



**Supervisory Condition Letter #2016-06
July 2016**

July 8, 2016

Via E-mail and First Class Mail

Board of Directors
Colorado Federal Savings Bank
851 Traeger Avenue, Suite 205
San Bruno, California 94066

Subject: Conditional Approval of Strategic Plan

Members of the Board:

The Office of the Comptroller of the Currency (“OCC”) received a written request by Colorado Federal Savings Bank, Greenwood Village, Colorado (“Bank”) dated June 23, 2016, for OCC non-objection to its revised Strategic and Capital Plan (“the Plan”). The Bank has submitted this Plan in accordance with the requirements of Article III of the Bank’s Formal Agreement executed October 3, 2014 (“Agreement”). The OCC has no supervisory objection to the Plan, subject to the following conditions:

1. The Bank’s Board of Directors (“Board”) shall ensure that the Strategic and Capital Plan is updated no later than June 30 on an annual basis to cover the next three (3) year period (“Updated Plan”). The Updated Plan shall include at a minimum:
 - a. The Bank’s growth or expansion plans and short- and long-term merger or acquisition strategy;
 - b. A financial forecast, on a quarterly basis, for major balance sheet and income statement accounts, cash flow statements, specific earnings and profit goals and desired financial ratios over the period covered by the Updated Plan; and
 - c. An evaluation of the adequacy of the Bank’s organizational structure, staffing, management information systems, internal controls, and written policies and procedures to identify, measure, monitor, and control all pertinent risks associated with the Updated Plan, including fair lending risk.
2. The Bank shall not adopt the Updated Plan until the Bank has submitted the Updated Plan to the OCC for a prior written determination of no supervisory objection and received OCC supervisory non-objection.

3. Once the Bank receives the prior written determination of no supervisory objection from the OCC, the Bank shall adopt, implement, and thereafter adhere to the Updated Plan.
4. Once the Updated Plan is adopted, the Bank shall not make a material change to or significantly deviate¹ from the Updated Plan unless the Bank has first given the OCC at least sixty (60) days prior written notice of its intent to do so, and obtained the OCC's prior written determination of no supervisory objection to such action.
5. The above conditions shall survive any modification or termination of the Agreement.

The above conditions are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

This letter and the activities and communications by OCC employees in connection with the Bank's request, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

This letter must immediately be provided to each member of the Board, and this letter must be reviewed and discussed at the next meeting of the Board. This letter and the Board's discussion regarding this letter must be included in the minutes of the next meeting of the Board.

Should you have any questions, please feel free to contact either National Bank Examiner Richard Santos or myself at (415) 805-3000.

Sincerely,

/s/

Thomas J. Jorn
Assistant Deputy Comptroller
San Francisco Field Office

¹ For purposes of these conditions, material changes or significant deviations include, but are not limited to, any significant deviations from or material changes consistent with the description provided in Appendix G (Significant Deviations After Opening) of the "Charters" booklet of the *Comptroller's Licensing Manual*, as amended.