



DBF GUIDANCE FOR GEORGIA STATE-CHARTERED BANKS, BANK HOLDING COMPANIES, CREDIT UNIONS, AND TRUST COMPANIES

TO: Supervision Staff

CC: Georgia State-Chartered Banks and Credit Unions

FROM: Melissa Sneed
Senior Deputy Commissioner

SUBJECT: PRE-OPENING EXAMINATION PROCEDURES AND CHECKLIST

DATE: June 1, 2026

The pre-opening examination is the last major step of the chartering process for financial institutions. During this examination, the examiner is expected to determine whether the Board of Directors and management are adequately prepared to commence operations. The organizers' request for this examination should typically be made 30 days in advance of the examination target date, which date should precede financial institution opening by at least 10 business days. In requesting a pre-opening examination, a financial institution warrants its readiness to commence business.

Although these guidelines are comprehensive, the examiner is not limited to the specific material provided but may investigate any additional areas that are considered relevant. The examiner must convey comments to the District Director and the appropriate Supervisory Manager with specific recommendations for correction of deficiencies prior to opening or a recommendation that the financial institution be permitted to open. If deficiencies are serious, the Department may delay the proposed opening date until correction has been completed. During the examination, the examiner will discuss deficiencies, recommendations, and suggestions with management.

The charter application file should be reviewed and used during the pre-opening examination. The charter file includes the original application materials and all correspondence. These items may be used by the examiner in reviewing the original operating plan to determine if any significant changes have occurred. The materials in these files are considered confidential and should be afforded appropriate protection.

The charter file also includes the standard preliminary approval letter and the required conditions to organize the financial institution. The conditions stress the most significant points that the organizing group and the financial institution must observe. All pre-opening conditions must be met prior to opening. The examiner should discuss any unmet conditions with the District Director and the appropriate Supervisory Manager.

The pre-opening examination should detail the examiner's specific conclusions and should be forwarded to the District Director and then the Supervisory Manager as soon as possible after the examination is closed. If deficiencies exist that call into question unsafe and unsound operating conditions, they should be resolved before the financial institution is allowed to commence operations. In this regard, the Department will be guided primarily by the conclusions of the examiner in deciding whether a financial institution may begin operation. In most cases, the financial institutions should not anticipate opening sooner than 10 business days after the commencement of the pre-opening examination.

OVERVIEW

The pre-opening examination should not be scheduled until all policies have been approved, confirmation that all pre-opening conditions of approval are met, and the financial institution has been given permission to break escrow. It is the District Director's responsibility to organize the pre-opening examination and to provide the new financial institution with the Organizer's Request for Information, including a date by which it will be completed and submitted. Once the pre-opening examination has been scheduled, the District Director should notify the Supervisory Manager and coordinate with the appropriate federal regulator. Additionally, once the Board meeting is scheduled, the Department coordinates with the FDIC or NCUA so that the Department can prepare the Permit to Begin Business and the federal insurer can prepare the Certificate of Deposit Insurance.

The Department may decide, on an individual basis, to waive or perform an abbreviated pre-opening examination for an organizing financial institution sponsored by an existing bank holding company (BHC). The decision will be based primarily upon prior knowledge of, and experience with, the corporate parent and relevant policies and procedures. At a minimum, each BHC-sponsored organizing financial institution that will not receive an on-site review must certify completion of certain organizational procedures and file remaining corporate documents as determined by the Department.

RESPONSIBILITIES

Supervision Division

The District Director should assign an experienced EIC to the pre-opening examination.

The Supervisory Manager should notify the EIC of any special concerns about the financial institution, including any organizational matters or outstanding approval conditions.

Examiner Responsibilities

If applicable, review special instructions provided by the Supervision Division.

Confirm with the Supervisory Manager that the pre-opening exam fee has been paid.

Review the charter application file, with special attention to the charter application's operating plan and the approval conditions.

If applicable, call or visit the financial institution to determine if it is prepared for the review.

Within 10 business days of the anticipated opening date, conduct the pre-opening examination to certify compliance with all approval letter conditions. If any conditions have not been or will not be met by the proposed opening date, the EIC should contact the assigned District Director and Supervisory Manager immediately.

Determine whether the financial institution has:

- Adhered to the operating plan submitted in the charter application;
- Established satisfactory operational procedures and policies (District Director and/or Supervisory Manager may have reviewed policies and made recommendations - check to see that any recommended changes have been made and approved by the Board); and
- Conducted a thorough review of significant third-party relationships including identifying and controlling the risk that arise from such relationships.

Reaffirm implementation of the approved operating plan with management after opening.

Meet with management at the conclusion of the examination to inform them of the findings, deficiencies, recommendations, and suggestions (and if necessary, the Board). Obtain a commitment for correction of any deficiencies and a follow-up date for confirmation that deficiencies have been adequately addressed.

Prepare a pre-opening examination memo to the District Director, who will then forward the document to the Supervisory Manager and the Federal Agency Case Manager. In particular, report the following:

- Summarize findings, especially those pertaining to deviations (positive or negative) from the operating plan.
- Include one of the following recommendations: (1) the financial institution should be permitted to open, or (2) deficiencies should be corrected prior to opening. If any deficiencies are noted, the EIC should follow up on these deficiencies to ensure that they have been corrected and provide notification to the District Director and Supervisory Manager recommending issuance of the permit to begin business.
- Contact the District Director and Supervisory Manager immediately if safety and soundness or control issues are outstanding that, in the opinion of the EIC, make opening as scheduled inadvisable.

Checklist for New Charters

Review these items in the context of conditions of the preliminary approval and the approved operating plan. Note any discrepancies between the approved conditions and operating plan and the proposed operations of the financial institution.

Performed by the Supervisory Manager

The following items should be sent to the main office prior to opening. They should also be referenced or adopted in the minutes of meetings of the organizing Board and note the following actions taken:

Form 19-1: Request for Permit to Begin Business - completed and approved by a Supervisory Manager with the pre-opening examination fee of \$5,000

Form 19-2: Oaths of Office of organizing directors completed

Form 19-3: Officers Elected, Fidelity Coverage, and Depository Institutions

Form 19-4: Report of Stock Ownership

Performed by Investigating Examiner during on-site POE

All required conditions of the FDIC, NCUA, or FRB approval have been met.

Determine that all conditions of approval not already resolved by the Department have been adequately complied or addressed. Many areas of the approval letter may also be revisited in the items that follow.

Board Minutes should reflect the approval of the following, where appropriate:

- Execution of oaths of directors;
- Election of the chairperson, secretary, and other officers of the board, and appointment of the president, CEO, and other executive officers;
- Ratification of the bylaws to be presented to the stockholders at the next stockholders meeting;
- Election of the standing committees of the board;
- Corporate seal and form for stock certificates adopted;
- Selection of depository institution(s);
- Office locations authorized. Make certain that the financial institution is located at the location(s) approved. If there is any change, check for relocation approval. (**NOTE: This may or may not be disclosed in the Minutes.**);
- Adequate fidelity insurance authorized; and
- Detailed list of organization expenses reviewed and approved by the Board.

The EIC should note any new directors and executive officers added prior to opening and ensure they receive appropriate approval from the Department.

Determine if the financial institution has adopted adequate policies and procedures. Consideration should be given to any previous recommendations made by the Department.

Review major areas of planned operations, noting any areas not covered by policy statements, and appraise the adequacy of existing policies approved by the Board. Note any additional policies or procedures that may need to be developed.

Determine that the board has provided for an adequate loan review system.

Review the adequacy of regular reports to be presented at monthly board meetings.

Determine that provisions have been made for providing independent internal and external audit as required by Department Rules.

Determine that a list of insiders' business interests is maintained pursuant to Regulation O.

MANAGEMENT AND STAFF

Note that a compliance, security officer, IT, and BSA Officer have been designated.

Note any areas of operation where lines of authority and reporting responsibility have not been clearly defined.

Review the number and experience of personnel relative to the expected volume of business. Determine what employee training programs are contemplated. Based on the information reviewed, does staffing appear adequate?

Specifically address any deficiencies in the following areas:

- Written operating and internal control procedures;
- Adequate procedures to facilitate compliance with the Bank Secrecy Act and Information Technology requirements;
- Operating budgets and pro-forma balance sheets;
- Appropriate forms to assist in operations and recordkeeping functions including an attorney review of all the depository agreements and forms to determine compliance with state and Federal laws; and
- Adequate procedures to facilitate compliance with the Community Reinvestment Act.

Determine if management has entered any written commitment to purchase “warehoused” loans held by another financial institution. Prior to purchasing any “warehoused” loan(s), management must perform the underwriting, ensure policy compliance, and maintain a complete file on the loans purchased.

FIXED ASSETS, ORGANIZATIONAL EXPENSES, AND INVESTMENTS

Verify that the fixed asset investment complies with the approval conditions and Department Rules, as well as consistent with amounts detailed in the application. In addition, confirm that any building lease is in the proper ownership name.

A detailed list of final organizational and pre-opening expenses should be reviewed. If the expenses vary significantly from the projections set forth in the offering circular, this should be discussed with the Supervisory Manager.

Review investments already made for legal and policy compliance.

INSURANCE

Verify that the financial institution has secured insurance coverages (fidelity, automobile, hazard, liability, etc.) and comment on any areas not adequately covered. Fidelity coverage should relate to the anticipated activity volume during the period the coverage is in effect.

CAPITAL STOCK REVIEW

Determine that the bank has issued stock certificates and date that stock issuance will be completed. **NOTE:** *Stock certificates should be issued when or shortly after the bank breaks escrow. If stock offering remains open after breaking escrow, the remaining certificates should be issued one week after expiration of the offering. Certificates should be issued within a reasonable time after stock sale is completed after the initial issuance of stock certificates.*

Determine if a shareholders' ledger, together with adequate journals and records, is maintained. Reconcile final stockholders list with the stock certificate ledger/book. **NOTE:** *In practice, an audit sampling is performed as a verification.*

Review the certificate of payment of capital stock and the certificate from the depository bank and determine that the capital funds have been deposited to the credit of the organizing bank.

OFFICE SYSTEMS AND FINANCIAL RECORDKEEPING

Obtain (or discuss with management) a listing of reports to be prepared for management and review it for adequacy to permit informed management decisions.

Review note forms, application forms, and documentary stamps to ensure that all necessary forms and stamps have been obtained in order to begin business. **NOTE:** *The examiner should verify that the financial institution has a supply of starter forms for all types of accounts.*

Verify the data processing system is operational, and ensure backup systems are in place.

Verify arrangements have been made to order operating currency and coin for the first day of business. **NOTE:** *Pre-opening form 19-3 listed correspondent financial institutions, and the EIC should determine whether correspondent accounts have been established.*

Ensure the disaster recovery and contingency plans and/or policies are adequate.

Ensure adequate space exists in a fireproof area for the safeguarding of vital systems and records.

ON-SITE EVALUATION OF PREMISES

Verify that adequate security devices have been installed and tested to ensure they are operational. Verify that phone systems are operational.

Verify that furniture, fixtures, and equipment are installed. Ensure that equipment is operational.

Ensure that building construction is completed or is progressing satisfactorily for opening.

Pre-opening Request List - New Charters

At least 10 business days prior to the proposed opening date, a pre-opening examination will be conducted by examiners of the Department. Please have the following records and information available on the first day of the examination. NOTE: All pre-opening forms must be submitted and the pre-opening examination fee of \$5,000 must be paid 30 days before the pre-opening examination can be scheduled.

- 1) Board of Directors' and Committee minutes books, reflecting all meetings held and including any resolutions required by the Department's approval letter.
- 2) Provide a listing of all officers, directors, and committee members.
- 3) Provide a copy of the stock warrant register, recording the number of options issued, exercised and outstanding.
- 4) Stock ledger and stock certificate book.
- 5) Evidence that all required stock has been subscribed and amount of capital fully paid-in.
- 6) Evidence that all required policies have been formally approved by the Board of Directors.
- 7) Evidence that the required officers have been elected by the directorate (President, Corporate Secretary, Auditor, Chief Lending Officer, Chief Financial Officer, and Security Officer).
- 8) Evidence that the appropriate committees have been established and properly elected/approved by the Board of Directors.
- 9) Evidence that the blanket bond coverage has been obtained, including a copy of the policy.
- 10) Evidence that the hazard insurance coverage on premises and equipment has been obtained, including a copy of the policy. Also, provide any other insurance policies obtained.
- 11) Provide a current balance sheet reflecting capital distributions in accordance with the Department's approval letter.
- 12) A detailed general ledger.
- 13) A complete listing of income and expenses, to date.
- 14) A detailed accounting of fixed assets, including a listing of remaining fixed asset purchases yet to be capitalized. Any material changes in fixed assets from what was proposed in the application should be detailed to the examiner. (Examples would be cost overruns that might be compensated for by decreasing square footage, and any increases and decreases in proposed investment in fixed assets.)

- 15) A detailed listing of any costs/expenses categorized as Organizational Costs.
- 16) A detailed listing of securities/investments already purchased.
- 17) Evidence that the necessary data processing arrangements have been made, including courier services, delivery schedules, special telephone lines, etc.
- 18) If the financial institution is to be online with its service bureau, has this system been checked and found operational?
- 19) Evidence that the correspondent accounts have been established and that sufficient funds are in the account.
- 20) Has all equipment been tested for operational soundness?
- 21) Does the institution have a physical supply of all the necessary forms to begin business? (For example, signature agreements, loan notes, certificate of deposit forms, etc.)
- 22) Have the necessary documentary stamps been obtained? (i.e., NSF, No Account, etc.)
- 23) Are the phone system and the security system operational? Has the security system (alarms, cameras, etc.) been fully tested and certified as fully operational by a qualified individual? Provide a letter attesting to the certification of these systems.
- 24) Has an attorney reviewed all the depository agreements and certificate forms and all note forms for compliance with all state and federal laws and for adequate protection in the courts? Provide a letter attesting to such review.
- 25) Has the financial institution verified its routing number with the Federal Reserve Bank of Atlanta? Provide a copy of such verification.
- 26) Provide a schedule of operating hours.
- 27) Provide a copy of the internal and external audit program.
- 28) Does the bank plan to provide loans to organizers, directors, bank officers, and 10% or more shareholders to refinance/payoff loans made to purchase stock as part of the initial stock sale to capitalize the bank?