



**Conditional Approval #1233  
January 2020**

December 13, 2019

Joseph P. Daly, Esq.  
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5335 Wisconsin Avenue, N.W., Suite 780  
Washington, D.C. 20015

Subject: Application by Newton Federal Bank, Covington, Georgia, to acquire by merger  
Affinity Bank, Atlanta, Georgia

OCC Control No.: 2019-SO-Combination-311299 Charter No.: 703575

Dear Mr. Daly:

The Office of the Comptroller of the Currency (OCC) hereby grants conditional approval for the application to merge Affinity Bank, Atlanta, Georgia into Newton Federal Bank, Covington, Georgia (Newton or the Bank). This conditional approval is granted based on a thorough review of all information available, including commitments and representations made in the application, merger agreement, and those of your representatives during the application process.

This conditional approval is subject to the following condition:

For 18 months following consummation of the merger, the Bank: (i) shall give the OCC's Atlanta supervisory office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from the 2020 Business Plan that was approved by the Board of Directors on October 8, 2019, and subsequently submitted with the merger application dated October 11, 2019 (the Business Plan) and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from that business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice.

This condition of approval is a condition "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 USC 1828(c), 12 CFR 5.33, and other applicable laws and regulations. Among other matters we found that the proposed transaction would not have significant anticompetitive effects. We considered the financial and managerial resources of the banks, their future prospects, their effectiveness in combating money laundering activities, the convenience and needs of the communities to be served and the risk of the transaction to the United States banking or financial system. Furthermore, OCC reviews records of compliance with the CRA, 12 USC 2903(a)(2). The branch acquisition is authorized under 12 USC 36(c).

This letter is also the approval to exceed the commercial loan lending limit imposed by 12 USC 1464(c)(2). Following consummation and for a period of two years, Newton is permitted to retain its the level of commercial loans set forth in the Business Plan referenced in the condition above and within two years must conform to the limits imposed by 12 USC 1464(c)(2) either by divestiture or other legal alternatives.

Approval of the related dividend will be sent under separate cover.

The district office must be advised in writing in advance of the desired effective date for the merger so it may issue the necessary certification letter. The effective date must follow the applicable Department of Justice's injunction period and any other required regulatory approval.

If the merger is not consummated within six months from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This approval and the activities and communications by OCC employees in connection with the filing 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. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

All correspondence regarding this application should reference the control number. If you have any questions, contact Licensing Analyst James Hill at 917-344-3430, or contact via email at [James.Hill@occ.treas.gov](mailto:James.Hill@occ.treas.gov).

Sincerely,  
*signed*  
Louis T. Gittleman  
Director for District Licensing

Enclosure: Survey Letter