

Press Releases

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OTS 99-38 - OTS Approves Thrift Charter for Polish National Alliance

Office of Thrift Supervision

News Release

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For further information

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Contact: William Fulwider

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OTS Approves Thrift Charter for Polish National Alliance

WASHINGTON, D.C., June 8, 1999 - Polish National Alliance of the United States of North America, an Illinois fraternal benefit society, has received approval from the Office of Thrift Supervision (OTS) to organize a federal thrift institution, Alliance, FSB. Alliance, in turn, will purchase the Niles, Ill., branch of Park National Bank and Trust of Chicago.

Polish National Alliance (PNA), which becomes a unitary thrift holding company, was organized in 1880 to provide life insurance and other financial products to its members, now numbering more than 240,000. It is licensed in 38 states and the District of Columbia.

Through the new thrift and its simultaneous purchase of the Niles branch, PNA plans to expand services in the Chicago area. The thrift's principal business will be the origination or purchase of 1 to 4 family mortgages, funded with deposits from the general public and PNA members. In addition, it plans to originate home equity and deposit account loans. The thrift has no plans to use agents of PNA to sell its products, although PNA will refer members to Alliance for banking services. No fees will be paid for referrals.

In granting the Alliance charter, OTS requires approval of any changes to the business plan. Alliance must conduct ongoing market research that measures the effectiveness of its advertising and media campaign directed to the general public and file an annual report on the research results. Before undertaking any material expansion of its lending operations beyond the Chicago metropolitan area, Alliance must submit plans for complying with CRA and consumer protection laws and regulations and explain how it will reach out to all segments of the communities it proposes to serve.

At least 40 percent of the thrift's directors must be individuals who are not officers or employees of the holding company or affiliates, and at least one member must be independent of the holding company, affiliates and the thrift. Alliance also must comply with interagency guidelines on Year 2000 readiness.

Polish National Alliance 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>.