

Fast-growing Centric switches regulators

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[Centric Bank](#) is switching from a federal to a state regulator during a period of rapid growth.

The [Pennsylvania Department Of Banking](#) reported in its weekly bulletin that it has agreed to take over supervision of the bank from the federal [Office Of The Comptroller Of The Currency](#) (OCC).

The state Department of Banking offers the responsiveness a community bank such as Centric needs, Centric President and Chief Executive Officer [Patricia A. Husic](#) said.

"For us, being a community bank headquartered ... in Dauphin County, it made much more sense to us," she said.

Centric's predecessor bank, Vartan National Bank, in 2006 [Signed](#) a written agreement with the OCC committing to various changes. A written agreement is the OCC's lowest level of formal enforcement.

Centric will exit its agreement with the OCC by switching, but Husic said Centric and the Department of Banking signed a memorandum of understanding with similar terms. That pact could be revised after the new regulators have a chance to do a more thorough review of the bank, she said. Commerce Bank/Harrisburg [Also Exited](#) a written agreement with the OCC in 2008 by switching to the Department of Banking. Banks [Have The Option](#) of state or national regulation.

Centric is picking up business as bigger banks pull back from certain types of lending, Husic said.

"I like to say that Centric Bank has been the counter-trend right now in our economic and financial climate," she said, adding the same was true of community banks in general.

Privately held Centric's assets swelled by 51.8 percent in 2008 compared with 2007, to \$125.5 million, according to data from the [Federal Deposit Insurance Corp.](#) Deposits grew 60.8 percent, to \$104.8 million. The bank lost \$222,000, a slight improvement from 2007.

Husic said the bank's aim is to become profitable before the typical benchmark for newly formed banks - three years. Centric was created in February 2007 after a group of 125 investors bought Vartan National from the family of the late Harrisburg businessman John O. Vartan.