



Conditional Approval #1093
April 2014

March 26, 2014

Board of Directors
First National Bank in Howell
101 East Grand River Avenue
Howell, Michigan 48843

Re: Application for Increase in Permanent Capital
OCC Control Number: 2014-HQ-137861

Dear Members of the Board:

The Comptroller of the Currency (OCC) conditionally approves the application by First National Bank in Howell, Howell, Michigan (the Bank) for a \$550,000 increase in permanent capital as outlined in your application dated March 19, 2014.¹ The application indicated the increase in permanent capital would occur through a cash contribution of \$550,000 by FNBH Bancorp, Inc. to the Bank's capital surplus account prior to or on March 31, 2014.

This approval is subject to the following condition(s):

1. The Bank shall strictly adhere to the requirements of the October 29, 2013 revised capital and strategic plans, including the investment strategy guidelines, for which the Bank's board of directors received a written conditional non-objection from the OCC's Special Supervision Division on November 15, 2013.
2. The Bank shall not make a material change to, or significantly deviate from, these plans unless the Bank has first given the Special Supervision Division at least sixty (60) days prior written notice of its intent to do so, and obtained the OCC's prior written determination of no supervisory objection to such action. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's request.

The conditions are subject to 12 USC 1818 and will remain in effect after capital changes are completed. In addition, the conditions of this approval are conditions "imposed in writing by a

¹ 12 CFR 5.46(g)(1)(i)(A) provides that a national bank need not obtain a prior OCC approval to increase its permanent capital unless the bank is required to receive such approval pursuant to letter, order, directive, written agreement, or otherwise. Pursuant to the OCC's February 7, 2013 letter to the board of directors, the OCC requires First National Bank in Howell to file an application, and receive prior approval, for an increase in permanent capital.

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federal banking agency in connection with any action on any application, notice, or other request” within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

This conditional approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. Our approval is based on the bank’s representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this conditional approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Please be reminded that following completion of the capital contribution, the Bank must file the required notice pursuant to 12 CFR 5.46(i)(3) with Licensing Activities to certify the change in permanent capital.

If you have any questions, please contact Senior Licensing Analyst Stephanie N. Moss at (202) 649-7243 or stephanie.moss@occ.treas.gov. You should include the OCC Control Number on any correspondence related to this filing.

Sincerely,

/s/

Beverly L. Evans
Director for Licensing Activities

cc: Official File