

## Press Releases

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April 21, 1999

OTS 99-23 - OTS Grants New Thrift Charters to CNA-Loews and Farm Bureau

### Office of Thrift Supervision

#### News Release

FOR RELEASE at 10:30 A.M. EDT

For further information

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OTS 99-23

202/906-6913

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### OTS Grants New Thrift Charters to CNA-Loews and Farm Bureau

WASHINGTON, D.C., April 21, 1999 - The Office of Thrift Supervision (OTS) today approved the application of Loews Corporation and its subsidiary, CNA Financial Corporation, to convert a California state-chartered trust bank to a federal thrift charter and also granted a thrift charter to Farm Bureau Bancorp Inc., a financial services company in Sparks, Nev. Loews, CNA and two other Loews subsidiaries become thrift holding companies, as does FB Bancorp.

CNA Trust Corporation, with assets of \$141 million, will continue to concentrate on the trust business. It has more than \$1.5 billion in fiduciary assets principally for California-based clients, but recently expanded its client base nationwide and established offices in San Francisco, Chicago and New York, with an additional one planned to begin operating soon. The institution performs various administrative, custodial and consulting services and ancillary depository services for more than 5,000 employee benefit and institutional custody clients, but does not have any discretionary accounts and makes no decisions or offer investment advice to clients.

FB Bancorp, a \$138 million asset institution, will be based in Sparks, but management plans to operate on a nationwide basis through direct and indirect marketing activities from its operations center in San Antonio. It will offer a complete line of financial products and services to the general public, but will focus on marketing credit cards and auto and mortgage loans to its geographically dispersed state farm bureau members.

Loews Corporation, based in New York, is a \$70 billion-asset diversified financial corporation engaged in the hotel, insurance and other businesses. CNA Financial is 84-percent owned by Loews, and is one of the 10 largest insurance companies in the U.S. with assets of more than \$60 billion.

FB Bancorp. has 40 shareholders, including 21 State Farm Bureaus, which are part of the 75-year-old American Farm Bureau organization, and 19 Farm Bureau-affiliated insurance companies. FB Bancorp., which has been outsourcing much of its operations, plans to house them in a newly created service corporation, which OTS also approved today.

OTS attached several conditions to the two approval orders. Both must clear with OTS major changes to their business plans, disclose to customers the differences between insured and non-insured products and adhere to interagency guidance on Year 2000 readiness.

Beyond these provisions, CNA Trust must comply with anti-tying statutes and regulations governing conflicts of interest, and maintain appropriate separation between the thrift and any subsidiary engaged in the securities business.

FB Bancorp is required to obtain OTS approval of its comprehensive plan for the proposed national mortgage lending program and its mortgage and auto loan underwriting policies. It must also obtain OTS approval of its compliance management plan that includes training for employees and development of a system for tracking consumer complaints.

OTS is also requiring that at least 40 percent of the thrift's board of directors be independent members who have no affiliation with either the thrift or any Farm Bureau organization.

[View CNA Approval Order](#)

[View Farm Bureau Approval Order](#)

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' 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 call PubliFax at 202/906-5660, or visit the OTS web page at <http://www.ots.treas.gov>.