



State of North Dakota


DEPARTMENT
of FINANCIAL
INSTITUTIONS

CSBS ACCREDITED 1993
NASCUS ACCREDITED 2000

MEMORANDUM

DATE: November 30, 2010

TO: State-Chartered Banks

FROM: Robert J. Entringer, Acting Commissioner 



SUBJECT: Permission to Own Residential Real Estate for the Benefit of Employees

Attached for your information, please find a copy of the Order approved by the State Banking Board on November 10, 2010, regarding permission to own residential real estate for the benefit of employees.

Should you have any questions regarding the Order, please feel free to contact me at your convenience.

RJE:sr
Attachment

2000 Schafer Street, Suite G  Bismarck, ND 58501-1204

701-328-9933  dfi@nd.gov
J:\Banks\residential real estate - memo to st bks re order.doc
fax 701-328-0290  www.nd.gov/dfi

STATE OF NORTH DAKOTA
BEFORE THE STATE BANKING BOARD

ORDER

This matter having come before the North Dakota State Banking Board on the request of Lakeside State Bank, New Town, North Dakota, for permission to own residential real estate for the benefit of employees.

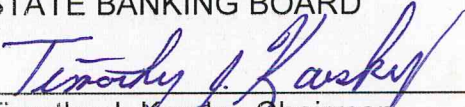
The North Dakota State Banking Board reviewed the materials provided by Department staff and found a national bank may invest in real estate necessary for the transaction of its business including residential property for the use of bank officers and employees who are located in a remote area where suitable housing is not readily available at a reasonable price. The North Dakota State Banking Board being fully advised of the issues surrounding the request, hereby makes the following ORDER pursuant to N.D.C.C. § 6-03-02.3:

The following is a power and activity which is authorized for a national bank and is hereby authorized for a North Dakota state-chartered bank:

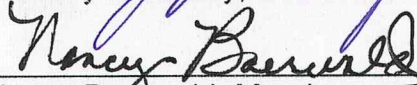
Ownership of Residential Real Estate: a bank may own residential property for the use of bank officers and employees who are located in a remote area where suitable housing is not readily available at a reasonable price. However, prior to constructing or acquiring residential real estate the bank must first apply for permission to the North Dakota State Banking Board; such application must include: evidence supporting the bank's contention that reasonably priced, suitable housing is not readily available; evidence the bank will not exceed the fixed asset limitation found in § 6-03-07, North Dakota Century Code by its ownership of the residential property; and, document the bank's exit strategy when the residential property is no longer used by bank officers or employees.

Dated this 10th day of November, 2010

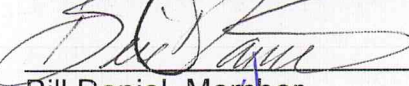
STATE BANKING BOARD



Timothy J. Karsky, Chairman



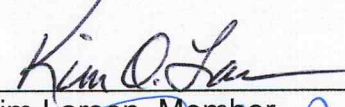
Nancy Baerwald, Member



Bill Daniel, Member



Lorren Henke, Member



Kim Larson, Member



Roger Monson, Member



Anita Quale, Member