

Press Releases

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OTS 00-37 - OTS Approves Thrift Charter for Donegal Mutual Insurance

Office of Thrift Supervision

FOR RELEASE at 10:00 A.M. EDT

For further information

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OTS 00-37

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OTS Approves Thrift Charter for Donegal Mutual Insurance

WASHINGTON, D.C., April, 2000 -- The Office of Thrift Supervision (OTS) has granted a federal thrift charter to Donegal Mutual Insurance Company to organize a the savings institution, to be known as Donegal Federal Savings Bank. It will be located in Marietta, Pa., home of the insurance company.

Donegal is a mutual insurance company that through the new thrift will expand the array of financial products and services offered its policy holders, employees and independent agents. The savings bank will be a subsidiary of a newly formed holding company, Donegal Financial. The bank's initial loan products will be mortgages, and home equity, consumer, automobile and small business loans.

As conditions of OTS approval, Donegal Federal must submit annual, independent audit reports covering the first three years of operation and obtain OTS approval of any major changes from the approved plan. At least 40 percent of the thrift's directors must not be officers or employees of the insurance company, holding company or affiliates, and at least one member must be an individual who is not an officer, director or employee of the holding company, affiliates or the savings bank.

Officials of the bank, holding company and affiliates must comply with anti-tying restrictions and must develop written procedures covering its compliance.

Approval Order for Donegal - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-37a.pdf>

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The Office of Thrift Supervision (OTS), an office of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.

