

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
1511 PONTIAC AVENUE, BLDG. 69-1
CRANSTON, RI 02920



DECISION AND ORDER

IN RE:

**APPLICATION OF COASTWAY COMMUNITY BANK FOR APPROVAL
TO AMEND ITS AGREEMENT TO FORM**

I. JURISDICTIONAL STATEMENT AND TRAVEL OF THE CASE

This matter came before the Department of Business Regulation (the "Department"), Division of Banking (the "Division") upon the application of Coastway Community Bank, a financial institution located at One Coastway Plaza, Cranston, RI 02910 (the "Applicant") for approval to amend its agreement to form (the "Application"), pursuant to R. I. Gen. Laws §§19-1-3 and 19-2-10 as follows:

To remove Article Third as it currently exists; and inserting in its place:

THIRD: That the address at which the financial institution's business is to be transacted and its main office shall be located is 1 Coastway Boulevard, Warwick, Rhode Island, 02886

The Application was filed with the Division on October 28, 2014. Notice of the filing of the Application was published on the Department's website, during three consecutive weeks, specifically from December 11, 2014, through January 2, 2015. The Application was made available for public inspection and comment in the office of the Division from December 11, 2014 through January 2, 2015. No letters of comment or objection were received by the Division in connection with the Application during the comment period.

II. APPLICABLE LAW

a. Agreement to Form Standard

R. I. Gen. Laws §19-2-2 specifies the information that shall be contained in an agreement to form. R. I. Gen. Laws §19-1-1 defines agreement to form as an agreement to form a financial institution or an agreement to form a credit union. R. I. Gen. Laws §19-2-10 provides that any financial institution may, subject to the approval of the Director of Business Regulation ("Director") or the Director's designee, amend its agreement to form provided that no such amendment, change or alteration shall contain any provision which could not lawfully be contained in an original agreement to form under Title 19 filed at the time of applying for such amendment.

b. Community Reinvestment Act Standard

It has been the policy of the Director, in reviewing applications for state chartered institutions, to determine whether an applicant will adhere to Community Reinvestment Act ("CRA") standards. The principles inherent in CRA require institutions to address the credit needs of the communities they serve. Both the federal CRA, 12 U.S.C. §2901 *et seq.*, and the state CRA, R. I. Gen. Laws §19-9-4, are applicable. The Applicant received a "Satisfactory" CRA performance evaluation rating from the Federal Deposit Insurance Corporation ("FDIC") as of July 22, 2010, when the last CRA Performance review was performed.

c. Insurance of Deposits

R. I. Gen. Laws §19-4-10 requires that any regulated institution that is permitted by law to receive deposits, except a financial institution prevented from accepting deposits by its by-laws or agreement to form, maintain federal deposit insurance.

III. FINDINGS OF FACT

Evidence was submitted to the Division in support of the Application which included responses to questions contained in the Application and various documents attached as exhibits to the Application, including the original signed: Articles of Amendment, Resolutions of the Sole Stockholder of Coastway Community Bank, Resolutions of the Board of Directors of Coastway Community Bank, and Unanimous Written Consent of the Board of Directors of Coastway Bancorp, Inc. Based upon the documentary evidence filed with the Division, the Director hereby makes the

following findings of fact:

1. The Division received from Coastway Community Bank the Application pursuant to R. I. Gen. Laws §§19-1-3 and 19-2-10 on October 28, 2014.

2. The Division published a Notice of Application Filed during three consecutive weeks, specifically from December 11, 2014 through January 2, 2015, on the Department's website, in accordance with R. I. Gen. Laws §19-1-3.

3. The public inspection and comment period for the Application began on December 11, 2014 and ended on January 2, 2015 during which time the Application was available for public inspection and comment in the office of the Division. No letters of comment or objection were received by the Division in connection with the Application during the comment period.

4. The Applicant provided evidence that the vote taken to amend the Agreement to Form was performed in accordance with the Bylaws of the Applicant.

5. The Applicant provided a copy of its latest CRA Performance Evaluation which evidences its intent to comply with CRA and non-discrimination laws and regulations and to address the communities' credit needs consistent with its past performance, which was last rated by the FDIC as of July 22, 2010 as "Satisfactory".

6. This transaction is not subject to review and approval by the FDIC.

IV. CONCLUSIONS OF LAW

Based upon the evidence presented, including documentary evidence filed with the Division, the Director hereby makes the following conclusions of law:

1. The Director has jurisdiction over the Application for approval to amend a financial institution's agreement to form pursuant to R. I. Gen. Laws §§19-1-3 and 19-2-10.

2. The Applicant is both a financial institution and a regulated institution as defined in R. I. Gen. Laws §19-1-1.

3. The Notice of Application Filed satisfies the requirements of R. I. Gen. Laws §19-1-3 with respect to the publication of notice for the proposed amendment to the agreement to form.

4. The agreement to form, as amended, is in conformity with law.

5. The documentary evidence filed and presented with the Application satisfies all other statutory requirements of R. I. Gen. Laws Title 19 with respect to an amendment to an agreement to form.

6. The standard established in R. I. Gen. Laws §19-9-4 regarding credit needs of local

communities will be satisfied by the proposed amendment.

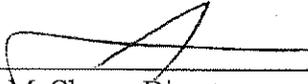
7. The amendment does not affect the Applicant's status as an FDIC insured financial institution.

V. DECISION AND ORDER

Upon review and consideration of the documentary evidence in the record presented in this matter, it is hereby ORDERED:

That the Application of Coastway Community Bank to amend Article Third of its Agreement to Form, is hereby approved in accordance with, and with the general effect provided for in R. I. Gen. Laws §19-2-10, subject to Applicant filing with the Division within thirty (30) days of the date of this Decision and Order evidence that the original and duplicate originals of the Articles of Amendment have been filed with the Office of the Rhode Island Secretary of State.

ENTERED AS ADMINISTRATIVE ORDER NUMBER 15-10 OF THE DIRECTOR OF THE DEPARTMENT OF BUSINESS REGULATION AS OF THIS 16th DAY OF APRIL, 2015.



Macky McCleary, Director
State of Rhode Island
Department of Business Regulation