

## FEDERAL DEPOSIT INSURANCE CORPORATION

RE: Walden Mutual Bank  
(In Organization)  
Concord, Merrimack County, New Hampshire  
Application for Federal Deposit Insurance

### ORDER

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) has fully considered all available facts and information relevant to the statutory factors of section 6 of the Federal Deposit Insurance Act (12 U.S.C. § 1816), including financial history and condition, capital adequacy, future earnings prospects, general character of management, risk to the Deposit Insurance Fund, convenience and needs of the community, and consistency of corporate powers, as they relate to the application for Federal deposit insurance for Walden Mutual Bank (Bank), a proposed New Hampshire-chartered, nonmember mutual bank to be located at 66 North Main Street, Concord, Merrimack County, New Hampshire, 03301. The FDIC has concluded that the application should be approved.

Accordingly, it is hereby **ORDERED**, for reasons set forth in the attached Statement, that the application submitted by the Bank for Federal deposit insurance be, and the same hereby is approved, subject to the following conditions:

1. The Bank shall provide initial paid-in capital funds of not less than \$22,000,000, prior to netting pre-opening expenses that align with the Business Plan.
2. The Bank will maintain a Leverage ratio (as defined in the appropriate capital regulations of the FDIC) of not less than eight percent (8.00%) throughout the first three years of operations.
3. During the Bank's operations, the Bank shall provide at least 60 days prior written notice to, and obtain written non-objection from, the FDIC New York Regional Director for any proposed changes to the Series 1 Special Deposit instrument and any subsequent issuances of Special Deposit instruments (or any other capital instrument), as well as any offering materials or other investor communications or representations, to be made in connection with such instruments.
4. The Bank will have determined the framework for a Current Expected Credit Losses methodology from the date Federal deposit insurance is effective and will maintain a supportable Allowance for Credit Losses through the first three years of operations.
5. The Bank will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. Generally Accepted Accounting Principles.

6. Prior to the effective date of Federal deposit insurance, the Bank shall obtain adequate fidelity coverage. The Bank will maintain adequate fidelity coverage through the first three years of operations.
7. The Bank will obtain an audit of its financial statements by an independent public accountant (independent auditor) annually for at least the first three years of operation. The Bank will submit to the FDIC's New York Regional Office: (i) a copy of the audited annual financial statements and the independent auditor's report thereon within ninety (90) days after the end of the Bank's fiscal year, (ii) a copy of any other reports (including any management letters) by the independent auditor within fifteen (15) after receipt by the Bank, and (iii) written notification within fifteen (15) days when a change in the independent auditor occurs.
8. The Bank shall operate within the parameters of the Business Plan submitted as part of the Application, as updated on May 11, 2022, and the revised financial projections submitted to the FDIC on July 11, 2022 during the first three years of operation. The Bank shall seek the prior approval of the FDIC New York Regional Director for any proposed major deviation or material change from the submitted business plan or revised projections before consummating such change or deviation.
9. During the first three years of operation, the Bank shall notify the FDIC New York Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.
10. Prior to commencing operations, and during the first three years of operation, the Bank shall provide written notice to, and obtain the prior written non-objection from, the FDIC New York Regional Director for any proposed change to the Board of Directors of the Bank (Board of Directors) or to any senior executive officer position. Notice shall be submitted at least 30 days prior to the proposed election to the Board of Directors or appointment to a senior executive position, and shall include a complete *Interagency Biographical and Financial Report* for the individual. The terms "director" and "senior executive officer" shall have the meaning set forth in 12 C.F.R. § 303.101.
11. Prior to executing final employment agreements and long-term incentive compensation plans (compensation arrangements) for any director or senior executive officer, and prior to the Bank commencing operations, the Bank shall submit copies of, and obtain the FDIC New York Regional Director's written non-objection to, the compensation arrangements (including a written description of salary, benefits, deferred compensation, incentives, and bonus and severance payments, as applicable) for the Bank's directors and senior executive officers.
12. The Bank shall obtain the written consent of the FDIC New York Regional Director prior to consummating any proposed plan of reorganization or the acquisition of loans or other assets from Henry David Thoreau Company, Ltd. or its subsidiaries.

13. The Bank shall establish an Audit Committee of the Board of Directors comprised fully of outside, independent directors and ensure that the external and internal audit functions, whether conducted in-house or contracted, report directly to the Chair of the Audit Committee.
14. Federal deposit insurance shall not become effective until the Bank has been granted a charter and has authority to conduct a banking business, and its establishment and operation as a depository institution has been fully approved by the State of New Hampshire.
15. If Federal deposit insurance has not become effective within one year from the date of this ORDER, or unless, in the meantime, a written request for an extension of time by the Bank has been approved by the FDIC, the consent granted shall expire at the end of this time period on said date.
16. Until Federal deposit insurance becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment should any interim development be deemed by the FDIC to warrant such action.

By Order of the Board of Directors of the Federal Deposit Insurance Corporation.

Dated at Washington, D.C. this 26th day of September, 2022.



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Debra A. Decker  
Executive Secretary

# **FEDERAL DEPOSIT INSURANCE CORPORATION**

RE: Walden Mutual Bank (Proposed)

Concord, Merrimack County, New Hampshire

Application for Federal Deposit Insurance

## **STATEMENT**

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (“FDI Act”) (12 U.S.C. §1815), the Federal Deposit Insurance Corporation (“FDIC”) received an Interagency Charter and Federal Deposit Insurance Application on behalf of Walden Mutual Bank (the “Bank”), a proposed New Hampshire-chartered, nonmember mutual bank with a headquarters located at 66 North Main Street, Concord, Merrimack County, New Hampshire. The organizers concurrently applied to the State of New Hampshire Banking Department for a state bank charter.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on September 3, 2021.

The FDIC must consider the statutory factors of section 6 of the FDI Act (12 U.S.C. §1816) when evaluating an application for deposit insurance. These factors relate to the financial history and condition of the depository institution; the adequacy of capital; the future earnings prospects; the general character and fitness of management; the risk to the Deposit Insurance Fund; the convenience and needs of the community to be served; and the consistency of corporate powers with the FDI Act.

The Bank will be organized as a mutual bank. The opening capital of the Bank will be realized from an offering of a minimum of 2,282,500 Special Deposits, with a maximum of 2,582,500 Special Deposits, at a price of \$10.00 each. A minimum of \$22,000,000 of the proceeds from the Special Deposit offering will capitalize the Bank.

The Bank’s Business Plan is for a community bank that focuses on lending to organic, sustainable, and regenerative food and agricultural enterprises across the food chain from farms to processors to retail. Lending products will support land, building, or equipment acquisition or refinancing, organic transitions, working capital lines, and other needs. The Bank will operate primarily as a digital bank, with an initial primary assessment area of five contiguous counties in New Hampshire – Belknap, Hillsborough, Merrimack, Rockingham, and Strafford. The Bank will be organized as a public benefit corporation with the specific public purpose of promoting sustainable food and agriculture in the New England and New York regions. Operations will be overseen by an experienced management team and a diverse and knowledgeable Board of Directors committed to the Bank’s mission and serving its intended market.

The Bank will operate with sufficient capital and managerial resources to accomplish the strategies and goals in the business plan. The Bank will be capitalized with an amount sufficient

to achieve and maintain a Tier 1 capital to assets leverage ratio, as defined in 12 CFR part 324 of the FDIC Rules and Regulations, of not less than eight percent (8%) throughout the Bank's first three years of operation. Projected growth and earnings appear attainable, and the investment in fixed assets is reasonable. The Bank's plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purposes of the FDI Act, and no undue risk to the Deposit Insurance Fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, and in consideration of the factors of section 6 of the FDI Act, the Board of Directors of the Federal Deposit Insurance Corporation has concluded that approval of the application is warranted, subject to certain prudential conditions.

BOARD OF DIRECTORS  
FEDERAL DEPOSIT INSURANCE CORPORATION