

OFFICE OF THRIFT SUPERVISION
Approval of Service Corporation Application

Order No. 2001-70

Date: November 2, 2001

Docket No. 8534

Guaranty Bank, FSB, Dallas, Texas (Savings Bank) has applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1828(m) and 12 C.F.R. Part 559, to conduct, through its Texas chartered service corporations, TMF Holdings, Inc. and the Texas Mezzanine Fund, Inc. (Service Corporations), certain community development activities described in 12 C.F.R. § 563e.12(g)(1)-(4).

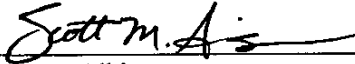
OTS has considered the application materials, including the Savings Bank's experience engaging in community development activities and its representation that an amount no greater than 5 percent of the Savings Bank's capital will be invested in the proposed activities, under the standards set forth at 12 U.S.C. § 1464(c)(4)(B) and 12 C.F.R. Part 559. In addition, OTS has considered the digests prepared by the Midwest Regional Office and Examination Policy, and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda).

For the reasons set forth in the Staff Memoranda, the OTS has concluded that the application satisfies all applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Midwest Regional Director, or his designee (Regional Director). Accordingly, the application is hereby approved, subject to the following conditions:

1. The Savings Bank must obtain prior written clearance from the Regional Director, or his designee, for any material deviation from the activities, facts or representations described in the application, including the Savings Bank's self-imposed investment limit;
2. Within 30 days following initiation of any activities pursuant to this approval, the Savings Bank or Service Corporations must submit a letter to the Regional Director, or his designee, advising OTS of the investment. The letter must include an analysis of why the activity falls within the scope of 12 C.F.R. § 563e.12(g)(1)-(4), and state that if the Regional Director, or his designee, finds that the activity is beyond the scope of § 563e.12(g)(1)-(4) the Savings Bank and Service Corporations will take appropriate corrective measures or withdraw from the activity in a timely fashion; and

3. In the event that § 563e.12(g)(1)-(4) is amended, OTS may modify or limit the approval granted by this Order to limit activity consistent with the scope of the investment authority of federal associations under applicable law and regulation.

By order of the Director of the Office of Thrift Supervision, or her designee, effective November 2, 2001.



Scott M. Albinson
Managing Director
Office of Supervision