

Press Releases

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OTS 00-08 - Illinois Agricultural Association Granted Federal Thrift Charter

Office of Thrift Supervision

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For further information

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Illinois Agricultural Association Granted Federal Thrift Charter

WASHINGTON, D.C., Jan. 24, 2000 - The Illinois Agricultural Association (IAA), which is also known as the Illinois Farm Bureau, has been granted a federal charter by the Office of Thrift Supervision (OTS) to set up a thrift institution that will provide trust and trust-related products and services.

As part of the transaction, the new thrift, named Country Trust Bank and based in Bloomington, Ill., is simultaneously acquiring the assets and liabilities of IAA Trust Company, an existing IAA subsidiary. The acquisition is to satisfy Illinois law that does not permit the direct conversion of a state-chartered trust company to a federal charter. The thrift will be named Country Trust Bank. IAA and three affiliates become unitary thrift holding companies.

IAA is a not for profit agricultural organization with 350,000 individual members. The individuals also make up 96 separately organized county farm bureaus in Illinois. Through various affiliates, IAA is involved in a variety of activities, including agricultural marketing and supply services, transportation services and dairy products and IAA Trust Mutual Fund sales, trust and registered broker-dealer services and insurance.

OTS's order approving the charter stipulates that any material change to Country Trust's business plan requires OTS consent, and the institution must submit for agency review an oversight program that includes comprehensive audit, compliance management and risk management elements. The thrift also has to provide quarterly updates on the number and type of trust accounts serviced, plus assurances that its investment decision process addresses inherent conflicts associated with investing in proprietary or affiliated mutual funds.

The institution is subject to anti-tying restrictions, regulations pertaining to conflicts of interest and corporate opportunity, as well as interagency policies governing the sale of uninsured products. Country Trust will make appropriate disclosure to customers when including its own proprietary products in trust accounts. OTS reserves the authority to have examiners, without identifying themselves as OTS employees, check the appropriateness of the institution's marketing disclosures. At least 40 percent of thrift's directors must be individuals who are not officers or employees of the holding company or affiliates, and at least one member is to be independent of the thrift, holding company and affiliates.

Approval Order - Illinois Agricultural Association - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-08a.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.