

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**In Re:** Community Capital Bank of Virginia  
Christiansburg, Montgomery County, Virginia  
Application for Federal Deposit Insurance

**ORDER**

The undersigned, acting on behalf of the Board of Directors of the FDIC, pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act and relating to the application for Federal deposit insurance for Community Capital Bank of Virginia, a proposed new State Member bank to be located at 990 Cambria Street, NE, Christiansburg, Montgomery County, Virginia, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Community Capital Bank of Virginia for Federal deposit insurance be and is approved subject to the following conditions:

1. That beginning paid-in capital funds of not less than \$7,050,000 be provided, of which not less than \$3,525,000 shall be allocated to common capital and not less than \$3,525,000 to surplus;
2. That the Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance of the institution's primary Federal regulator) will be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided;
3. That any changes in proposed management or proposed ownership (10% or more of stock), including new acquisitions of or subscriptions to 10% or more of the stock, shall be approved by the FDIC prior to opening of the bank;
4. That Virginia Community Capital, Inc. (VCCI), has obtained approval of the Board of Governors of the Federal Reserve System to acquire voting stock control of the proposed depository institution prior to its opening for business;
5. That the Board of Directors of the Bank and the Board of Directors of VCCI, the Bank's holding company, will not be identical;
6. That the Board member serving as the Director of the Virginia Department of Housing and Community Development and the Board member appointed by the Governor of the Commonwealth of Virginia (collectively, the Commonwealth

Directors) will not constitute a majority of any committee of either VCCI or the Bank;

7. That no Commonwealth Director will serve as the Chairman of the Board of either VCCI or the Bank;
8. That the Board of Directors of both VCCI and the Bank will consist of no fewer than seven persons;
9. That, if vacancies occur on the Board of Directors of VCCI such that Commonwealth Directors constitute the only, or a majority of, directors remaining on the Board of Directors of VCCI, the Commonwealth Directors will appoint up to two replacement directors, which replacement directors shall be neither employees nor representatives of the Commonwealth of Virginia; and, further, that the replacement director(s) so appointed by the Commonwealth Directors shall fill the remaining vacancies on the Board of Directors of VCCI with additional directors, who shall be neither employees nor representatives of the Commonwealth of Virginia;
10. That Federal deposit insurance shall not become effective unless and until the applicant has been established as a State Bank (Member of the Federal Reserve System), that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Commonwealth of Virginia, State Corporation Commission, Bureau of Financial Institutions;
11. That until the bank is established, the Corporation shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and,
12. That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a request for an extension of time has been approved by the Corporation, the consent granted shall expire at the end of the said twelve-month period.

Dated at Washington, D.C., this 16 day of July, 2008.

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By: /s/

Lisa D. Atquette  
Associate Director

Division of Supervision and Consumer Protection

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### STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815), an application for Federal deposit insurance has been filed for Community Capital Bank of Virginia (CCBV), a proposed state member bank to be located at 990 Cambria Street, N.E., Christiansburg, Virginia, with a loan production office in Richmond, Virginia.

CCBV will have a special purpose as a community development bank, focusing on affordable housing and small business development in underserved and low-to-moderate income areas throughout the Commonwealth of Virginia (State). CCBV will focus on community development lending in economically depressed and underserved markets throughout the State. Credit products that promote affordable housing, small business economic development, and other community initiatives will be offered.

CCBV will be wholly-owned by Virginia Community Capital, Inc. (VCCI), a non-stock, non-profit 501(c) holding company approved by the Federal Reserve Bank of Richmond (FRBR). VCCI is certified as a Community Development Financial Institution (CDFI) by the United States Department of the Treasury.

VCCI also proposes to establish Virginia Community Capital Partners (VCCP), a non-profit, nonregulated 501(c) loan fund. VCCP can lend to less creditworthy borrowers that are not suitable for an insured institution and can seek funding from sources unavailable to the Applicant.

Capital for CCBV and VCCP has been provided by the Commonwealth of Virginia (State) pursuant to a community development initiative approved by the General Assembly of Virginia. While the State retains no ownership position, the legislation required that the Boards of VCCI and CCBV include the current Director of the Virginia Department of Housing and Community Development and another Director appointed by the Governor. As a result, certain prudential conditions have been imposed to mitigate against the State's exercise of control over the insured institution.

For the purposes of this proposal, the investment in fixed assets is reasonable, capital is adequate, and future earnings prospects are favorable. Management is considered capable and the potential for the State to exercise a controlling influence has been satisfactorily mitigated. No formal objections to this application have been filed with the FDIC. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No undue risk to the Deposit Insurance Fund is apparent.

Accordingly, based upon a careful evaluation of all available facts and information, the Associate Director, pursuant to delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**ASSOCIATE DIRECTOR  
DIVISION OF SUPERVISION AND CONSUMER PROTECTION  
FEDERAL DEPOSIT INSURANCE CORPORATION**