

STATE OF NORTH DAKOTA
BEFORE THE STATE BANKING BOARD

ORDER

On March 14, 2014, the North Dakota State Banking Board reviewed the request of Horizon Financial Bank, Munich, North Dakota, for permission to purchase the residence of an employee who has been transferred to another location served by the Bank.

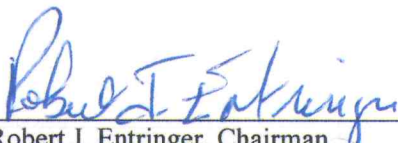
The North Dakota State Banking Board reviewed the materials provided by Department staff and takes notice that under 12 CFR 7.1000(d) (2), a national bank may, in order to facilitate the efficient use of bank personnel, purchase the residence of an employee who has been transferred to another area for the purpose of sparing the employee a loss in the prevailing real estate market. In doing so, the bank must establish the need for such action and arrange for the orderly divestment of the property's title. 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:

Purchase of Employee Residence: To facilitate the efficient use of bank personnel, a bank may purchase the residence of an employee who has been transferred to another area to spare the employee a loss in the prevailing real estate market. The bank must arrange for the orderly divestment of the property's title.


However, prior to acquiring the residence of the employee the bank must document the loss the employee is expected to incur and present the documentation to the bank's board of directors for approval to purchase the residence. In addition, the bank must insure compliance with the fixed asset limitation found in § 6-03-07, North Dakota Century Code. Finally the bank must maintain documentation demonstrating its efforts to divest itself of the residence in an orderly and expedited manner.

Dated this 14th day of March, 2014


Robert J. Entringer, Chairman
State Banking Board

Signed on behalf of the State Banking Board pursuant to a duly approved motion of the Board on March 14, 2014.

ATTEST:


Aaron K. Webb, Secretary
State Banking Board