amount of initial savings and subscribers

required) Statement of estimated growth in savings for each of the first three years and the basis on which the estimates were made. Also complete Data Section I of this exhibit form.

3. Statement of plans as to representative directorate, full time executive management and other personnel. (See Sections 563.33 and 563.34 of the Federal Insurance Regulations as a guide, a copy of these regulations is attached to the application instructions)

4. Statement of plans as to full-time operations in independent ground-floor office quarters, including leasing arrangements, parking facilities, etc. (The association will not be allowed to lease quarters from directors, employees or other affiliated persons) Show approximate cost per square foot, cost of land and/or remodeling. Describe the exterior and interior of the office quarters. Attach sketches and/or drawings showing the floor plan and office arrangement. Attach photographs of the exterior and interior, if selected, and include at least one street scene showing the immediate surroundings.

5. Estimates and the basis on which they were made, as to annual volume of business for the first year. Both savings and loans as well as income and expenses. Also complete Data Section II of this exhibit form.

6. Statement as to applicants' willingness to pledge their savings and/or share accounts as guaranty to the association against operating deficits and losses in excess of its reserves. Such guarantee is usually provided in a form of pledge of savings and/or share accounts issued by the association and to be held in escrow for six years by the Federal Home Loan Bank of Little Rock, to be used under specific terms and conditions contained in the form of pledge and escrow agreement executed by the guarantors. Experience has shown that the pledge should equal at least ten percent of the total required subscriptions to withdrawable accounts.

7. Statement of plans as to the association's lending policies, including interest rates, service charges, loan terms, appraisal methods, etc. Statement of appraisal policies, procedures and methods should include, whether independent appraisers or an appraisal bureau will be used or whether appraisals will be made by various members of the Board of Directors or operating staff. In either case, the qualifications and experience of those selected to make appraisals should be described.

8. Statement of plans on methods of generating savings and of plans as to the interest rates to be paid on such savings.

DATA SECTION - I

ESTIMATED SAVINGS AND/OR SHARE ACCOUNTS

<u>Description</u>	<u>Estimated Volume at End of</u>		
	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Savings - Paying at Regular Rate.....	\$ _____	\$ _____	\$ _____
Savings - Paying More Than Regular Rate.....	\$ _____	\$ _____	\$ _____
Advances & Borrowed Money.....	\$ _____	\$ _____	\$ _____
Estimated Average Rate to be paid on Savings	_____ %	_____ %	_____ %
Estimated Average Rate of Borrowed Money....	_____ %	_____ %	_____ %
Estimated Average Cost of Money.....	_____ %	_____ %	_____ %

DATA SECTION - II

A. Estimated Volume of Loans:

<u>Type of Loan</u>	<u>Estimated Volume at End of</u>		
	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
First Mortgage Loans.....	\$ _____	\$ _____	\$ _____
Other Loans.....	\$ _____	\$ _____	\$ _____

B. Estimated Income & Expenses for First Year's Operations

1. Income

a. Interest on Mortgage Loans.....	\$ _____
b. Interest on Loans on Savings.....	_____
c. Interest on Other Loans.....	_____
d. Interest on Investments and Deposits.....	_____
e. Loan Fees.....	_____
f. Service Charges and Other Fees.....	_____
g. Other Income.....	_____
(1) Total Gross Operating Income.....	_____

2. Operating Expenses

a. Compensation to Directors, Officers & Employees.....	\$ _____
b. Directors, Officers & Employees Expense.....	_____
c. Office Building Expenses Including Depreciation.....	_____
d. Furniture, Fixtures & Equipment, Including Depreciation..	_____
e. Advertising.....	_____
f. Computer Services.....	_____
g. Stationery, Printing and Office Supplies.....	_____
h. Telephone and Postage.....	_____

1. Insurance and Bond Premium.....	_____
j. Federal Insurance Premium.....	_____
k. Audit.....	_____
l. Supervisory Examinations and Assessments.....	_____
m. Organization dues & Subscriptions.....	_____
n. Other Operating Expenses.....	_____
(1) Total Operating Expenses.....	_____
(2) Net Operating Income Before Cost of Money (B.1.(1) less B.2.(1)).....	_____
3. <u>Cost of Money</u>	
a. Interest on Withdrawable Savings.....	_____
b. Interest on Advances & Borrowed Money.....	_____
(1) Total Cost of Money.....	_____
(2) Net Operating Income (B.2.(2) less B.3.(1)).....	_____
4. <u>Non-Operating Items</u>	
a. Non-Operating Income.....	_____
b. Non-Operating Expense.....	_____
(1) Net Non-Operating Income.....	_____
(2) Net Income (B.3.(2) plus B.4.(1)).....	_____
C. <u>Compensation to be Paid in First Year</u>	
1. Annual Salary of Managing Officer.....	\$ _____
2. Annual Salary of Other Employees.....	_____
3. Directors' Fees, If Any.....	_____

COMMENT SECTION

EXHIBIT V

Character and Responsibility of Applicants

A. Each applicant and the proposed managing officer must fill out the form "Biographical Sketch and Other Information" to be attached to and made part of this exhibit. All information in connection with this application including the information in this exhibit shall be available for public inspection at the Office of Financial Institutions. If disclosure of the managing officer would jeopardize his or her current employment, include his or her completed form in the "Confidential Section" which shall not be considered as part of the application and will be treated as confidential.

Name of Proposed Association

Date

EXHIBIT IV

Possible Undue Injury to Properly Conducted Existing Local Thrift and Home-Financing Institutions

A. Provide information under this heading that you believe indicates that the proposed association can be established without undue injury to properly conducted existing local thrift and home-financing institutions.

Name of Proposed Association

Date

BIOGRAPHICAL SKETCH AND OTHER INFORMATION

To be completed by each applicant and the proposed managing officer and attached to and made part of Exhibit V. Please type or print.

NAME: _____

HOME ADDRESS: _____

OCCUPATION: _____

NAME OF BUSINESS: _____

BUSINESS ADDRESS: _____

DATE OF BIRTH: _____ PLACE OF BIRTH: _____

MARITAL STATUS: _____ FULL NAME OF SPOUSE: _____

CHILDREN (NAMES AND AGES): _____

RELATIONSHIP BY BLOOD OR MARRIAGE AND ANY BUSINESS RELATIONSHIP WITH ANY OTHER DIRECTOR: _____

EDUCATIONAL BACKGROUND: _____

RESIDENCES WITHIN PAST 15 YEARS: _____

EMPLOYERS WITHIN PAST 15 YEARS: _____

CIVIC AFFILIATIONS: _____

AFFILIATION WITH ANY FINANCIAL INSTITUTION: _____

AFFILIATION WITH ANY BUSINESSES CLOSELY RELATED TO THE SAVINGS AND LOAN BUSINESS, SUCH AS REAL ESTATE, HAZARD INSURANCE, HOME CONSTRUCTION, BUILDING SUPPLIES, MORTGAGE LENDING OR BROKEAGE, ETC.: _____

HAVE YOU EVER BEEN ADJUDGED BANKRUPT OR EVER BEEN AFFILIATED WITH A BUSINESS THAT HAS BEEN ADJUDGED BANKRUPT? _____ IF SO, GIVE DETAILS: _____

I CERTIFY THAT THE ABOVE INFORMATION IS TRUE, CORRECT AND COMPLETE AND IS SUBMITTED FOR THE PURPOSE OF INDUCING THE COMMISSIONER OF FINANCIAL INSTITUTIONS TO APPROVE THE ORGANIZATION OF A SAVINGS AND LOAN ASSOCIATION.

Signature

Applicant Permission to Organize Exhibit V, Attachment

Date

PART I

Name of Proposed Association _____ Date _____

EXHIBIT VI

Other Pertinent Information

A. Include here or attach any additional information considered pertinent and not specifically applicable to any one exhibit requirement. Any research report or special economic surveys made primarily for the applicant should be attached to this exhibit.

Confidential Section

in connection with the application for permission to organize

Name of Proposed Savings and Loan Association _____

Date _____

The "Confidential Biographical and Financial Report" of each applicant and the proposed managing officer should be attached to this sheet and submitted separately from the application and required exhibits. If the "Biographical Sketch and Other Information" completed by the managing officer would jeopardize his or her current employment if disclosed, it should be included in this section. No other confidential information may be included in this section without the approval of the Commissioner.

This Section shall not be considered as part of the application and will not be available for public inspection and will be treated as confidential.

Confidential

Biographical and Financial Report submitted by

(Last Name) (First Name) (Middle Name)

(No. & Street) (City) (State & Zip)

to the Office of Financial Institutions in connection with application for permission to organize

(Name of proposed savings & loan association)

Please type or print this report which is to be completed by each applicant, director, and managing officer — existing or proposed — and submitted in duplicate for the confidential use by this Office in evaluating an application in which the submitter is a party. Each item of the report should be completed by entry of the data or insertion of the words "none" or "not applicable." If any space provided is insufficient, a signed supporting statement on paper the same size as this page should be attached.

The providing of the information is mandatory. Omission of any item(s) will delay processing of the application. Any misrepresentation or omission of a material fact may subject the individual to legal sanctions.

Date of birth: _____ Social Security Number: _____
Place of birth: _____
Citizenship: _____
Marital status: _____
Husband's full name: _____ Wife's full maiden name: _____
Children — Names and Ages: _____

If divorced, give name(s) of previous spouse(s) and any current alimony arrangements:

Educational background:

Residences within past fifteen years — list cities and, if readily available, all street addresses, with period covered by each:

*Occupation:

Employers — list all within past fifteen years and period covered by each, including any period(s) of self-employment:

*Occupation: If you are employed by a corporation, foundation, etc., include a clear description of the activities of the corporation and your responsibilities. Be specific. For example, if you are a merchant, indicate what type.

Have you ever been adjudged a bankrupt or compromised with creditors? If so, give details including court(s) in which proceedings were conducted, indicating ultimate disposition of the claims of creditors:

Have you ever been affiliated with a business that has been adjudged bankrupt or compromised with creditors? If so, give details including court(s) in which proceedings were conducted, indicating ultimate disposition of the claims of creditors:

Have you ever been charged* or convicted in a legal proceeding with the commission of a criminal offense other than a traffic violation for which you paid a fine of \$30.00 or less and an offense committed prior to your sixteenth birthday (if the answer is in the affirmative, the circumstances, including the nature of each offense referred to and the date and place of charge or conviction, must be explained in detail):

*Include charges even if they were dismissed and include court martial while in military service and include actions involving breach of trust.

If not listed elsewhere in this Exhibit, state whether you are now or ever have been an officer, director, trustee, or manager of any financial institution, including a commercial bank, a savings bank, a trust company, a savings and loan association, or a credit union, with respect to which there has been a change in status through closing, reorganization, merger, or any other action as a result of State or Federal supervisory action; and whether or not your tenure with any such institution has been changed or terminated as a result of State or Federal supervisory action. If your answer is affirmative in any respect as to the foregoing, give complete details:

Do you have a license to practice any profession? If so, give details: If you have a license that would be considered closely related to the savings and loan business, clearly describe your present and contemplated activities in that regard.

Have you ever been denied a license to practice any profession or have you ever been the subject of disciplinary action by a committee of your professional peers, or have you ever had a license to practice a profession revoked? If so, give details:

State whether or not you have entered into or will enter into any agreement, contract, or understanding, oral or written, express or implied, with respect to control of or services to the proposed association. If such agreement, contract, or understanding exists, give full details:

Indicate any affiliation (other than as a customer) you have with other financial institutions. If there is an affiliation, indicate the institution(s) and position. Attorneys or accountants should indicate if they or members of their firm represent other financial institutions.

(a) List as to stock and proprietary interests in financial institutions and businesses handling real estate, hazard insurance, home construction, land development, building supplies, or mortgage brokerage — attaching separate sheets (signed) if needed:

Name of Institution:

Incorporated or unincorporated?:

Nature of activity:

Value of your interest:
(Include dollar value and percentage of ownership)

Latest annual return or loss on your interest:

PART II
Financial Statement*
as of _____, 19____

ASSETS**

Cash on hand and in banks	\$ _____
U. S. Government bonds	_____
Other creditor securities	_____
Stocks (a)	_____
Other proprietary interests (including closely held corporations) (a)	_____
Cash surrender value of life insurance	_____
Notes and other debts receivable	_____
Real estate owned (b)	_____
Other assets	_____
Total Assets	\$ _____

Liabilities

Notes and accounts payable	\$ _____
Real estate mortgages payable	_____
Other debts secured by assets owned	_____
Judgments outstanding (c)	_____
Other liabilities	_____
Total Liabilities	\$ _____

Net Worth

Total Liabilities and Net Worth \$ _____

Contingent liabilities (d)	\$ _____
Indirect liabilities (e)	\$ _____
Lawsuits pending (f)	\$ _____

List and describe any substantial changes in the above anticipated within the next year:

Annual income from all sources: \$ _____
Net Worth: \$ _____

*Subsidiary schedules to the Financial Statement are keyed to certain items.

**If any asset is not owned outright or is recorded as owned in other than your own name solely, please attach a signed explanatory schedule.

(b) Real Estate Owned (For each parcel included give the following information — attaching separate sheets (signed) if needed):
Location and brief description of property:
(Each parcel should be clearly described in the following terms: Size; general location; present degree of development; residential, commercial, farmland or ranchland; any planned development or sale for development.

Fair market value:

Liens outstanding — amounts and holders:

Equity:

(c) Judgments outstanding:
(Please give all pertinent details)

(d) Contingent Liabilities:
(Please give all pertinent details)

(e) Indirect Liabilities:
(Please give all pertinent details)

(f) Lawsuits pending:
(Please give all pertinent details; in addition to personal lawsuits in which you are a defendant, include any case involving a corporation in which you are an officer or substantial stockholder)

Statement of Income

Latest annual salary and net income from other sources — itemize:

I certify that the information contained in this questionnaire has been carefully examined by me and is true, correct and complete, and acknowledge that any misrepresentation or omission of a

material fact with respect to the foregoing constitutes fraud in the inducement and is grounds for denial of approval to organize a state association and/or Insurance of Accounts by the Federal Savings and Loan Insurance Corporation in this or any other matter, grounds to require the resignation of the undersigned as a director or officer of the said Association, and may subject the undersigned to other legal sanctions, including those provided for in Sections 1001, 1008 and 1014 of Title 18 of the United States Code.

Signature

*(Typed or Printed
Name)*

(Date of Signature)

Hunter O. Wagner, Jr.
Commissioner of Financial Institutions

RULE
Department of Commerce & Industry
Office of Financial Institutions

The Commissioner of Financial Institutions hereby issues the following rule which contains instructions for completing an application for permission to establish a branch office by existing State Chartered Savings & Loan Associations.

Rule
Application for Approval to Establish a Branch

Date

To the Commissioner of Financial Institutions
Office of Financial Institutions
Post Office Box 44095, Capitol Station
Baton Rouge, Louisiana 70804

The undersigned applicant hereby makes application to the Office of Financial Institutions for permission to establish, under such terms and conditions as the Office of Financial Institutions may prescribe, a branch office of the

Name of Applicant Association

Home Office Address

City, Parish, State and Zip Code

To be located at

Address of Proposed Branch

City, Parish, State and Zip Code

The undersigned hereby certify that the statements and representations made in this application and all evidence and data submitted in support thereof are consistent with the facts to their best knowledge and belief, and that they are made for the purpose of inducing the Commissioner of Financial Institutions to approve the establishment of the proposed branch office at the location indicated above.

Applicant Association

By: _____ Title: _____

Attest:

Secretary

Outline of Information to be Submitted in Support of an Application for Permission to Establish a Branch Office by a State Savings and Loan Association.

The Office of Financial Institutions Requires that Each Application requires that each application be supported by information in accordance with the following outline:

- I. Legal Documents
 - A. A resolution of the Board of Directors authorizing the association to make application to establish a branch.
 - B. An opinion from the association's attorney that the association has the legal right to operate such a branch office.
- II. Necessity for the Proposed Branch
 - A. Maps: Use sufficiently detailed maps that include a distance scale. The proposed site location and savings service area should each be clearly indicated along with the local and surrounding

communities, any existing or proposed savings and loan offices, bank offices, and relative locations of such facilities as shopping centers. Delineate a realistic savings service area, and submit information justifying the proposed savings service area as a logical, realistic choice. All maps should be original and required notations should be in contrasting colors for clear interpretation. See attached sheet (MAPS) concerning preparation.

B. Proposed Location: Describe in narrative form the geographical location of the proposed facility. Include in the description the character of land uses in the immediate vicinity such as: strip development; shopping center (neighborhood or regional — number of stores, principal tenants, square footage of retail space, area of draw, retail sales, etc.); office buildings, residential neighborhood, etc. If the proposed branch is to be located in a shopping center not yet in operation, give full details regarding the status of development, number of stores and principal tenants, square footage of retail space, proposed opening date and other information you believe may be pertinent.

C. Proposed Savings Service Area: Describe in detail the general community characteristics of the proposed savings service area, and show specific statistics to support your application. All phases of community information are to be set forth on a current basis and on what you believe to be meaningful trends. Additional data covering a broader area may also be quite helpful. Sources of the various data should be clearly stated.

Remember, such data should relate to the savings service area in order for the application to be fairly analyzed. Information on other areas may be presented, but the impact on the savings service area should be fully explained. Information should be supplied on a trend basis and credible projections are helpful.

1. Population trends.
 2. Resident income levels, type of housing occupancy; e.g. median family income, per household income and predominant range of income.
 3. Savings potential of population and/or evidence of any untapped savings potential.
 4. Existing or proposed major economic base of the community.
- D. Local Savings:
1. Savings-type deposit data of financial institutions in the area. For banks use most recently published "Call Report."

- E. Local Home Financing:
1. Characterize the strength of mortgage demand in the area using such relevant economic data as:
 - a. Volume of tract housing and other new single family dwellings completed and sold.
 - b. Volume of new multiple housing units completed and rented.
 - c. Housing developments, recent and proposed, including number of units, value and type of housing occupancy.

III. Reasonable Probability of Usefulness and Success

- A. Proposed Operations
1. Statement describing office location as nearly as possible. Include information such as traffic patterns, location to customer convenience, proximity to other businesses and its possible effect, etc. Also include the services to be offered at proposed branch office.
 2. Statement of estimated growth in savings, exclusive of savings to be transferred from the main office, for each of the first three years and the basis on which the estimates were made.
 3. Statement of plans as to full-time operations in branch premises, including description of the premises, leasing or purchasing agreements, parking facilities, drive-up windows, etc. (The association will not be allowed to lease branch quarters from Directors, employees or other affiliated persons.) Show approximate cost per square foot, cost of land and/or remodeling. Describe the exterior and interior of the office quarters. Attach sketches and/or drawings showing the floor plan and office arrangement. Attach photographs of the exterior and interior, if selected, and include at least one street scene showing the immediate surroundings.

4. Estimates and the basis on which they were made, as to the annual volume of business for each of the first three years for both savings and loans. (Include transfers to be made from the main office).

5. Submit a detailed breakdown of the investment in, and the rental of furniture, fixtures and equipment for the branch. Also submit a detailed breakdown of the estimated income, expenses, and profit and loss for the first three years of operations of the proposed branch.

6. Indicate whether or not the lending policies, interest rates, service charges, loan terms, appraisal methods, etc., will be the same as that of the main office. Explain all changes planned.

7. Statement as to plans for the branch management.

B. Financial Condition of the Home Office

1. Attach latest month-end balance sheet and profit and loss statement of the association.

2. Submit a budget for the current earnings period and for the next succeeding period which reflects the estimated additional expense of the maintenance of the proposed branch.

3. Give the name and complete address of each existing branch and indicate those which are approved but not yet in operation.

4. Give the name and complete address of each service corporation in which the association owns twenty per cent or more of the stock with a complete description of its activities. Attach a sufficiently detailed current balance sheet and a profit and loss statement of each. Show the total dollar amount and the percent of the total capital investment the association owns in each of these corporations.

IV. Possible Undue Injury to Properly Conducted Existing Local Thrift and Home Financing Institutions

A. Provide information that you believe indicates that the proposed branch can be established without undue injury to properly conducted existing loan and thrift and home financing institutions.

V. Other Pertinent Information

A. In addition to the attachments and narrative discussions called for in this outline, the forms attached containing the Data Sections I through VII must also be completed, attached to, and made part of the application.

B. Include or attach any additional information you may consider pertinent and not specifically applicable to any one of the headings in this outline.

VI. After the application and all supporting data are received by the Office of Financial Institutions and determined to be complete, the applicants will be notified that notice of their application should be published in a local newspaper within fifteen days. The Office will also give written notice to each association in the community to be affected that an application for a branch has been filed. The notice will state the name and the location of the proposed branch. Interested parties then have the opportunity to file communica-

tions in favor, or in protest of the application. During this period, the application and supporting data, except for the Confidential Section, will be available for inspection at the Office of Financial Institutions in Baton Rouge.

MAPS

Each set of the application and supporting documents must be accompanied by two original maps: (1) a map of the surrounding area of at least one hundred miles radius of the proposed location upon which is shown the proposed location and the proposed service area (PSA); and (2) a city, parish or local area map upon which is shown the proposed location, the PSA, other existing or proposed thrift institution offices, commercial banks and significant commercial facilities in or near the PSA.

Notations appearing on maps submitted in support of an application should be as follows:

A. Proposed Service Area (PSA) — should be outlined by a heavy black line.

B. Proposed Location — should be marked with a black X and with a black circle around it.



(Black)

C. Other Savings and Loans — Any other existing or proposed savings and loan offices in or near the PSA should be marked by red numbers with red triangles around them.



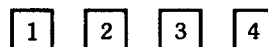
(Red)

D. Commercial Banks — should be marked by black numbers with black diamonds around them.



(Black)

E. Commercial Facilities — Significant commercial facilities in or near the PSA should be marked by green numbers with green squares around them.



(Green)

A key listing the names of each item identified by one of the above symbols should be provided as an attachment to each map. Each map should contain a distance scale.

DATA SECTION - I

Selected Demographic Information

	<u>Service Area</u>	<u>City</u>	<u>Parish</u>
A. <u>Population</u>			
1. Number			
1960.....	_____	_____	_____
1970.....	_____	_____	_____
1980.....	_____	_____	_____
Present Estimate.....	_____	_____	_____
Projected Estimate.....	_____	_____	_____
2. Percentage Change			
1960/1970.....	_____ %	_____ %	_____ %
1970/1980.....	_____ %	_____ %	_____ %
1980/Present.....	_____ %	_____ %	_____ %
B. <u>Median Age</u>			
1970.....	_____	_____	_____
1980.....	_____	_____	_____
Present.....	_____	_____	_____
C. <u>Persons Per Household</u>			
1970.....	_____	_____	_____
1980.....	_____	_____	_____
Present.....	_____	_____	_____
D. <u>Median Family Income</u>			
1970.....	\$ _____	\$ _____	\$ _____
1980.....	\$ _____	\$ _____	\$ _____
Present.....	\$ _____	\$ _____	\$ _____

Association & Proposed Branch Address

Date

DATA SECTION - IV

Estimated Savings for Proposed Branch
(Exclude Savings to be Transferred)

<u>Description</u>	<u>Estimated Volume at End of</u>		
	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Savings - Paying at or Below Regular Rate.....	\$ _____	\$ _____	\$ _____
Savings - Paying More Than Regular Rate.....	\$ _____	\$ _____	\$ _____

DATA SECTION - V

Estimated Volume of Savings & Loans
(Include Amounts Transferred)

<u>Description</u>	<u>Estimated Volume at End of</u>		
	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Savings - Paying at or Below Regular Rate.....	\$ _____	\$ _____	\$ _____
Savings - Paying More Than Regular Rate.....	\$ _____	\$ _____	\$ _____
Mortgage Loans.....	\$ _____	\$ _____	\$ _____
Other Loans.....	\$ _____	\$ _____	\$ _____

DATA SECTION - VI

PROPOSED INVESTMENT IN AND RENTAL OF FURNITURE, FIXTURES, AND EQUIPMENT

INSTRUCTIONS: Complete all applicable items in the following table in as much detail as possible. Precede all estimates with an asterisk. Copies of any completed or tentative contracts and leases should be available for review by the investigating examiner.

<u>ITEM</u>	<u>TOTAL NO. OF UNITS</u>	<u>TOTAL COST (If owned)</u>	<u>ANNUAL RENTAL (If leased)</u>
Vault Door			
Vault Ventilator			
Safe			
Grill Work, Teller's Chests, etc.			
Safe Deposit Boxes			
Drive-In Teller's Windows			
Night Depository			
Counter and Gate Fixtures			
Posting Machines			
Teller's Machines			
Proof Machines			
Adding Machines			
Typewriters			
Microfilmer			
Checkwriter			
Cancelling Machine			
*Electronic Data Processing or Automatic Data Processing Equipment			
Desks			
Tables			
Chairs			
Filing Cabinets			
Ledger Stands			
Carpeting			
Draperies			
Heating System			
Air Conditioning System			
Other (Specify):			
TOTALS			
TOTAL INSURANCE TO BE CARRIED		TOTAL ANNUAL DEPRECIATION	

*LIST ALL ITEMS COMPRISING THIS EDP OR ADP INVENTORY.

DATA SECTION - VII

Attach the following statements to this Section:

1. Detail breakdown of the estimated income, expenses, and profit and loss for the first three years of operations of the proposed branch.
2. All of the information (in detail) called for in Section III., B., 1., 2., 3., & 4. of the outline of required information to be submitted with the application.

Hunter O. Wagner, Jr.
Commissioner of Financial Institutions

RULE
Department of Commerce & Industry
Office of Financial Institutions

The Commissioner of Financial Institutions hereby issues the following rule which contains instructions for completing an application for permission to establish a new State Chartered bank or a branch office by an existing State Chartered Bank.

Rule
General Provisions

I. Definitions.

- (a) Applicant — Applicant means a party seeking a Certificate of Authority from the Commissioner.
- (b) Application — An application shall consist of the necessary forms provided by the Commissioner, submitted in a completed form to the Commissioner along with all supporting documents requesting that a Certificate of Authority be granted.
- (c) Bank — Any corporation engaged in banking business chartered by the Commissioner.
- (d) Branch — Branch means an additional office for receiving deposits, or paying checks, or lending money apart from the chartered premises.
- (e) Commissioner — Commissioner means the Commissioner of Financial Institutions often referred to as Bank Commissioner. The Commissioner supervises banks, savings and loan associations, credit unions, licensed lenders under the Louisiana Consumer Credit Law and the Sale of Checks Act. He is also the ex-officio Commissioner of Securities.
- (f) Investigation — The Commissioner or any examiner or examiners designated by the Commissioner may make such investigations as deemed necessary to assist in the determination of matters pending before the Commissioner. The investigation shall include an examination of each of the six factors included in the application.
- (g) Depository Financial Institutions — Any bank, savings bank, homestead association, building and loan association, savings and loan association or credit union chartered by the Commissioner or the appropriate federal authority.

II Declaration of Policy — It is declared to be the policy of this office to protect and foster the growth of the independent unit bank, an institution whose ownership and origins are grounded in the local community and whose activities are bound up with local economic and social organizations; to prevent the undesirable concentration of control in the banking field to the detriment of the public interest and to insure effective competition among banking institutions.

III Application for New Financial Institution Charters.

A. Scope: This section applies to applications for Certificates of Authority under Sections 54, 55, 152, 232, 233, 234, 235, 236, 237, 243, 244, 322 and 328, Title 6 of the Louisiana Revised Statutes of 1950.

B. Applications and Contents: Applications shall be in such form and contain such information as the Commissioner may from time to time prescribe. The Commissioner may refuse to accept an application until the applicants have submitted all required information. The application will contain a public section and a confidential section. The public file in each case shall consist of supporting data and supplementary information. Data, comments and information submitted by interested persons in favor of or in opposition to such application. Those portions of the application which cover the convenience and needs of the community and the future earnings prospects shall make up the public section.

Evidence of publication in an area news media must be furnished the Commissioner prior to the acceptance of the application. Upon receiving proof of publication, and after the application is completed to the satisfaction of the Commissioner, the application may be accepted for filing.

Six factors within the application are to be considered:

- (a) Financial History and Condition.
- (b) Distribution and Adequacy of Capital Structure.
- (c) Future Earnings Prospects.
- (d) Management.
- (e) Convenience and Needs of the Community.
- (f) Corporate Powers.

IV Proposed New Bank.

A. Financial History and Condition.

1. General — For evident reasons, proposed new banks have no financial history to serve as a basis for determining qualification. Some consideration may be given to the history of other banks presently and formerly operating in the area of the applicant.

General quality of an applicant's assets must be satisfactory and at least on a par with that of the average State insured bank. This will, however, have only limited application in the case of a proposed or newly organized bank, since the assets will consist largely of cash, balances due from banks, and fixed assets.

2. Permanent quarters — Fixed assets are the primary concern in analyzing the asset condition of a proposed or newly organized bank. These assets should be listed and described in detail. For example, the following elements are pertinent to an adequate description and evaluation of applicant's realty interests: the original cost of the bank premises at time of construction with a breakdown between land and building, original cost to applicant, date of construction, reasonableness of purchase price, from whom purchased, insurance to be carried, assessed value, prospective or immediate repairs or alterations, estimated useful life of the building as of the beginning of business. Ample information should also be reported on the furniture and fixtures investment. Total investment in these fixed assets must not exceed a percentage of total capital determined by the Commissioner.

If the leasing of bank premises is contemplated either through a real estate subsidiary of the proposed bank or otherwise, the terms of the lease are to be outlined and subject to the approval of the Commissioner.

The new bank will provide procedures, security devices and safeguards. In addition, if the new bank plans to utilize electronic data processing services for some or all of its accounting functions, proponents should be apprised of the need to furnish "Letters of Assurance."

3. Temporary quarters — In applications anticipating the use of temporary quarters pending construction or renovation of permanent facilities, details should be provided regarding the location of the site in relation to the permanent location, the exact address.

4. Organizational Expenses — Legal fees, professional assistance fees and organizational expenses are to be supported by a detailed account of the services rendered and subject to approval of the Commissioner. All such organizational expenses are to be charged off the bank's books on the first day of business regardless of IRS regulations.

B. Distribution and Adequacy of the Capital Structure — Adequacy of the capital structure shall be determined by the Commissioner in light of the location of the proposed bank, the projected nature of its business, future growth potential, projected future earnings, and the quality of its management. Distribution of stock ownership shall be broad based and subject to the approval of the Commissioner. The number of shares of stock and its par value as of the commencement of business should be scheduled. The per share price of the stock should be stated, and, in cases where an additional amount per share is assessed to cover organizational and preopening expenses, that amount should also be identified.

C. Future Earnings Prospects — Allowing a new bank to commence operations without some indication that it can be operated profitably not only creates a potentially unsatisfactory situation, but could also have a detrimental effect on other competing banks. Usually the operations of a new bank are not profitable for at least the first year. Applications, therefore, should make estimates of operating income and expenses for the the first three years of