



# ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

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Superintendent

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## **Requirements to Receive an Arizona State Chartered Banking Permit**

The process of organizing a bank is rigorous and takes considerable time, energy and money to complete. It is important that potential organizers meet with the Department to discuss the application process. Contact the Financial Institution Division Manager at 602-771-2816 to discuss the various requirements of the chartering process.

The Superintendent prefers to have an initial meeting with the organizers prior to an application being submitted to this Department. The purpose of this meeting is to get a feel for the organizers' plans, their thoughts regarding the need for the bank, the appropriate capitalization and the type of market in which the bank intends to operate.

After the initial meeting with the Superintendent, organizers who wish to proceed with the application process must submit to us a copy of the INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION FORM ("Application Form"), the same form will be filed with the Federal Deposit Insurance Corporation to acquire federal deposit insurance for depositors. The same Application Form should be used when the organizers wish to acquire preliminary approval for a banking organization as well as for final approval required to acquire a banking permit. During the preliminary Organization Phase, completion of certain sections of the Application Form may not be required, however the Application Form must be fully completed to apply for federal deposit insurance and to acquire a final banking permit from the Superintendent.

### **TO APPLY for approval to be in ORGANIZATION, only**

The Application Form, pages 2-9 should be completed with as much information as is currently available regarding the proposed banking institution and the organizers. At minimum, the following information is required:

1. A description of the organizing group,
2. The proposed type of regulatory filing,
3. The business plan,
4. The proposed Committee structure and membership,
5. Completed Biographical and Financial Report for each organizer,
6. The business plan,
7. Authorization for AZDFI to complete a background check on each organizer, this will include any executive officers (e.g., the president/chief executive officer if he/she is already designated, but if not yet designated that information can be supplied at a later date),
8. The Financial plan that reflects the business objectives of the strategic plan and the proposed bank's capital adequacy under current banking capital guidelines,
9. A proposed organizational budget for the project,
10. The Articles of Incorporation and the Bylaws for the organizing corporation,
11. The proposed stock offering circular, escrow account information and stock certificate,
12. The fee for filing an application for a new bank charter is \$5,000 and the full fee must accompany the application. Payment of the fee to apply for a banking permit is due when the initial application made to the AZDFI, regardless of whether it is the Organization or Final Application.

The DFI investigation will run approximately sixty days from submission date of the completed application package. While this is being reviewed, organizers must also obtain a bond in the amount set by the Superintendent, and enter into an escrow agreement with an Arizona financial institution authorized to act as agent for the collection of all stock subscriptions. Upon approval of the offering circular, the organizers can begin selling the stock subscriptions.

After the Superintendent grants approval to be “In Organization” the bank organizers may proceed to raising capital and they must complete the Final Bank Permit Application to acquire FDIC deposit insurance and final approval for a banking permit. Prior to the bank becoming operational, the organizers are allowed to solicit stock subscriptions but shall not issue stock to investors, until final approval is granted by the Superintendent. *A final Banking Permit will not be granted, until the organizing bank has secured the requisite federal insurance of deposit accounts, and met all the requirements necessary as determined by the Superintendent during the application process.*

#### TO APPLY for a FINAL BANKING PERMIT

The final Application Form may be filed with the DFI and the FDIC concurrently or subsequent to the organizers receiving approval to be in organization from the Superintendent. The bank organizers must file an application with the Federal Deposit Insurance Corporation (“FDIC”) to acquire deposit account insurance. If the proposed bank organizers wish to become a member bank of the Federal Reserve, the interagency application would be filed with the Federal Reserve Board as well. In either event, a final Banking Permit will not be granted, until the organizing bank has secured the requisite federal insurance of deposit accounts, and met all the requirements necessary as determined by the Superintendent during the application process.

The final Application Form in its entirety must be submitted to FDIC and resubmitted the DFI. When the Final Application is received at the DFI, the entire review of organizers, selected executives, and all other aspects of the bank in organization will be subject to re-evaluation by the Superintendent.

If the Final Application is submitted more than 6 months after the date that the Organization approval is granted, the business plan and pro-forma financials and budget information must be updated to reflect current conditions and rate environment.

During the Organization Application or the Final Application process, in the event, a more extensive background review is needed we will request the individual (organizers and/or bank executives) submit fingerprints on forms that we supply. To enable us to clear the fingerprints with the Federal Bureau of Investigation, each set of prints must be accompanied by a check for \$22 payable to this Department. If the Final Application for a banking permit is the initial application received by the DFI, the full fee for filing an application for a new bank charter must accompany the application. **The application and fingerprint processing fees must be remitted on separate checks.**

Prior to receiving approval for a final bank permit, banks in organization should contact Accuity Solutions to request a routing number application. Accuity Solutions, the Registrar of Routing Numbers for the American Bankers Association, is responsible for assigning and maintaining all routing numbers for qualifying institutions in the United States. The Application is available on this website: <http://www.accuitysolutions.com/en/Drop-Down-Menu-pages/ABA-Key-to-Routing-Numbers/>.

**Notice to Applicants In accordance with [A.R.S. §41-1030](#) Effective July 3, 2015**

- An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.
- This statute may be enforced in a private civil action and relief may be awarded against the state. The court may award reasonable attorney fees, damages and all fees associated with the license application to a party that prevails in an action against the state for a violation of this section.
- A state employee may not intentionally or knowingly violate this statute. A violation of this statute is cause for disciplinary action or dismissal pursuant to the agency's adopted personnel policy.
- This statute does not abrogate the immunity provided by [A.R.S. §12-820.01](#) or [A.R.S. §12-820.02](#).