§ 563.76 Offers and sales of securities at an office of a savings association.

(a) A savings association may not offer or sell debt or equity securities issued by the association or an affiliate of the association at an office of the association; except that equity securities issued by the association or an affiliate in connection with the association’s conversion from the mutual to stock form of organization in a conversion approved pursuant to part 563b of this chapter may be offered and sold at the association’s offices: Provided, That:

(1) The Regional Director does not object on supervisory grounds that the offer and sale of the securities at the office of the association;

(2) No commissions, bonuses, or comparable payments are paid to any employee of the savings association or its affiliates or to any other person in connection with the sale of securities at an office of a savings association; except that compensation and commissions consistent with industry norms may be paid to securities personnel of registered broker-dealers;

(3) No offers or sales are made by tellers or at the teller counter, or by comparable persons at comparable locations;

(b) Securities sales practices, advertisements, and other sales literature used in connection with offers and sales of securities by savings associations shall be subject to § 563g.10 of this chapter.

(c) Offers and sales of securities of a savings association or its affiliates in any office of the savings association must use a one-page, unambiguous, certification in substantially the following form:

FORM OF CERTIFICATION

I ACKNOWLEDGE THAT THIS SECURITY IS NOT A DEPOSIT OR ACCOUNT AND IS NOT FEDERALLY INSURED, AND IS NOT GUARANTEED BY [insert name of savings association] OR BY THE FEDERAL GOVERNMENT.

If anyone asserts that this security is federally insured or guaranteed, or is as safe as an insured deposit, I should call the Office of Thrift Supervision Regional Director [insert Regional Director’s name and telephone number with area code].

I further certify that, before purchasing the [description of security being offered] of
The offering circular that I received contains disclosure concerning the nature of the security being offered and describes the risks involved in the investment, including:

- List briefly the principal risks involved and cross reference certain specified pages of the offering circular where a more complete description of the risks is made.

Signature: __________________________
Date: _______________________________

(d) For purposes of this section, an "office" of an association means any premises used by the association that are identified to the public through advertising or signage using the association's name, trade name, or logo.

§ 563.80 Borrowing limitations.

(a) General. Except as the Office otherwise may permit by advice in writing, a savings association may borrow only in accordance with the provisions of this section.

(b) Amount of borrowing. A savings association may borrow up to the amount authorized by the laws under which the savings association operates.

(c) Security. An association may give security for borrowings subject to any requirements imposed by the Office or the FDIC regarding notice of default on borrowings and any FDIC right of first refusal to purchase collateral.

(d) Required statement for all securities evidencing outside borrowings. Each security shall bear on its face, in a prominent place, the following legend:

This security is not a savings account or a deposit and it is not insured by the United States or any agency or fund of the United States.

§ 563.81 Inclusion of subordinated debt securities and mandatorily redeemable preferred stock as supplementary capital.

(a) Scope. A savings association must comply with this section in order to include subordinated debt securities or mandatorily redeemable preferred stock ("covered securities") in supplementary capital (tier 2 capital) under part 567 of this chapter. If a savings association does not include covered securities in supplementary capital, it is not required to comply with this section.

(b) Application and notice procedures. (1) A savings association must file an application or notice under 12 CFR part 516, subpart A seeking OTS approval of, or non-objection to, the inclusion of covered securities in supplementary capital. The savings association may file its application or notice before or after it issues covered securities, but may not include covered securities in

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