

Press Releases

July 6, 2000

OTS 00-60 - Implement Maker Deere & Company Granted Thrift Charter By OTS

Office of Thrift Supervision

FOR RELEASE at 1:00 P.M. EDT

For further information

Thursday, July 6, 2000

Contact: William Fulwider

OTS 00-60

202/906-6913

Implement Maker Deere & Company Granted Thrift Charter By OTS

WASHINGTON, D.C., July 6, 2000 - Deere & Company, the Moline, Ill., farm, construction and home implement manufacturer, has received approval from the Office of Thrift Supervision (OTS) to organize a federal savings bank. The new thrift, named FPC Financial, will be based in Madison, Wis., and will take over Deere's credit card business.

Deere & Company is one of the oldest manufacturers and distributors of agricultural equipment in the U.S., and also is known for its construction and home/garden implements. Through John Deere Credit Corporation, the company offers a range of financial services and products to companies and individuals engaged in the agricultural business. John Deere Capital Corporation, another subsidiary, will actually own the thrift. All three become thrift holding companies.

FPC Financial will focus on growing Deere's existing revolving credit product line on a nationwide basis through the use of credit cards. The credit card programs consist of the Farm Plan for agribusiness; Power Plan for the construction business; and John Deere Credit Card, which is designed for consumers' use to purchase home and garden-related products. Together, the credit card businesses currently total about \$750 million. FPC plans to originate some manufactured housing loans nationwide - both home only and land/home loans - and expects to generate fee income from the program. The thrift will not solicit deposits from the public, but will fund its loans through inter-company deposits and borrowings.

In its approval order, OTS stipulated that for the first three years of operation, the savings bank is to submit quarterly reports on its compliance with the business plan, including the level of merchant-authorized or dealer-guaranteed accounts. Any material change to its approved business plan must have the approval of OTS. Another requirement is that 40 percent or more of the directors of the thrift be individuals who are not officers or employees of the holding companies or affiliates, with at least one member who is not an employee of the thrift, affiliates, or holding companies.

The agency also granted an exception from the Home Owners' Loan Act to permit FPC Financial to provide reduced or deferred interest charges or other incentives on credit in connection with purchases of products manufactured by affiliates of the bank.

View Deere & Company Approval Order - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-60a.pdf>

###

<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.