PROVIDENT FINANCIAL HOLDINGS INC
Form S-1/A
November 20, 2009

As filed with the Securities and Exchange Commission on November 20, 2009

Registration No. 333-162415

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PROVIDENT FINANCIAL HOLDINGS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	6035	33-0704889
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

3756 Central Avenue, Riverside, California 92506; (951) 686-6060

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Craig G. Blunden, President and CEO
Provident Financial Holdings, Inc.
3756 Central Avenue
Riverside, California 92506; (951) 686-6060

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

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Scott Brown, Esquire
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607 14th Street, NW, Suite 900
Washington, DC 20005
(202) 508-5800

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: [ ]
If this Form is filed to register additional shares for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]
If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]
If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock, par value $.01 per share	$46,000,000	$2,567.00

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Section 457(o) under the Securities Act.
(2) Includes the offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.
(3) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The Information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated __________ __, 2009

PROSPECTUS

Shares

Common Stock

We are offering shares of our common stock. Our common stock is listed on the Nasdaq Global Select Market under the symbol "PROV." On , 2009, the last reported sale price of our common stock on the Nasdaq Global Select Market was $ per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 7 of this prospectus to read about factors you should consider before buying our common stock.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to Provident Financial Holdings, Inc. (before expenses)	$	$

The underwriters have the option to purchase up to an additional shares of our common stock at the public offering price, less underwriting discounts and commissions, within 30 days of the date of this prospectus solely to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The shares of common stock are not savings accounts, deposits or other obligations of a bank or savings institution and are not insured by the Federal Deposit Insurance Corporation or any other government agency.

The underwriters expect to deliver the common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about , 2009.

Sole Book Running Manager

SANDLER O'NEILL + PARTNERS, L.P.

Co-Managers

FBR CAPITAL MARKETS & CO. FIG PARTNERS, LLC

The date of this prospectus is _____________ __, 2009

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Prospectus

You should rely only on the information contained in or incorporated by reference in this prospectus and any “free writing prospectus” we authorize to be delivered to you. We have not, and the underwriters have not, authorized anyone to provide you with additional information or information different from that contained in or incorporated by reference in this prospectus and any such “free writing prospectus.” If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, our common stock only in jurisdictions where those offers and sales are permitted. The information contained in or incorporated by reference in this prospectus and any such “free writing prospectus” is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus describes the specific details regarding this offering and the terms and conditions of the common stock being offered hereby and the risks of investing in our common stock. To the extent information in this prospectus is inconsistent with any of the documents incorporated by reference into this prospectus, you should rely on this prospectus. You should read this prospectus, the documents incorporated by reference in this prospectus and the additional information about us described in the section entitled “Where You Can Find More Information” before making your investment decision.

As used in this prospectus, the terms “we,” “our,” “us,” and “Provident” refer to Provident Financial Holdings, Inc. and its consolidated subsidiaries, unless the context indicates otherwise. When we refer to the “Bank” or “Provident Savings Bank” in this prospectus, we are referring to Provident Savings Bank, F.S.B., a wholly owned subsidiary of Provident Financial Holdings, Inc.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference may contain forward-looking statements. These forward-looking statements are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact and often include the words "believes," "expects," "anticipates," "estimates," "forecasts," "intends," "plans," "targets," "poten "probably," "projects," "outlook" or similar expressions or future or conditional verbs such as "may," "will," "should," "would "could." Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, assumptions and statements about future performance. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated, including, but not limited to:

- the credit risks of lending activities, including changes in the level and trend of loan delinquencies and write-offs and changes in our allowance for loan losses and provision for loan losses that may be impacted by deterioration in the housing and commercial real estate markets;
- changes in general economic conditions, either nationally or in our market areas;
- changes in the levels of general interest rates, and the relative differences between short and long term interest rates, deposit interest rates, our net interest margin and funding sources;
- fluctuations in the demand for loans, the number of unsold homes, land and other properties and fluctuations in real estate values in our market areas;
- secondary market conditions for loans and our ability to sell loans in the secondary market;
- the accuracy of the results of our stress test;
- results of examinations of us by the Office of Thrift Supervision or other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase our reserve for loan losses, write-down assets, change our regulatory capital position or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings;
- legislative or regulatory changes that adversely affect our business including changes in regulatory policies and principles, or the interpretation of regulatory capital or other rules;
- our ability to attract and retain deposits;
- further increases in premiums for deposit insurance;
- our ability to control operating costs and expenses;
- the use of estimates in determining fair value of certain of our assets, which estimates may prove to be incorrect and result in significant declines in valuation;
- difficulties in reducing risk associated with the loans on our balance sheet;
- staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our workforce and potential associated charges;

- computer systems on which we depend could fail or experience a security breach;
- our ability to retain key members of our senior management team;
- costs and effects of litigation, including settlements and judgments;
- our ability to implement our branch expansion strategy;

- our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we have acquired or may in the future acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and savings habits;
- the availability of resources to address changes in laws, rules, or regulations or to respond to regulatory actions;
- our ability to pay dividends on our common stock;
- adverse changes in the securities markets;
- inability of key third-party providers to perform their obligations to us;
- changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods; and
- other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described elsewhere in this prospectus and the incorporated documents.

Some of these and other factors are discussed in this prospectus under the caption “Risk Factors” and elsewhere in this prospectus and in the incorporated documents. Such developments could have an adverse impact on our financial position and our results of operations.

Any forward-looking statements are based upon management’s beliefs and assumptions at the time they are made. We undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference in this prospectus or to update the reasons why actual results could differ from those contained in such statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this prospectus or the incorporated documents might not occur, and you should not put undue reliance on any forward-looking statements.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference into, this prospectus. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in our common stock. You should read this entire prospectus, including the "Risk Factors" section, and the documents incorporated by reference, which are described under "Incorporation of Certain Documents by Reference" in this prospectus. Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus assumes that the underwriters do not exercise their option to purchase additional shares of our common stock to cover over-allotments, if any.

Provident Financial Holdings, Inc.

Provident Financial Holdings, Inc., a Delaware corporation, was incorporated in 1996. We operate principally through Provident Savings Bank, F.S.B., a federally-chartered stock savings bank that is our wholly owned subsidiary. At September 30, 2009, we had total consolidated assets of $1.48 billion, total loans of $1.24 billion, total deposits of $931.9 million and total stockholders' equity of $108.9 million.

Provident Savings Bank is a financial services company committed to serving consumers and small to mid-sized businesses in Riverside and San Bernardino counties, California, known as the Inland Empire region of Southern California. Provident Savings Bank conducts its business operations as Provident Bank, Provident Bank Mortgage ("PBM"), a division of Provident Savings Bank, and through its subsidiary, Provident Financial Corp.

Our subsidiaries provide a full range of financial services designed to meet the financial needs of our customers, including:

- community banking
- mortgage banking
- investment and insurance services, and
- trustee services.

Provident Savings Bank is headquartered in Riverside, California and operates 13 full-service banking offices in Riverside County and one full-service banking office in San Bernardino County. We consider Riverside and Western San Bernardino counties to be our primary market area for deposits. Through the operations of Provident Bank Mortgage, we have expanded the Bank's mortgage lending market to include a large portion of Southern California and, to a much lesser extent, Northern California. As of September 30, 2009, Provident Bank Mortgage had four loan production offices located in Southern California (in Los Angeles, Riverside (two offices) and San Bernardino counties) and one loan production office in Northern California (in Alameda County). Provident Bank Mortgage's loan production offices include two wholesale loan offices through which the Bank maintains a network of loan correspondents. Most of the Bank's business is conducted in the communities surrounding its full-service branches and loan production offices.

PBM originates conventional conforming loans, which meet Freddie Mac and Fannie Mae underwriting guidelines or are FHA/VA insured loans, for sale to the secondary mortgage markets primarily on a servicing released basis. PBM maintains relationships with four active private investors that purchase conventional conforming and FHA loan production. PBM requires that each loan application is verified through Freddie Mac's Loan Prospector automated underwriting system or Fannie Mae's Desktop Underwriter automated underwriting system and maintains generally more conservative underwriting criteria than Freddie Mac, Fannie Mae or FHA in a two key areas, lower maximum debt-to-income ratio requirements and higher minimum FICO score requirements.

Certain contractual repurchase or default provisions are contained in the agreements governing the relationship between the four private investors, Freddie Mac, Fannie Mae, FHA and PBM requiring PBM to repurchase any loan over the life of the loan where an investor has demonstrated that fraudulent activity or information was utilized in the loan application process to obtain the loan or for breaches of representations and warranties related to the loan. Additionally, the agreements between the private investors and PBM contain certain contractual language requiring the repurchase of loans where the loans have experienced early payment default (typically within 90 days of the loan sale). In those cases, the investor is not required to demonstrate fraudulent activity was utilized in the loan application process to obtain the loan.

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PBM has adapted to the changing market conditions by enhancing its expertise in FHA/VA loan products, adopting tighter underwriting standards, changing the loan product mix to focus on conforming conventional and FHA/VA loans and, recently, by expanding its loan origination capacity to reflect the increased demand for mortgage loans resulting from lower mortgage interest rates and lower home prices.

Primarily, the Bank attracts deposits from the general public and using those funds, together with borrowings and other funds, to originate single-family first mortgage loans on residential properties located in our primary market areas. We also make multi-family, commercial real estate, construction, commercial business, consumer and other loans and invest in mortgage-backed securities, federal government and agency obligations, money market obligations and certain corporate obligations. Our mortgage banking activities primarily consist of the origination and sale of single-family mortgage loans (including second mortgages and equity lines of credit). Through its subsidiary, Provident Financial Corp, the Bank conducts trustee services for its real estate transactions and in the past has used Provident Financial Corp to hold real estate for investment. Provident Savings Bank also offers investment and insurance services.

Provident Savings Bank is a member of the Federal Home Loan Bank System and its deposits are insured by the Federal Deposit Insurance Corporation, or FDIC, up to applicable limits. The Bank is subject to comprehensive regulation, examination and supervision by the Office of Thrift Supervision, or OTS, and the FDIC.

Our common stock trades on the Nasdaq Global Select Market under the symbol "PROV."

Our principal executive offices are located at 3756 Central Avenue, Riverside, California 92506. Our telephone number is (951) 686-6060.

Business Strategy

Since the latter half of 2007, severely depressed economic conditions have prevailed in portions of the United States, including California, where we hold substantially all of our loans and conduct all of our operations. As of September 30, 2009, approximately 85% of our real estate loans were secured by collateral and made to borrowers located in Southern California. Southern California, in particular the Inland Empire, has experienced substantial home price declines and increased foreclosures and has experienced above average unemployment rates. In response to these financial challenges, we have taken and are continuing to take a number of actions aimed at preserving existing capital, reducing our lending concentrations and associated capital requirements, and increasing liquidity. The tactical actions we have taken to date include, but are not limited to: primarily originating loans for sale in the secondary market, slowing residential loan originations held for investment in our loan portfolio, disciplined growth of our commercial and multi-family real estate loan portfolios, selling real estate owned and investment securities, increasing retail deposits, reducing personnel operating costs, and reducing the amount of our dividends to stockholders.

Our goal is to deliver returns to shareholders by expanding our market share by capturing business resulting from changes in the competitive environment within our existing market areas, increasing our core deposit balances, improving our available liquidity, managing our problem assets, increasing our higher-yielding assets (in particular multi-family real estate loans) and reducing expenses. To realize these objectives, we are pursuing the following strategies:

Improve Asset Quality. We have de-emphasized new loan originations for investment to focus on monitoring existing performing loans, resolving non-performing loans and selling foreclosed assets. The percentage of non-performing assets to total assets was 6.64% at September 30, 2009, as compared to 2.80% at September 30, 2008. We have aggressively sought to reduce the level of non-performing assets through write-downs, collections, modifications and sales of non-performing loans and real estate owned ("REO"). We have taken proactive steps to resolve our non-performing loans, including negotiating repayment plans, forbearances, loan modifications and loan extensions with our borrowers when appropriate, and accepting short payoffs on delinquent loans, particularly when such payoffs result in a smaller loss to us than foreclosure. We also have added personnel to the department that monitors our loans with a goal of reducing our exposure to a further deterioration in asset quality. Beginning in 2008, in connection with the downturn in real estate markets, we applied more conservative and stringent underwriting practices to our new loans, including, among other things, requiring more detailed credit and income information to assess a borrower's ability to repay a loan, increasing the amount of required collateral or equity requirements and reducing loan-to-value ratios.

Expand our presence within our existing market areas by capturing business opportunities resulting from changes in the competitive environment. We currently conduct our business primarily in Southern California. We have a community banking strategy that emphasizes responsive and personalized service to our customers. As a result of the recent consolidation and failure of certain financial institutions in Southern California, we believe there is a significant opportunity for a community-focused bank, such as Provident Savings Bank, to provide a full range of financial services to small and middle-market commercial and retail customers. By offering quicker decision making in the delivery of banking products and services, offering customized products where appropriate and providing customer access to our senior managers, we can distinguish ourselves from larger banks operating in our market areas. At the same time, our larger capital base and greater product mix enables us to compete effectively against smaller banks. As a result, we believe we have a substantial opportunity to attract additional borrowers and depositors and, thus, expand our presence and market share throughout Riverside and San Bernardino counties.

Improve revenues through continued and expanded mortgage banking operations. The substantial majority of our single-family residential loans we originate to sell in the secondary market with servicing released. This strategy enables us to have a much larger lending capacity, provide a more comprehensive product offering and reduce the interest rate, prepayment and credit risks associated with residential lending. Further, such strategy allows us to be more flexible with the single-family residential loans we maintain for investment. The increased capital we raise from this offering may allows us to maintain a greater amount of loans for sale, which will allow us to increase our mortgage banking operations.

Improve our Earnings by Expanding Our Product Offerings. We intend to diversify our loan portfolio by prudently increasing the percentage of our assets consisting of higher-yielding multi-family loans, which offer higher risk-adjusted returns, shorter maturities and more sensitivity to interest rate fluctuations, while still providing high quality loan products for single-family residential borrowers. We also intend to selectively add additional products to further diversify revenue sources and to capture more of each customer's banking relationship by cross selling our loan and deposit products and additional services to our customers.

Increase Core Deposits and Other Retail Deposit Products. Our strategic focus is to emphasize total relationship banking with our customers to internally fund our loan growth. We believe that continued focus on customer relationships will help to increase our level of core deposits and locally-based retail certificates of deposit. In addition to our retail branches, we maintain state of the art technology-based products, such as on-line personal financial management, business cash management, and business remote deposit products, that enable us to compete effectively with banks of all sizes.

Continued Expense Control. Beginning in fiscal 2008 and continuing into fiscal 2009, management has undertaken several initiatives to reduce non-interest expense and will continue to make it a priority to identify cost savings opportunities throughout all phases of our operations. In the fourth quarter of fiscal 2007, we began reducing stockholder dividends. Beginning in fiscal 2008, we instituted expense control measures such as reducing staff, reducing many of our marketing expenses, cancelling certain projects and capital purchases, and reducing travel and entertainment expenditures. Personnel reductions have and will come primarily from our lending and mortgage banking operations as well as some reduction in our support areas. We believe that reductions in staffing and related benefit costs have saved us approximately $3.6 million on an annualized basis.

Recruit and retain highly competent personnel to execute our strategies. Our ability to continue to attract and retain banking professionals with strong community relationships and significant knowledge of our markets will be a key to our success. We believe that we enhance our market position and add profitable growth opportunities by focusing on hiring and retaining experienced bankers who are established in their communities. We emphasize to our employees the importance of delivering exemplary customer service and seeking opportunities to build further relationships with our customers. Our goal is to compete with other financial service providers by relying on the strength of our customer service and relationship banking approach.

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Recent Developments

Internal Analysis of Capital. The federal banking regulators have conducted the Supervisory Capital Assessment Program, or the "SCAP," commonly referred to as the "stress test," of the nineteen largest United States bank holding companies. The SCAP process involves the projection of losses on loans, assets held in investment portfolios and trading-related exposures, as well as each institution's capacity to absorb losses to determine a sufficient capital level to support lending over a two-year horizon under a "baseline" and a "more adverse" scenario. The assumptions used for the baseline scenario reflect the consensus expectations on such items as gross domestic product growth, unemployment rates and home prices, as of February 2009 among professional forecasters on the depth and duration of the economic recession. The more adverse scenario was designed to characterize a recession that is longer and more severe than the consensus expectation.

We were not among the banks that the federal banking regulators reviewed under the SCAP, however, we conducted an analysis of our capital position as of September 30, 2009, applying the SCAP methodology established by the Board of Governors of the Federal Reserve System to our loan portfolio as of September 30, 2009. After applying the SCAP methodology to our loan portfolio, our potential cumulative loan losses over the next two years would be approximately $79.7 million under the baseline scenario and $124.5 million under the more adverse scenario. Based upon this analysis, we believe that, assuming completion of this offering, we would have Tier 1 common equity greater than 4% of risk-based assets after completion of the stress test, the amount recommended by the Board of Governors of the Federal Reserve System, and we would remain well capitalized.

Risk Factors

An investment in our common stock involves certain risks. You should carefully consider the risks described under "Risk Factors" beginning on page 7 of this prospectus and in the "Risk Factors" section included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 and our Annual Report on Form 10-K for the fiscal year ended June 30, 2009, as well as other information included or incorporated by reference in this prospectus, including our financial statements and the notes thereto, before making an investment decision. See "Incorporation of Certain Documents by Reference."

The Offering

Common stock we are offering, excluding the underwriters' over allotment option	shares
Common stock to be outstanding after this offering	shares (1)(2)
Over-allotment option	shares
Use of proceeds	Our estimated net proceeds from this offering are approximately $ million, or approximately $ million if the underwriters exercise their over-allotment option in full, after deducting the underwriting discounts and commissions and other estimated expenses of this offering. We intend to use the net proceeds from this offering for general corporate purposes, which may include without limitation, providing capital to support the Bank's growth, particularly to fund expanded mortgage banking operations and to take advantage of opportunities created by changes in the competitive environment in our market areas and by originating more multi-family real estate loans. The proceeds will also strengthen the Bank's regulatory capital ratios.
Dividends on common stock	Historically we have paid quarterly dividends, however, since the fourth quarter of fiscal 2008 we have reduced our dividend payout from $0.18 per share to $0.01 per share. We paid a dividend during the first quarter of fiscal 2010 of $0.01 per share. We intend to continue paying dividends in the future but our ability to do so will depend on a number of factors. We cannot give you any assurance that we will continue to pay dividends or that their amount will not be reduced in the future. See "Price Range of Common Stock and Dividend Information."
Nasdaq Global Select Market symbol	PROV
Settlement date	Delivery of shares of our common stock will be made against payment therefor on or about November __, 2009.

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(1) The number of our shares outstanding immediately after the closing of this offering is based on ______ shares of common stock outstanding as of ______ __, 2009.

(2) Unless otherwise indicated, the number of shares of common stock presented in this prospectus excludes shares issuable pursuant to the exercise of the underwriters' over-allotment option, excludes 905,500 shares of common stock issuable upon exercise of outstanding stock options as of September 30, 2009, with a weighted average exercise price of $19.32 per share and 50,150 shares of common stock issuable pursuant to potential future awards under our equity compensation plans.

Summary of Selected Consolidated Financial Information

The following table sets forth selected consolidated financial information as of September 30, 2009 and for the three months ended September 30, 2009 and 2008 and as of and for the fiscal years ended June 30, 2009, 2008, 2007, 2006 and 2005 derived from our audited consolidated financial statements. The unaudited financial information as of and for the three months ended September 30, 2009 and 2008 has been prepared on the same basis as our audited financial statements and includes, in the opinion of management, all adjustments necessary to fairly present the data for such periods. The results of operations for the three months ended September 30, 2009 are not necessarily indicative of the results of operations to be expected for the full year or any future period. This information should be read in conjunction with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2009, and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, which have been filed with the Securities and Exchange Commission, or SEC, and are incorporated herein by reference. See “Incorporation of Certain Documents by Reference.”

	As of September 30,	As of June 30,				
	2009	2009	2008	2007	2006	2005
				(In thousands)		
Balance Sheet Data:						
Total assets	$ 1,479,738	$ 1,579,613	$ 1,632,447	$ 1,648,923	$ 1,624,452	$ 1,634,690
Loans held for investment, net	1,108,536	1,165,529	1,368,137	1,350,696	1,264,979	1,134,473
Loans held for sale, at fair value	130,088	135,490	-	-	-	-
Loans held for sale, at lower of cost or market	-	10,555	28,461	1,337	4,713	5,691
Receivable from sale of loans	-	-	-	60,513	99,930	167,813
Cash and cash equivalents	98,416	56,903	15,114	12,824	16,358	25,902
Investment securities	54,502	125,279	153,102	150,843	177,189	232,432
Deposits	931,921	989,245	1,012,410	1,001,397	921,279	923,670
Borrowings	416,681	456,692	479,335	502,774	546,211	560,845
Intangible assets (1)	-	-	-	-	31	94
Stockholders’ equity	108,903	114,910	123,980	128,797	136,148	122,965

	For the three months ended September 30,		For the years ended June 30,				
	2009	2008	2009	2008	2007	2006	2005
					(In thousands)		
Income Statement Data:							
Interest income	$ 19,366	$23,013	$ 85,924	$ 95,749	$ 100,968	$ 86,627	$ 75,495
Interest expense	9,260	11,720	42,156	54,313	59,245	42,635	33,048

Net interest income	10,106	11,293	43,768	41,436	41,723	43,992	42,447
Provision for loan losses	17,206	5,732	48,672	13,108	5,078	1,134	1,641
Net interest (expense) income after provision for loan losses	(7,100)	5,561	(4,904)	28,328	36,645	42,858	40,806
Loan servicing and other fees	235	248	869	1,776	2,132	2,572	1,675
Gain on sale of loans, net	3,143	1,191	16,971	1,004	9,318	13,481	18,706
Deposit account fees	763	758	2,899	2,954	2,087	2,093	1,789
Net gain on sale of investment securities	1,949	356	356	-	-	-	384
Net gain on sale of real estate held for investment	-	-	-	-	2,313	6,335	-
Gain (loss) on sale and operations of real estate owned acquired in the settlement of loans, net	438	(390)	(2,469)	(2,683)	(117)	20	-
Other non-interest income	478	313	1,583	2,160	1,828	1,708	1,864
Non-interest expense (2)	8,551	7,364	29,980	30,311	34,631	33,755	33,341
(Loss) income before income taxes	(8,645)	673	(14,675)	3,228	19,575	35,312	31,883
(Benefit) provision for income taxes	(3,629)	344	(7,236)	2,368	9,124	15,676	14,077
Net (loss) income	$ (5,016)	$ 329	$ (7,439)	$ 860	$ 10,451	$ 19,636	$ 17,806

	At or for the three months ended September 30, 2009	2008	At or for the years ended June 30, 2009	2008	2007	2006	2005
Per Share Data:							
Net (loss) income, basic	$ (0.82)	$ 0.05	$ (1.20)	$ 0.14	$ 1.59	$ 2.93	$ 2.68
Net (loss) income, diluted	$ (0.82)	$ 0.05	$ (1.20)	$ 0.14	$ 1.57	$ 2.82	$ 2.49
Book value per common share	$ 17.51	$ 20.05	$ 18.48	$ 19.97	$ 20.20	$ 19.47	$ 17.68
Dividends	$ 0.01	$ 0.05	$ 0.16	$ 0.64	$ 0.69	$ 0.58	$ 0.52
Dividend payout ratio	NM	100.00%	NM	457.14%	43.95%	20.57%	20.88%
Shares outstanding	6,220,454	6,208,519	6,219,654	6,207,719	6,376,945	6,991,842	6,956,815
Capital Ratios:							
Equity to assets ratio	7.36%	7.81%	7.27%	7.59%	7.81%	8.38%	7.52%
Total risk-based capital ratio	13.16	12.96	13.05	12.25	12.49	13.37	11.21
Tier 1 risk-based capital ratio	11.89	11.71	11.78	10.99	11.39	12.36	10.29
Tier 1 leverage ratio	7.03	7.42	6.88	7.19	7.62	8.08	6.56
Asset Quality Ratios:							
Non-performing assets to loans held for investment and real estate owned, net. acquired in settlement of loans	8.76%	3.36%	7.47%	2.36%	1.46%	0.20%	0.05%
Non-performing assets to total assets	6.64	2.80	5.59	1.99	1.20	0.16	0.04
Allowance for loan losses to gross loans held for investment	4.97	1.67	3.75	1.43	1.09	0.81	0.81
Allowance for loan losses to non-performing loans	67.83	62.99	63.28	85.79	93.32	407.71	1,561.86

Net charge-offs to average loans receivable, net (3)	1.44	0.90	1.72	0.58	0.04	-	-
Performance Ratios:							
(Loss) return on average equity (3)	(17.68)%	1.06%	(6.20)%	0.68%	7.77%	15.02%	15.33%
(Loss) return on average assets (3)	(1.28)	0.08	(0.47)	0.05	0.61	1.24	1.19
Interest rate spread (4)	2.58	2.70	2.68	2.36	2.23	2.64	2.80
Net interest margin (5)	2.69	2.89	2.86	2.61	2.51	2.86	2.95
Efficiency ratio (2) (6)	49.97	53.48	46.86	64.98	58.42	48.08	49.86

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(1) The intangible assets in 2006 and 2005 were related to a previous branch purchase. Currently, Provident has no intangible assets such as goodwill or deposit intangibles.

(2) Non-interest expense in fiscal 2009 includes a non-recurring net recovery of $2.6 million of Employee Stock Ownership Plan expenses resulting from a self-correction approved by the Internal Revenue Service and a FDIC special assessment imposed on all financial institutions, which, in our case totaled $734,000.

(3) Ratios for the three month periods are annualized.

(4) Difference between weighted average yield on interest-earnings assets and weighted average rate on interest-bearing liabilities.

(5) Net interest margin is net interest income divided by average interest-earning assets.

(6) The efficiency ratio is non-interest expense divided by the sum of net interest income and non-interest income.

RISK FACTORS

An investment in our common stock involves certain risks. Before you invest in our common stock, you should be aware that there are various risks, including those described below, which could affect the value of your investment in the future. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. The risk factors described in this section, as well as any cautionary language in this prospectus, provide examples of risks, uncertainties and events that could have a material adverse effect on our business, including our operating results and financial condition. This prospectus also contains forward-looking statements that involve risks and uncertainties. These risks could cause our actual results to differ materially from the expectations that we describe in our forward-looking statements. You should carefully consider the risks described below and the risk factors included in our Annual Report on Form 10-K for the year ended June 30, 2009, as well as the other information included or incorporated by reference in this prospectus, before making an investment decision.

Risks Associated with Our Business

Our business may continue to be adversely affected by downturns in the national economy and the regional economies on which we depend.

Since the latter half of 2007, severely depressed economic conditions have prevailed in portions of the United States and in California, in which we hold substantially all of our loans. As of September 30, 2009, approximately 85% of our real estate loans were secured by collateral and made to borrowers located in Southern California. Southern California, in particular Riverside County, has experienced substantial home price declines and increased foreclosures and has experienced above average unemployment rates. A worsening of economic conditions in California, particularly Southern California, could have a materially adverse effect on our business, financial condition, results of operations and prospects.

A further deterioration in economic conditions in the market areas we serve could result in the following consequences, any of which could have a materially adverse impact on our business, financial condition and results of operations:

- an increase in loan delinquencies, problem assets and foreclosures;
- the slowing of sales of foreclosed assets;
- a decline in demand for our products and services;
- a continuing decline in the value of collateral for loans may in turn reduce customers' borrowing power, and the value of assets and collateral associated with existing loans; and
- a decrease in the amount of our low cost or non-interest bearing deposits.

Our business may be adversely affected by credit risk associated with residential property.

At September 30, 2009, $668.5 million, or 57.5% of our total loan portfolio, was secured by one-to-four single-family residential real property. This type of lending is generally sensitive to regional and local economic conditions that may significantly impact the ability of borrowers to meet their loan payment obligations, making loss levels difficult to predict. The decline in residential real estate values as a result of the downturn in the California housing market has reduced the value of the real estate collateral securing the majority of our loans and increased the risk that we would incur losses if borrowers default on their loans. Continued declines in both the volume of real estate sales and the sales prices, coupled with the current recession and the associated increases in unemployment, may result in higher loan delinquencies or problem assets, a decline in demand for our products and services, or lack of growth or a decrease in our deposits. These potential negative events may cause us to incur losses, adversely affect our capital and liquidity and damage our financial condition and business operations. These declines may have a greater effect on our earnings and capital than on the earnings and capital of financial institutions whose loan portfolios are more diversified.

Our emphasis on non-traditional single-family residential loans exposes us to increased lending risk.

During the fiscal year ended June 30, 2009 and the three months ended September 30, 2009, we originated $1.32 billion and $491.7 million, respectively, in one-to-four single-family residential loans. We historically sell the vast majority of the one-to-four single-family residential loans we originate and retain remaining loans in our one-to-four single-family loan portfolio held for investment. As a result of our current focus on managing our problem assets, we originated for investment only $8.9 million and $105,000 of single-family loans during these same time periods, virtually all of which conform to or satisfy the requirements for sale in the secondary market. At September 30, 2009, our one-to-four single-family loans held for investment totaled $668.5 million.

Prior to fiscal 2009, many of the loans we originated for investment consisted of non-traditional single–family loans that do not conform to Fannie Mae or Freddie Mac underwriting guidelines as a result of characteristics of the borrower or property, the loan terms, loan size or exceptions from agency underwriting guidelines. In exchange for the additional risk to us associated with these loans, these borrowers generally are required to pay a higher interest rate, and depending on the credit history, a lower loan-to-value ratio was generally required than for a conforming loan. For example, our one-to-four single-family residential loans had an average loan to value ratio at September 30, 2009 of 72% based on the appraisal at the time of loan origination. Our non-traditional single-family loans include interest-only loans, loans to borrowers who provided limited or no documentation of their income or stated-income loans, negative amortization loans (a loan in which accrued interest exceeding the required monthly loan payment is added to loan principal up to 115% of the original loan to value ratio), more than 30-year amortization loans, and loans to borrowers with a FICO score below 660 (these loans are considered subprime by the Office of Thrift Supervision). Including these low FICO score loans, as of September 30, 2009, borrowers of our one-to-four single-family loans held by us for investment had a weighted average FICO score of 733 at the time of origination.

As of September 30, 2009, these non-traditional loans totaled $542.5 million, comprising 84.3% of total single-family mortgage loans held for investment and 48.9% of total loans held for investment. At that date, interest-only loans totaled $448.4 million, stated income loans totaled $346.8 million, negative amortization loans totaled $10.1 million, more than 30-year amortization loans totaled $21.1 million, and low FICO score loans totaled $19.1 million. In the case of interest-only loans, a borrower's monthly payment is subject to change when the loan converts to fully-amortizing status. Of the $448.4 million of interest-only loans, $415.9 million begin to fully amortize after calendar year 2010, including $316.9 million which begin to fully amortize after calendar year 2014. Since the borrower's monthly payment may increase by a substantial amount even without an increase in prevailing market interest rates, there is no assurance that the borrower will be able to afford the increased monthly payment. In the case of stated income loans, a borrower may misrepresent his income or source of income (which we have not verified) to obtain the loan. The borrower may not have sufficient income to qualify for the loan amount and may not be able to make the monthly loan payment. In the case of more than 30-year amortization loans, the term of the loan requires many more monthly payments from the borrower (ultimately increasing the cost of the home) and subjects the loan to more interest rate cycles, economic cycles and employment cycles, which increases the possibility that the borrower is negatively impacted by one of these cycles and is no longer willing or able to meet his or her monthly payment obligations.

Negative amortization involves a greater risk to us because credit risk exposure increases when the loan incurs negative amortization and the value of the home serving as collateral for the loan does not increase proportionally. Negative amortization is only permitted up to a specified level and the payment on such loans is subject to increased payments when the level is reached, adjusting periodically as provided in the loan documents and potentially resulting in higher payments by the borrower. The adjustment of these loans to higher payment requirements can be a substantial factor in higher loan delinquency levels because the borrowers may not be able to make the higher payments. Also, real estate values may decline and credit standards may tighten in concert with the higher payment requirement making it difficult for borrowers to sell their homes or refinance their mortgages to pay off their mortgage obligation.

Non-conforming single-family residential loans are considered to have an increased risk of delinquency, default and foreclosure than conforming loans and may result in higher levels of realized loss. We have experienced such increased delinquencies, defaults and foreclosures, and cannot assure you that our one-to-four single-family loans will not be further adversely affected in the event of a further downturn in regional or national economic conditions. Consequently, we could sustain loan losses greater than we currently estimate and potentially need to record a higher provision for loan losses. Furthermore, non-conforming loans are not as readily saleable as loans that conform to agency guidelines and often can be sold only after discounting the amortized value of the loan. As of September 30, 2009, 12.32% of such loans, totaling $66.8 million, were in non-performing status, compared to 3.86% of such loans, totaling $26.1 million, in non-performing status as of September 30, 2008.

High loan-to-value ratios on a significant portion of our residential mortgage loan portfolio exposes us to greater risk of loss.

Many of our residential mortgage loans are secured by liens on mortgage properties in which the borrowers have little or no equity because either we originated a first mortgage with an 80% loan-to-value ratio and a concurrent second mortgage for sale with a combined loan-to-value ratio of up to 100% or because of the decline in home values in our market areas. Residential loans with high loan-to-value ratios will be more sensitive to declining property values than those with lower combined loan-to-value ratios and therefore may experience a higher incidence of default and severity of losses. In addition, if the borrowers sell their homes, such borrowers may be unable to repay their loans in full from the sale. As a result, these loans may experience higher rates of delinquencies, defaults and losses.

Our multi-family and commercial real estate loans involve higher principal amounts than other loans and repayment of these loans may be dependent on factors outside our control or the control of our borrowers.

We originate multi-family residential and commercial real estate loans for individuals and businesses for various purposes, which are secured by residential and non-residential properties. At September 30, 2009, we had $478.6 million or 41.2% of total loans held for investment in multi-family and commercial real estate mortgage loans. These loans typically involve higher principal amounts than other types of loans, and repayment is dependent upon income generated, or expected to be generated, by the property securing the loan in amounts sufficient to cover operating expenses and debt service, which may be adversely affected by changes in the economy or local market conditions. For example, if the cash flow from the borrower's project is reduced as a result of leases not being obtained or renewed, the borrower's ability to repay the loan may be impaired. Multi-family and commercial real estate loans also expose a lender to greater credit risk than loans secured by single-family residential real estate because the collateral securing these loans typically cannot be sold as easily as single-family residential real estate. In addition, many of our multi-family and commercial real estate loans are not fully amortizing and contain large balloon payments upon maturity. Such balloon payments may require the borrower to either sell or refinance the underlying property to make the payment, which may increase the risk of default or non-payment.

If we foreclose on a multi-family or commercial real estate loan, our holding period for the collateral typically is longer than for a one-to-four single-family residential mortgage loan because there are fewer potential purchasers of the collateral. Additionally, multi-family and commercial real estate loans generally have relatively large balances to single borrowers or related groups of borrowers. Accordingly, charge-offs on multi-family and commercial real estate loans may be larger on a per loan basis than those incurred with our single-family residential or consumer loan portfolios.

Our provision for loan losses increased substantially during recent periods and we may be required to make further increases in our provision for loan losses and to charge-off additional loans in the future, which could adversely affect our results of operations.

For the quarters ended September 30, 2009 and 2008 we recorded a provision for loan losses of $17.2 million and $5.7 million, respectively. We also recorded net loan charge-offs of $4.6 million and $3.1 million for the quarters ended September 30, 2009 and 2008, respectively. For the fiscal years ended June 30, 2009 and 2008 we recorded a provision for loan losses of $48.7 million and $13.1 million, respectively. We also recorded net loan charge-offs of $23.1 million and $8.1 million for the fiscal years ended June 30, 2009 and 2008, respectively. We are experiencing increasing loan delinquencies and credit losses. The deterioration in the general economy and our markets has become a significant contributing factor to the increased levels of loan delinquencies and non-performing assets.

General economic conditions, decreased home prices, slower sales and excess inventory in the housing market have caused the increase in delinquencies and foreclosures of our residential one-to-four single-family mortgage loans, which represented 85.5% of our non-performing assets at September 30, 2009. At September 30, 2009, our total non-performing assets had increased to $98.2 million compared to $44.7 million at September 30, 2008.

Further, our single-family residential loan portfolio, which comprised 57.5% of our total loan portfolio at September 30, 2009, is concentrated in non-traditional single-family loans, which include interest-only loans, negative amortization and more than 30-year amortization loans, stated-income loans and low FICO score loans, all of which have a higher risk of default and loss than conforming residential mortgage loans. See “Our emphasis on non-traditional single-family residential loans exposes us to increased lending risk” above.

If current trends in the housing and real estate markets continue, we expect that we will continue to experience increased delinquencies and credit losses. Moreover, until general economic conditions improve, we will likely continue to experience significant delinquencies and credit losses. As a result, we may be required to make further increases in our provision for loan losses and to charge-off additional loans in the future, which could materially adversely affect our financial condition and results of operations.

Our loan portfolio possesses increased risk due to our level of non-traditional single-family interest-only loans that become fully amortizing within the next five years.

At September 30, 2009, our single-family residential real estate loans included $448.4 million of interest-only loans, of which $131.9 million convert to fully-amortizing status within the next five years. At that date $75.3 million of our interest only single-family residential loans were non-performing and $10.5 million were 30-89 days delinquent. Since the borrower’s monthly payment will likely increase at the time of conversion to fully-amortizing status even without an increase in prevailing market interest rates, there is no assurance that the borrower will be able to afford the increased monthly payment at the time of conversion. Additionally, lower prevailing prices for residential real estate may make it difficult for borrowers to sell their homes to pay off their mortgages and tightened underwriting standards may make it difficult for borrowers to refinance their loan prior to the time of conversion to fully-amortizing status.

As noted above, we have experienced increased delinquencies on our interest-only loans, resulting in high levels of provisions for loan losses. As more of these loans move closer to fully-amortizing status, more of these loans may become non-performing. To the extent we are required to initiate collection efforts, including foreclosure in order to protect our investment in these loans, there can be no assurance that we will recover funds in an amount equal to any remaining loan balance. Consequently, we could sustain significant loan losses and potentially incur elevated provisions for loan loss expense, which may materially adversely affect our profitability.

We may have continuing losses and continuing variation in our quarterly results.

We reported net income of $10.5 million and $860,000, respectively, for the fiscal years ended June 30, 2007 and 2008, however, we recorded a net loss of $7.4 million for the fiscal year ended June 30, 2009. We also recorded a net loss for the three months ended September 30, 2009 of $5.0 million compared to net income of $329,000 for the three months ended September 30, 2008. These losses primarily resulted from our high level of non-performing assets and the resultant increased provision for loan losses. We may continue to suffer further losses as a result of these factors. In addition, several factors affecting our business can cause significant variations in our quarterly results of operations. In particular, variations in the volume of our loan originations and sales, the differences between our costs of funds and the average interest rates of originated or purchased loans, our inability to complete significant loan sale transactions in a particular quarter and problems generally affecting the mortgage loan industry can result in significant increases or decreases in our revenues from quarter to quarter. A delay in closing a particular loan sale transaction during a quarter could postpone recognition of the gain on sale of loans. If we were unable to sell a sufficient number of loans at a premium in a particular reporting period, our revenues for such period would decline, resulting in lower net income and possibly a net loss for such period, which could have a material adverse effect on our results of operations and financial condition.

Our allowance for loan losses may prove to be insufficient to absorb losses in our loan portfolio.

Lending money is a substantial part of our business and each loan carries a certain risk that it will not be repaid in accordance with its terms or that any underlying collateral will not be sufficient to assure repayment. This risk is affected by, among other things:

- cash flow of the borrower and/or the project being financed;

- the changes and uncertainties as to the future value of the collateral, in the case of a collateralized loan;
- the duration of the loan;
- the credit history of a particular borrower; and
- changes in economic and industry conditions.

We maintain an allowance for loan losses, which is a reserve established through a provision for loan losses charged to expense, which we believe is appropriate to provide for probable losses in our loan portfolio. The amount of this allowance is determined by our management through periodic reviews and consideration of several factors, including, but not limited to:

- our general reserve, based on our historical default and loss experience and certain macroeconomic factors based on management's expectations of future events; and
- our specific reserve, based on our evaluation of non-performing loans and their underlying collateral.

The determination of the appropriate level of the allowance for loan losses inherently involves a high degree of subjectivity and requires us to make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans. In determining the amount of the allowance for loan losses, we review our loans and loss and delinquency experience, and evaluate economic conditions and make significant estimates of current credit risks and future trends, all of which may undergo material changes. If our estimates are incorrect, the allowance for loan losses may not be sufficient to cover losses inherent in our loan portfolio, resulting in the need for additions to our allowance through an increase in the provision for loan losses. Continuing deterioration in economic conditions affecting borrowers, new information regarding existing loans, identification of additional problem loans and other factors, both within and outside of our control, may require an increase in the allowance for loan losses. Our allowance for loan losses was 4.97% of gross loans held for investment and 67.83% of non-performing loans at September 30, 2009. In addition, bank regulatory agencies periodically review our allowance for loan losses and may require an increase in the provision for possible loan losses or the recognition of further loan charge-offs, based on judgments different than those of management. In addition, if charge-offs in future periods exceed the allowance for loan losses, we will need additional provisions to increase the allowance for loan losses. Any increases in the provision for loan losses will result in a decrease in net income and may have a material adverse effect on our financial condition, results of operations and capital.

If we were to suffer loan losses similar in amounts to those that may be predicted by a SCAP test, they could have a material adverse effect on our results of operation, capital and the price, and market for, our common stock.

The federal banking regulators, in connection with the United States Treasury's Supervisory Capital Assessment Program ("SCAP"), administered a stress or SCAP test to the nation's 19 largest banks during the first quarter of 2009. Neither the United States Treasury nor any other bank regulatory authority has administered a SCAP test to test our loan portfolio. The SCAP test attempts to assess the near-term capital needs of a company using a two-year cumulative loan loss assumption under two scenarios, a "baseline" scenario that assumed a consensus forecast for certain economic variables and a "more adverse" than expected scenario to project a more significant downturn. These scenarios utilize the assumptions developed by the United States Treasury with input from the 19 largest banks and therefore do not reflect specific adjustments based on more current economic data reflective of the market areas in which our loans are located or the specific characteristics of our loan portfolio. After applying the SCAP methodology to our loan portfolio, our potential cumulative loan losses over the next two years under either scenario of the SCAP test would be significantly higher than the level of loan losses we have incurred historically.

The results of the SCAP test involves many assumptions about the economy and future loan losses and default rates, and may not accurately reflect the impact on our financial condition if the economy does not improve or continues to deteriorate. Any continued deterioration of the economy could result in credit losses that are significantly higher than we have historically experienced or those predicted by the SCAP test. Accordingly, if Provident were to suffer loan losses similar or higher in amounts to those that may be predicted by the SCAP test, these losses could have a material adverse effect on our results of operation, capital and the price, and market for, our stock, and could require the need for additional capital.

If our investments in real estate are not properly valued or sufficiently reserved to cover actual losses, or if we are required to increase our valuation reserves, our earnings could be reduced.

We obtain updated valuations in the form of appraisals and broker price opinions when a loan has been foreclosed and the property taken in as REO and at certain other times during the assets holding period. Our net book value ("NBV") in the loan at the time of foreclosure and thereafter is compared to the updated market value of the foreclosed property less estimated selling costs ("fair value"). A charge-off is recorded for any excess in the asset's NBV over its fair value. If our valuation process is incorrect, the fair value of the investments in real estate may not be sufficient to recover our NBV in such assets, resulting in the need for additional charge-offs. Additional material charge-offs to our investments in real estate could have a material adverse effect on our financial condition and results of operations.

In addition, bank regulators periodically review our REO and may require us to recognize further charge-offs. Any increase in our charge-offs, as required by the bank regulators, may have a material adverse effect on our financial condition and results of operations.

An increase in interest rates, change in the programs offered by governmental sponsored entities ("GSE") or our ability to qualify for such programs may