

GUIDANCE DOCUMENT

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Executive Officer's License (EOL)

Frequently Asked Questions

General EOL Questions:

- Q. I am new to state banking; what form do I need to use?**
- A.** *If you do not currently hold an EOL, and your employing bank has not opted out of the EOL licensing process, it is necessary to use the comprehensive form.*
- Q. If I currently have or have had an EOL and go to work for a different or an additional state chartered bank in Nebraska, do I need a new EOL and if so, which application form do I use?**
- A.** *Yes, an EOL is needed for each bank which has not opted out of the EOL licensing process and in which an individual will be conducting the duties of an executive officer. If your lapse in employment from the last bank in which you held an EOL is less than three months, the transfer form can be used to apply for an EOL; otherwise, a lapse of more than three months requires the use of the comprehensive form.*
- Q. How do I change my name on my license?**
- A.** *Changing a name is as simple as sending a letter on bank letterhead requesting the name change, including the date your name was officially changed, and your current EOL. There is no cost associated with a name change.*
- Q. Who do I call if I have a general EOL question?**
- A.** *The Department's telephone number is 402-471-2171. Share with the receptionist that you have a general EOL question and you will be connected with staff who directly work with the process. You may request a specific person that you have worked with in the past: Kathy Sparks is the Administrative Assistant who processes all EOLs. The FI Review Examiners who review EOLs include, Kent Plummer (Central to West Banks), Nick Lenzen (Omaha and area North and South of Omaha) Greg Freese, (Lincoln and area North and South of Lincoln), and Darcy Bailar (IT, BSA, Trust and select case load of Banks).*
- Q. How do I cancel an EOL?**
- A.** *The bank should submit a letter notifying the Department of the cancellation of an EOL along with the date the officer left or changed positions. Please indicate why the officer left the bank and include the officer's EOL.*

Questions regarding Class and Restrictions

Q. Why are Class II licenses occasionally issued with restrictions?

A. *Two years of direct lending or investment experience (the applicant makes the lending and investment decision) are required of an applicant for an unrestricted Class II license. If the applicant has less than two years direct lending or investment experience, the Department may issue a restricted Class II license that typically places a dollar limit on the size of the loans and/or investments that the applicant can make without the approval of an individual holding an unrestricted Class II license. The applicant bank should submit a request detailing a restricted lending limit when submitting the EOL application. The Department itself may impose a restriction.*

Q. How do I change or eliminate a restriction typed on the face of the lending license?

A. *Licenses may be issued with restrictions typed on the face of the lending license for multiple purposes (lending restrictions, investment restrictions, limited supervisory oversight). Once the license has been in place for two years, those restrictions will be considered for removal on a case by case basis. A letter from the bank detailing the need to remove the restriction and the current License should be submitted. The process does not require a criminal history report nor does it require a new financial statement. There is no cost associated with a restriction change or removal.*

Q. Is an EOL required for an individual who solely originates real estate loans that are approved by a secondary market purchaser, when the secondary market purchaser makes the final decision on whether or not the loan will be made, prior to issuing of a loan commitment to borrower?

A. *An EOL is not required for the individual because the external entity, the secondary market purchaser of the loan, makes the final lending decision on whether or not the loan will be made and the loan will not be retained as an asset/loan by the applicant bank. If the same individual processing secondary market loans is also making lending decisions on loans that will be retained by the applicant bank, then the individual is required to hold an EOL.*

Q. What determines if I need a Class I versus a Class II EOL?

A. *Anyone making loans or investments for a Nebraska state chartered bank without the approval of a licensed officer will need to have a Class II EOL. If a bank employee will have the ability to "hire and fire" and/or is involved in "policy making decisions" but will NOT be making loans or investments, then that employee can generally carryout those duties with a Class I EOL.*

Q. What is the process for obtaining a Class II EOL for a person currently having a Class I EOL?

A. *The President, Chief Executive Officer, Executive Vice President, or Board Member needs to submit a letter to the Department requesting the change and detailing the reason for the request. The letter should also document the current and future duties for this person, and give details that this person has two years of experience making loans or investments. If the current Class I EOL was issued prior to October 1, 2009, a United States Citizenship Attestation Form is required. There is no cost associated with this request.*

Corporate and/or Bank Changes

Q. Are new EOLs required if the Bank changes its name?

A. *No, this is not a requirement.*

Q. What is the EOL process when state-chartered banks merge?

- *If the acquiring/applicant bank and the acquired bank have NOT opted out of the EOL licensing process, the acquiring/applicant bank only needs to submit (i) a letter to the Department listing the names of persons holding EOLs at the acquired bank who will become executive officers of the acquiring bank, and, (ii) for those EOLs issued prior to October 1, 2009, a United States Citizenship Attestation Form. The Department will then reissue the EOLs. There is no cost associated with this process.*
- *If the acquiring/applicant has not opted out of the EOL licensing process but the acquired bank had opted out, the comprehensive form and \$50 fee will need to be submitted for each officer.*

Q. Do officers of National Banks when converting to a State Charter Bank need to complete a Comprehensive or Executive Officer's License Application for Transfer?

A. *The Board of Directors of the newly converted bank will need to decide if it wishes to opt out of the EOL process. If it does not elect the exemption, the Officers of the converted bank need to fill out the Executive Officer's Application for Transfer. No financial statement and no criminal history report are required. The EOL Application fee is \$50.*