



October 26, 2017

**Corporate Decision #2017-03
December 2017**

Michael C. Miller
President and CEO
International City Bank, National Association
249 E. Ocean Blvd
Long Beach, CA 90802

Re: Conversion to a Federal Savings Bank
OCC Control No. 2017-WE-Conversion-297082

Service Corporations
OCC Control No. 2017-WE-Subs&Equities-299614, 299616, and 299617

Qualified Thrift Lender Exception
OCC No. 2017-WE-Waiver-300132

Dear Mr. Miller:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to convert International City Bank, National Association (International NA) to a federal savings association and retain all its branches. After a thorough review of all information available, and reliance upon the representations and commitments made in the application and by the bank's representatives, we find that your conversion application meets the requirements for approval to convert to a federal savings association pursuant to 12 USC 1464 and 12 CFR 5.23. The converting bank will operate under the title of International City Bank, headquartered at 249 E. Ocean Blvd, Long Beach, California.

The OCC also hereby approves the applications filed by International NA on September 5, 2017 to continue to operate the following subsidiaries as service corporations following the conversion:

- 1) Pedcor Housing Corporation
- 2) Pedcor Homes Corporation
- 3) Pedcor Community Development Corporation

These service corporations are collectively known as the Affordable Housing Group and will continue to engage in the business of owning, building, developing, rehabilitating, renting and managing affordable housing projects.

Based on a thorough review of all information available, including the representations and commitments made in the application and by the bank's representatives, the OCC concludes that the activities of each service corporation comprising the Affordable Housing Group are legally permissible for federal savings associations' service corporations pursuant to 12 CFR 5.59.

OCC regulations, at 12 CFR 5.23(d)(2)(ii)(K), require that an institution that proposes to convert to a federal savings association, and that does not meet the qualified thrift lender (QTL) requirements of section 10(m) of the Home Owners' Loan Act,¹ provide the OCC with a plan to achieve compliance within a reasonable period and request an exception from the OCC. Accordingly, International NA, which currently does not meet the QTL test, has requested that the OCC grant International City Bank an exception from the QTL test until March 31, 2019, and has submitted a plan to comply with the QTL test. The OCC has reviewed the plan, and has concluded that the plan will enable the bank to comply with the QTL test within a reasonable period of time. Accordingly, the OCC grants the bank an exception from the QTL test until March 31, 2019.

The OCC has granted preliminary approval only. Final approval and authorization for the bank to convert to a federal savings association will not be granted until all pre-conversion requirements are met. Until final approval is granted, the OCC has the right to modify, suspend, or rescind this preliminary approval should the OCC deem any interim development to warrant such action.

You are reminded that the following items must be satisfactorily addressed on or before the effective date of the conversion:

1. The institution must purchase adequate fidelity bond coverage in accordance with 12 CFR 163.190.
2. The board of directors must adopt policies, practices, and procedures to ensure the safe and sound operation of the bank. The board also must review those policies, practices, and procedures continually and ensure the bank's compliance with them.
3. If the converting institution is subject to the Home Mortgage Disclosure Act (HMDA), the bank must ensure that its reporter identification number included on its HMDA transmittal sheet is changed to reflect its new OCC charter number.
4. The converting institution must ensure that all other required regulatory approvals have been obtained. Final authorization to operate as a federal savings association will not be

¹ 12 USC 1467a(m).

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International City Bank, National Association

given to an institution with a holding company until the Federal Reserve Board has approved the holding company.

5. The converting institution must notify the OCC if the facts described in the filing materially change at any time prior to consummation of the conversion. Any changes to the executive officers or directors must receive a “no objection” from the OCC.

Upon completion of all steps required to convert to a federal savings banking association, submit a certification that you have done so. In addition, please provide the OCC with at least 10 days advance notice of the conversion. To ensure that our files are properly closed, please surrender International NA’s charter certificate to the OCC as soon as practical after the effective date of the conversion.

When the institution has satisfactorily completed all of the above steps, the OCC will issue a Conversion Completion Acknowledgment officially authorizing the institution to commence business as a federal savings association. Shortly after conversion, you will receive the executed federal stock charter.

If the conversion is not consummated within six months from the date of the decision, the approval will automatically terminate unless the OCC grants an extension. The OCC is opposed to granting extensions, except under the most extenuating circumstances, and expects the conversion to occur as soon as possible.

These approvals 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 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.

All correspondence regarding these applications should reference the OCC control numbers. If you have any questions, contact Senior Licensing Analyst Louis Gittleman at (720) 475-7650 or email louis.gittleman@occ.treas.gov.

Sincerely,

signed

Donald W. Dwyer
Thrift Licensing Lead Expert

Michael C. Miller
International City Bank, National Association

Enclosure - Survey