



# ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

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## Organization of an Arizona Chartered Bank

The process of organizing a bank is rigorous and takes considerable time, energy and money to complete. It is important that potential organizers meet with Department to discuss the application process.

Contact Tami Smull at 602-771-2816 to discuss the various requirements of the chartering process.

The Superintendent prefers to have an initial meeting with the organizers prior to an application being received by this Department. The purpose of this meeting is to get a feel for the organizers' plans, their thoughts regarding the need for the bank, the appropriate capitalization and the type of market in which the bank intends to operate.

After the initial meeting, organizers wishing to proceed with the application process would submit to us a copy of the application being filed with their chosen federal regulator. Along with the application, we require that the following information be submitted: a detailed business plan with a three year pro forma financial statement, signed biographical and financial statements from each of the organizers, including the president/chief executive officer if he/she is already designated (if not designated, that information can be supplied at a later date). Fingerprint cards are only needed if the Department specifically asks you to submit them. In lieu of submitting a fingerprint card, individuals requiring a background check and credit report will be pulled by the Department at the time of application with the information and certification provided on the Interagency Biographical and Financial Report. The fee for filing an application for a new bank charter is \$10,000, and that fee must also accompany the application. Our investigation will run approximately sixty days from submission date of the completed application package.

After preliminary approval is granted by this Department to organize a bank, the organizers submit their offering circular to us for review. While this is being reviewed, organizers must also obtain a bond in the amount set by the Superintendent, and enter into an escrow agreement with an Arizona financial institution authorized to act as agent for the collection of all stock subscriptions. Upon approval of the offering circular, the organizers can begin selling the stock. Prior to the bank becoming operational, the organizers are not permitted to issue stock to investors.

New banks in organization must contact Accuity Solutions to request a routing number application. Accuity Solutions, the Registrar of Routing Numbers for the American Bankers Association, is responsible for assigning and maintaining all routing numbers for qualifying institutions in the United States. The Application is available on this website: <http://www.accuitysolutions.com/en/Drop-Down-Menu-pages/ABA-Key-to-Routing-Numbers/>.

At the time of filing an application with this Department, or shortly thereafter, the organizers should also file an application with the Federal Deposit Insurance Corporation for insurance of accounts. If the proposed bank organizers wish to become a member bank of the Federal Reserve, the initial application would be made to the Federal Reserve Bank. In either event, upon receiving all the required approvals, the organizing bank would be granted federal insurance of accounts, which is mandatory under our State law.