

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATIONS FOR PERMISSION TO ORGANIZE A FEDERAL SAVINGS BANK, TRUST POWERS, AND HOLDING COMPANY ACQUISITION

Order No.: 2001-25

Date: April 4, 2001

**Re: Docket Nos. H-3491
and 16425**

Mennonite Mutual Aid Association, Goshen, Indiana (Applicant or Holding Company) has applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 552.2-1 and 574.3, for permission to organize and acquire MMA Trust Company, Goshen, Indiana (Savings Bank). Also, the Applicant has applied, pursuant to 12 C.F.R. § 563.22(c), to transfer certain assets of MMA Capital Management, Goshen, Indiana, to the Savings Bank. In addition, the Savings Bank has applied, pursuant to 12 U.S.C. § 1464(n) and 12 C.F.R. Part 550, to exercise trust powers as described in the application. (The foregoing are collectively referred to herein as the Applications.) The Savings Bank will be a member of the Savings Association Insurance Fund.

OTS has considered the Applications, as supplemented by representations made by the Applicant, under the standards set forth in 12 U.S.C. §§ 1464(e), 1464(n), and 1467a(e), and 12 C.F.R. §§ 543.3, 552.2-1(b), 563.22(a) and 574.7, and Part 550, and under the Community Reinvestment Act, 12 U.S.C. §§ 2901 *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, OTS has considered a digest prepared by OTS Central Regional Office (Regional Office), an analysis by the Office of Examination Policy, and a legal opinion by the Business Transactions Division (collectively the Staff Memoranda). For the reasons set forth in the Staff Memoranda, OTS finds that the Applications satisfy all applicable approval standards provided that the conditions set forth below are complied with in a manner satisfactory to the Central Regional Director, or his designee (Regional Director). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Holding Company and the Savings Bank must: (i) receive all required regulatory approvals for the proposed transactions and (ii) submit copies of all such approvals to the Regional Director prior to consummation of the proposed transactions;
2. The proposed transactions must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the Regional Director may grant;
3. On the business day prior to the date of consummation of the proposed transactions, the chief financial officers of the Holding Company and the Savings Bank must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred

with respect to the financial condition or operation of the Holding Company and the Savings Bank, respectively, as disclosed in the Applications, including but not limited to directors, shareholders, or the business plan. If additional information having a material adverse bearing on any feature of the Applications is brought to the attention of the Holding Company, the Savings Bank, or the OTS since the date of the financial statements submitted with the Applications, the transactions must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transactions;

4. Within five (5) calendar days after the effective date of the proposed transactions, the Holding Company and the Savings Bank must advise the Regional Director, in writing, of: (a) the effective date of the proposed transactions; and (b) that the transactions were consummated in accordance with all applicable laws and regulations, the Applications, the Holding Company's commitments, and this Order;
5. The Savings Bank must operate within the parameters of its business plan. The Holding Company and the Savings Bank must submit to the Regional Director for his review and prior written non-objection, any proposed major deviations or material changes from the plan, (including the offering of any new trust services and changes resulting from decisions made by the Holding Company), particularly those pertaining to: (i) the cross-marketing of products of the Savings Bank and its affiliates, (ii) a change in the role of independent agents, (iii) any change in the arrangement with independent agents, and (iv) any changes in the delivery system of the Savings Bank's products. The Savings Bank must submit the request for change, with a copy to the FDIC Regional Office, at least 60 calendar days before the proposed change is implemented;
6. Prior to engaging in any business activity other than that authorized pursuant to section 5(n) of the HOLA, the Savings Bank must apply to the OTS and receive approval of its application to engage in such business activity. The OTS will consider any such application under the standards required of a new federal thrift charter which are set forth at section 5(e) of the HOLA and OTS regulations thereunder, and under the Community Reinvestment Act and OTS regulations thereunder at 12 C.F.R. § 563e.29. Any such application may be subject to the public notice and comment procedures set forth at 12 C.F.R. Part 516, Subparts B and C;
7. At least 40 percent of the Savings Bank's board of directors must be individuals who are not officers or employees of the Holding Company or affiliates thereof, and have not otherwise been determined by the Regional Director to lack sufficient independence. Additionally, at least one member of the Savings Bank's board of directors must be an individual who is not an officer, director, or employee of the Holding Company or any affiliate, and who is not an officer or employee of the Savings Bank or has otherwise been determined by the Regional Director to lack sufficient independence. At least 50 percent of the audit, trust and investment committee established by the Savings Bank must be directors who are not officers or employees of the Savings Bank, the Holding Company, or any affiliates, and have not otherwise been determined by the Regional Director to lack sufficient independence. If compliance with this condition involves the selection of additional directors, each director must receive the prior written approval of the Regional Director;

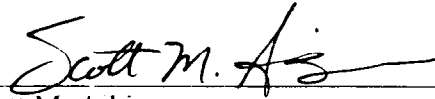
8. Any current director or senior management officer the Holding Company, who has not previously done so, shall immediately submit the required background information and certifications to the OTS Regional Office, and is subject to the review and non-objection of the Regional Director;
9. For a period of one year following the consummation date of the proposed transactions, the Savings Bank must receive the prior written non-objection of the Regional Director for any new senior officer or director;
10. The Savings Bank must submit annual independent audit reports to the Regional Director for its first three fiscal years. These reports must comply with the audit rules set forth at 12 C.F.R. § 562.4;
11. Within 30 days after the end of each calendar quarter, for a period of three years, the Savings Bank shall submit to the Regional Director quarterly activity reports on the number and type of trust accounts serviced, the total asset values of these accounts, and the minutes of the meetings of the Savings Bank's Trust Committee;
12. For the first eighteen months of operations, any contracts or agreements (including expense-sharing agreements) pertaining to transactions with affiliates, not yet submitted to the OTS for review, must be provided to the Regional Director at least 30 calendar days prior to execution and the Savings Bank must receive his written non-objection prior to implementation;
13. The Savings Bank must fully document its justifications for using any affiliated service providers. The documentation should support the Savings Bank's assessment that the use of the affiliate is in the best interests of the trust customers;
14. Prior to engaging in any fiduciary activity, the Savings Bank must develop and submit to the Regional Director for review a functioning oversight program consisting of a comprehensive audit program, a compliance management program, and a risk management program. The audit program must be fully implemented prior to the commencement of operations. The compliance management program must be fully implemented within 90 days of commencement of operations. The risk management program must be fully implemented within 180 days of commencement of operations.
 - The audit program should address auditor qualifications, audit scope and method, committee involvement, reporting, and the process for effectuating corrective action.
 - The compliance management program should ensure compliance with applicable laws, regulations, and sound fiduciary principles. It should include, at a minimum: (a) the assignment of specific compliance responsibilities to experienced staff; (b) training for employees or others who market the Savings Bank's products ; (c) routine self-evaluations; (d) periodic compliance audits; and (e) appropriate written policies and procedures.
 - The risk management program should establish criteria to identify, measure, monitor, and control risks within the fiduciary activities;

15. At least 30 days prior to consummation of the transaction, the Applicant shall submit to the Regional Director for his review and approval: (1) an updated valuation of the managed investment accounts to be transferred to the Savings Bank along with supporting documentation issued by a qualified independent third party; and (2) a certification stating: (a) the total cash consideration to be received by the Savings Bank for the sale of its stock, and (b) the amount and description of all non cash capital contributions to be included in the Savings Bank's capital;
16. At least 30 days prior to opening for business, the Savings Bank will submit to the Regional Director a copy of its Conflicts of Interest and Self-Dealing Policy;
17. At least 30 days prior to opening for business, the Savings Bank shall submit to the Regional Director a final list of selected vendors, affiliated and non-affiliated, and the services that will be provided by each vendor;
18. At least 30 days prior to opening for business, the Savings Bank must submit to the Regional Director for review and non-objection a copy of the customer disclosure material stating that trust funds may be invested in affiliated insurance products or affiliated mutual funds;
19. The Holding Company, its affiliates, and the Savings Bank must comply with the anti-tying restrictions of 12 U.S.C. §§ 1464(q) and 1467a(n), and must develop written procedures to effect such compliance. The procedures must disclose any proposed bundling arrangements and must be submitted to the Regional Director for his review and non-objection at least 30 days prior to the Savings Bank opening for business;
20. The Savings Bank must comply with all applicable laws prohibiting discrimination and shall not discriminate on the basis of race, color, religion, sex or national origin in the provision of any non-lending service;
21. The Savings Bank must design, conduct and maintain an advertising and marketing program to ensure that its services are available without discrimination on the basis of race, color, religion, sex or national origin.
22. A majority of the Savings Bank's board of directors must not be comprised of individuals who are directors or employees of any affiliate of the Savings Bank that engages in securities brokerage, securities dealing, investment company, or investment advisor activities (Securities Affiliate); and
23. The Savings Bank is prohibited from sharing common officers with any Securities Affiliate unless prior written approval is obtained from the Regional Director, which shall be based on criteria such as regulatory compliance, experience, character, integrity and the ability to perform both duties.

Any time period set forth herein may be extended for up to 120 calendar days, for good cause, by the Regional Director.

By order of the Director of the Office of Thrift Supervision, or her designee, effective

April 4, 2001.

A handwritten signature in cursive script, reading "Scott M. Albinson", written over a horizontal line.

Scott M. Albinson
Managing Director