



**DEPARTMENT OF BANKING AND CONSUMER FINANCE**  
**State of Mississippi**

Mailing Address:  
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Jackson, Mississippi 39236-2129

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To The Bank Addressed:

This letter is intended to outline the current dividend approval process. Any bank seeking approval to pay dividends shall notify the Department of Banking and Consumer Finance (DBCF) via e-mail or fax outlining the amount of the dividend and payable date.

Banks of no supervisory concern will receive a letter from this office stating no objection to the payment of a dividend. If the bank is of supervisory concern, the DBCF reserves the right to request additional information and/or deny the payment of dividend. Joint approval with your Federal regulator is required for institutions operating under formal and informal enforcement actions. In these cases, a dividend request should be submitted to both agencies. Each bank's Board of Directors' fiduciary responsibility includes ensuring the reasonableness of dividends paid. The approval of dividends and discussions thereof should be recorded in the minutes of the Board. Examiners will review prudence of payment of dividends and compliance with Sections 81-5-75 and 81-3-11 of Mississippi Code, Annotated, during onsite examinations. Directors of state-member and non-member banks declaring a dividend without the prior approval of the Commissioner of the DBCF shall be personally liable for the full amount of the dividend declared.

Dividend requests from banks operating with negative retained earnings represent a retirement of capital. In these cases, state non-member banks must seek approval from the DBCF, as well as, submit an application to the FDIC as detailed in Section 303.241 of the FDIC Rules and Regulations for prior approval of the payment of dividends. Dividend requests from state member banks operating with negative retained earnings must be approved by the Commissioner of the DBCF. Additionally, Regulation H 208.5 outlines the limitation of the withdrawal of capital by dividend payments. Regulation H also delineates capital requirements, earning limitations on the payment of dividends, and payment of capital distributions. No prior approval is required by the Federal Reserve unless the bank does not meet the requirements stated in this regulation.

Effective December 8, 2014, dividend request letters should be submitted to Director, Bank Supervision Sam

Hubbard via email at [sam.hubbard@dbcf.ms.gov](mailto:sam.hubbard@dbcf.ms.gov) or via Facsimile at 601-364-3042.

Sincerely,

A handwritten signature in black ink that reads "Charlotte N. Corley". The signature is written in a cursive, flowing style.

Charlotte N. Corley  
Commissioner