Regency Federal Savings Bank, Napierville, Illinois ("Savings Bank"), has applied to the Office of Thrift Supervision ("OTS") pursuant to 12 U.S.C. § 1828(m) and 12 C.F.R. § 545.74, for permission to make an indirect service corporation investment in the non-voting common stock of Shorebank Corporation, a corporation to be certified as a Community Development Financial Institution under 12 U.S.C. §§ 4701 et seq. and 12 C.F.R. Part 1805 thereunder ("Application").

The OTS has considered the Application in light of the standards set forth at 12 U.S.C. § 1464(c)(4)(B) and 12 C.F.R. § 545.74, the digest from the Central Regional Office, a legal opinion from the Business Transactions Division, and an analysis from Corporate Activities. The OTS has determined that the Application satisfies the applicable approval standards, except for the standard set forth at 12 C.F.R. § 545.74, which requires that all activities of the service corporation be reasonably related to the activities of a Federal savings association.

Section 500.30(a) provides that the OTS may for good cause, and to the extent permitted by statute, waive the applicability of any provision of Chapter V of 12 C.F.R. The OTS has determined that, under the circumstances set forth in the Application, a waiver of section 545.74(c) would not be inconsistent with the applicable statute, and that good cause exists for the OTS to waive the "reasonably related" standard of 12 C.F.R. § 545.74(c) to the extent that the Corporation engages in activities that are not reasonably related to the activities of a Federal savings association.

Accordingly, the OTS hereby waives 12 C.F.R. § 545.74(c) to the extent that the Corporation engages in activities that are not reasonably related to the activities of a Federal savings association, and approves the Application.

By Order of the Acting Director of the Office of Thrift Supervision, or his designee, effective July 24, 1996.

John F. Downey
Executive Director, Supervision