

OFFICE OF THE COMPTROLLER OF THE CURRENCY
Washington, DC 20219

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 19, 2021

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

(Exact Name of Registrant as Specified in its Charter)

Federal
(State or Other Jurisdiction
of Incorporation)

703360
(OCC Certificate No.)

47-0298080
(I.R.S. Employer
Identification No.)

1045 10th Avenue, Sidney, Nebraska
(Address of Principal Executive Offices)

69162
(Zip Code)

Registrant's telephone number, including area code: (308) 254-2401

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Not Applicable	Not Applicable	Not Applicable

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry Into A Material Definitive Agreement

Effective January 19, 2021, Sidney Federal Savings and Loan Association (the “Bank”) consented to the issuance of a Cease and Desist Order (the “Order”) from the Office of the Comptroller of the Currency (the “OCC”). The Order formalizes many of the requirements of the Bank’s previously disclosed Memorandum of Understanding with the OCC and its Individual Minimum Capital Ratios. The Order provides, among other things, that:

- The Board must maintain a Compliance Committee of at least three members of which a majority must be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates;
- By March 31, 2021, the Bank must achieve and maintain the following capital ratios as defined in and as calculated in accordance with 12 C.F.R. Part 3: (a) tier 1 capital to adjusted total assets at least equal to 9%; and (b) total risk-based capital to risk-weighted assets at least equal to 12%;
- By March 31, 2021, the Board must develop a written strategic plan for the Bank covering at least the next three years from the date of the Order (the “Capital and Strategic Plan”), complete with specific time frames that incorporate the requirements of the Order.
- Until the Capital and Strategic Plan required under the Order has been submitted by the Bank for the Assistant Deputy Comptroller’s of the OCC (the “ADC”) review, has received a written determination of no supervisory objection from the ADC, and has been adopted by the Board, the Bank must not significantly deviate from the products, services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets of the Bank that existed immediately before the effective date of this Order without first obtaining the ADC’s prior written determination of no supervisory objection to such significant deviation;
- The Board must immediately submit to the ADC for review and prior determination of no supervisory objection, a written interest rate risk program;
- The Board must immediately submit to the ADC for review and prior determination of no supervisory objection, a written program designed to identify, measure, monitor, and control concentrations of credit;
- Within 60 days of the Order, the Board must submit to the ADC for review and prior determination of no supervisory objection, a written a commercial credit risk management and independent loan review program;
- Within 60 days of the Order, the Board must submit to the ADC for review and prior determination of no supervisory objection, a written loan portfolio stress testing program;
- Within 60 days of the Order, the Board must submit to the ADC for review and prior determination of no supervisory objection, a written loan policy (the “Loan

Policy”) to include, at a minimum, revisions relating to guidelines for participations purchased, which Loan Policy must include a prohibition against purchasing any participation for which the Bank does not have the knowledge, skills, or ability to properly underwrite on its own; and

- The Board must ensure that the Bank has timely adopted and implemented all corrective actions required by the Order, and must verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank’s deficiencies that resulted in the Order.

The foregoing description of the Order is qualified in its entirety by reference to the Order issued to the Bank, which is attached hereto as Exhibit 10.1, and is incorporated by reference into this Item 1.01.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial statements of businesses acquired. None
- (b) Pro forma financial information. None
- (c) Shell company transactions. None
- (d) Exhibits.

10.1 Cease and Desist Order by and through the Board of Directors of Sidney Federal Savings and Loan Association and the Office of the Comptroller of the Currency, dated January 19, 2021.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

DATE: February 22, 2021

By: /s/ Steve Smith
Steve Smith
President and Chief Executive Officer