

[Date]

[Name of Recipient/Chief Executive Officer]

[Name of Financial Institution/Company]

[Address Line 1]

[Address Line 2]

RE: Notice of Restriction on Dividend Payments

Dear [Name of Recipient],

Based on a recent review of [Institution Name]'s asset quality and overall financial condition as of [Date of Financial Statement/Examination], it has been determined that the institution does not currently meet the necessary criteria to declare or pay dividends.

Specifically, this restriction is being implemented due to the following factors regarding asset quality:

- A significant increase in non-performing assets and classified loans.
- Inadequate Allowance for Loan and Lease Losses (ALLL) relative to the current risk profile.
- The need to preserve capital to absorb potential credit losses.

Effective immediately, [Institution Name] is restricted from declaring or paying any dividends to shareholders without prior written approval from [Regulatory Body/Board of Directors]. This restriction shall remain in place until the institution demonstrates a sustained improvement in asset quality and maintains capital levels well above the regulatory "well-capitalized" thresholds.

To request a reconsideration of this restriction in the future, the institution must submit a formal capital plan detailing strategies for the reduction of problem assets and the strengthening of the balance sheet.

Please acknowledge receipt of this notice by signing below and returning a copy to our office by [Deadline Date].

Sincerely,

[Signature]

[Name of Authorized Official]

[Title]

[Organization Name]

Acknowledgment of Receipt:

Signature: _____ Date: _____

Name and Title: _____