

Community Affairs

August 2005

OCC UPDATE

OCC Update is a quarterly, electronic newsletter that provides information about the Office of the Comptroller of the Currency's work in the area of fair treatment and fair access to financial services for all Americans. It provides information about national bank involvement in community development lending, investments and services, small business financing, financial literacy, access to financial services, consumer protection, CRA, HMDA and other consumer compliance issues. If you have any questions about this information or the OCC's Community Affairs activities, please contact [Barry Wides](#), Deputy Comptroller, [Karen Bellesi](#), Special Advisor for Community Affairs, or [Hershel Lipow](#), Information and Communication Specialist.

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I. New and Noteworthy

Of particular note:

- On August 4, 2005, John C. Dugan assumed office as the 29th Comptroller of the Currency, following Senate confirmation on July 29, 2005. See [News Release 2005-77](#), Comptroller Dugan's [biography](#), and information about the [past](#) Comptrollers of the Currency.
- The Summer 2005 issue of [Community Developments Investments](#) is available on-line. It features "Investment Intermediaries: Helping Banks Achieve a Double Bottom Line".
- The Office of the Comptroller of the Currency (OCC) issued a consumer [advisory](#) giving consumers important facts about their rights when using checks to make payments.
- The OCC's Community Assistance Group (CAG) published a new brochure "[Assistance for Customers of National Banks](#)" that describes its mission and how customers can file complaints and obtain information about national banks.
- [OCC Working Paper 2005-2](#), "Searching for Age and Gender Discrimination in Mortgage Lending," Jason Dietrich and Hannes Johannsson. Using modifications of racial discrimination tests, the authors test for

age and gender discrimination and find no evidence of systematic discrimination on the basis of age or gender.

Community Reinvestment

CRA

The federal banking agencies issue final Community Reinvestment Act rules, which take effect on September 1, 2005. [NR 2005-71](#) is the Joint Release issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the OCC. The [joint final rule](#) is issued at 12 CFR, Parts 228, 345, and 25, respectively for each agency. [OCC Bulletin 2005-5](#) transmits the interagency [notice of proposed rulemaking](#).

HMDA

"Home Mortgage Disclosure," [Comptroller's Handbook](#), July 2005. Revised booklet incorporates Federal Reserve Board changes to Regulation C (12 CFR 203) requiring lenders to include additional information on their HMDA loan application register.

[News Release 2005-37](#) announces release of HMDA-related [answers to frequently asked questions](#) that address the new home loan price data that financial institutions must disclose for the first time this year.

Consumer Credit and Lending

Appraisals

[OCC Bulletin 2005-6](#) announces that that the OCC, FRB, FDIC, OTS, and the NCUA are issuing [frequently asked questions](#) (FAQs) concerning the independence of the collateral valuation process. The FAQs clarify existing standards in appraisal and real estate lending regulations.

Checking

The OCC [issued](#) a consumer [advisory](#) giving consumers important facts about their rights when using checks to make payments.

[OCC Bulletin 2005-23](#) transmits a [final rule](#) designed to improve the uniformity and adequacy of information to consumers about certain services provided by banks to their deposit customers (courtesy overdraft protection).

[OCC Bulletin 2005-9](#) transmits [guidance](#), published jointly by the OCC, FDIC, FRB, and NCUA in the *Federal Register*, on the marketing, disclosure, and implementation of overdraft protection programs.

Credit Cards

In [testimony](#) before a House Sub-Committee, Acting Comptroller Williams described the OCC's perspectives on the marketing and disclosure practices of the U.S. credit card industry. See this [summary](#) of her testimony, as well as [News Release 2005-57](#).

In [testimony](#) before the Senate Banking Committee, Acting Comptroller Williams described the OCC's perspectives on the marketing and disclosure practices of the U.S. credit card industry. See this [summary](#) of her testimony, as well as [News Release 2005-49](#).

In a May 2005 speech calling for a re-examination of the process of developing consumer disclosures for financial products and services, Acting Comptroller Williams **tells** bankers that disclosures are not working for consumers and are imposing unnecessary burdens.

Home Equity

OCC Bulletin 2005-22 transmits **guidance**, issued by the regulatory agencies, to promote sound risk management practices for home equity lines of credit and loans. See also **News Release 2005-48**.

Mortgage Delinquency

Acting Comptroller Williams **cites** foreclosures as the most immediate community development challenge in a **speech** stressing the need for multi-dimensional mortgage delinquency intervention programs.

Real Estate Settlement Procedures Act

OCC Bulletin 2005-27 transmits guidance to national banks about third parties that provide real estate settlement services to banks. The institutions should make sure that they comply with **section 8 of RESPA** (Real Estate Settlement Procedures Act).

Information and Privacy Protection

Information Sharing

OCC Bulletin 2005-7 announces that the Federal Trade Commission published a **final rule** improving the required notice to consumers of their right to opt out of prescreened solicitations for credit or insurance.

OCC News Release 2005-55 says that the regulators have issued **interim final rules** under the FCRA that create exceptions to the statutory prohibition against obtaining or using medical information for determining eligibility for credit.

Security Breaches/Fraudulent Practices

News Release 2005-35 reports that the federal bank and thrift regulatory agencies have jointly issued **interagency guidance** on response programs for security breaches.

OCC Bulletin 2005-24 provides guidance for banks on how to respond to incidents of a Web-site fraud called spoofing and procedures for lowering associated risks. Also see OCC's Anti-Phishing (identify theft frauds) **brochure** for further information.

OCC Bulletin 2005-13 transmits **interagency guidance** on response programs financial institutions should have to address security breaches involving customer information.

Bank Supervision and Regulation

BSA/Anti-Money Laundering (AML)

News Release 2005-64 announces the release of the Federal Financial Institutions Examination Council (FFIEC) Bank Secrecy Act/Anti-Money Laundering Examination Manual (FFIEC BSA/AML Examination Manual), which includes the examination procedures that examiners will begin using during the 3rd quarter 2005 when conducting BSA/AML examinations. See also:

· **Transmittal Letter**

- [Questions and Answers on the BSA/AML Examination Manual](#)
- [Outreach Fact Sheet](#)
- [BSA/AML Examination Manual: Introduction/Overview](#)
- [BSA/AML Examination Manual: Core/Expanded Examination Procedures](#)
- [Appendices](#)

Acting Comptroller Williams [testifies](#) before the Senate Committee on Implementation of the Bank Secrecy Act regarding Money Services Businesses (MSB). See the [summary](#) of the speech and [News Release 2005-41](#).

[OCC Bulletin 2005-19](#) transmits interagency [guidance](#) on providing banking services to money services businesses (MSB).

[OCC Bulletin 2005-16](#) transmits [frequently asked questions \(FAQs\)](#) that provide guidance on implementation of the USA Patriot Act's Customer Identification Program requirements; see also [News Release 2005-42](#).

[OCC Bulletin 2005-15](#) transmits a [joint statement](#) issued on March 30 by the federal financial regulatory agencies and the Financial Crimes Enforcement Network (FinCEN) regarding the Bank Secrecy Act and money services businesses. See also [News Release 2005-40](#), which announces interagency interpretive [guidance](#) on providing banking services to money services businesses operating in the United States.

The staffs of the OCC, the Federal Reserve, FDIC, OTS, NCUA, the Department of Treasury and Treasury's Financial Crimes Enforcement Center unit issued a set of [Frequently Asked Questions](#) (FAQs) that provide guidance on implementation of the USA Patriot Act's Customer Identification Program requirements.

Preemption

In a [speech](#) before the New York Bankers Association, Acting Comptroller Williams noted recent developments in federal/state jurisdiction over national banks and discussed how those developments relate to the history and characteristics of the national banking system and the bank supervisory process. See the [summary](#) of the speech and [News Release 2005-68](#).

[News Release 2005-59](#) announces that the OCC files suit to prevent New York Attorney General from disrupting fair lending examination and supervision of national banks. [Motion for Preliminary Injunction, Complaint, Memorandum in Support of Motion for Preliminary Injunction](#).

Regulatory Burden

In [testimony](#) before the Senate Banking Committee, Acting Comptroller Williams supported regulatory burden relief legislation and said that efforts to streamline consumer disclosure requirements present an opportunity to reduce regulatory burden and improve the quality of information provided to consumers. See [News Release 2005-60](#) and the Acting Comptroller's [oral statement](#).

Acting Comptroller Williams **testified** before the House Subcommittee on Financial Institutions and Consumer Credit on the challenge of reducing unnecessary regulatory burden on our nation's banking institutions. See the **summary** of her testimony, her **oral statement** and **News Release 2005-57**.

II. CRA Examinations

Examination Schedule

The **CRA examination schedule** for the 3rd quarter 2005 is provided.

Evaluations

Completed CRA Evaluations are available electronically for downloading and viewing from links on **<http://www.occ.treas.gov/cra/electric.htm>**.

CRA evaluations announced during the second quarter 2005 include:

- **CRA evaluations** for 21 national banks (AR, CA, GA, IA, IL, KY, MN, ND, NE, TX, WI).
- **CRA evaluations** for 32 national banks (AR, CA, CT, FL, IA, IL, KS, KY, MN, MS, NC, NM, OH, OK, PA, TX, VA, WY).
- **CRA evaluations** for 23 national banks (AR, AZ, CA, DC, IN, KY, MA, MN, MO, OK, PA, SC, SD, TX).
- **CRA evaluations** for 31 national banks (AL, AZ, CO, FL, IL, IN, MA, MN, MO, MS, NH, NJ, NY, OH, OK, PA, SC, TN, TX, WA).

III. Enforcement Actions

The OCC maintains a searchable database of all public enforcement actions taken since August 1989 on its Internet Web site located at: **http://www.occ.treas.gov/enforce/enf_search.htm**.

Recent Enforcement Actions:

News Release 2005-69 announces 25 enforcement actions and 1 termination (CA, FL, IL, KY, MN, MT, SD, TN, and TX).

News Release 2005-58 announces nine enforcement actions and five terminations (AL, CA, FL, IL, MO, OH, VA, and WY).

News Release 2005-50 announces 18 enforcement actions (DC, MN, NC, NY OH, and TX).

News Release 2005-38 announces 15 enforcement actions and 2 terminations (NE, NY, PA, TN, TX, and WA).

News Release 2005-33 announces 34 enforcement actions and 6 terminations (CA, CO, GA, IL, KS,

LA, NE, NY, PA, TX, and WV).

[OCC News Release 2005-21](#) announces enforcement action against Chicago Title Insurance Company.

IV. Publications/Studies/Guidance

Banking

An updated version of "[A Guide to the National Banking System](#)" of the *Comptroller's Licensing Manual* series is now available. It replaces the 1999 version.

Community Development

The Summer 2005 issue of [Community Developments Investments](#) is available on-line. It features "Investment Intermediaries: Helping Banks Achieve a Double Bottom Line".

[News Release 2005-25](#) announces the publication of [Community Developments Insights](#), which focuses on Individual Development Accounts.

To find out about the growth of payroll cards and how national banks can use them to attract the nearly 10 million unbanked households see this June 2005 *Community Developments Insights*, "[Payroll Cards: An Innovative Product for Reaching the Unbanked and Underbanked.](#)"

Fair Lending/CRA

[OCC Bulletin 2005-17](#) transmits [frequently asked questions](#) (FAQs), released by HUD and regulators, which addresses HMDA new loan price data disclosed this year. These questions were originally included with a joint news release ([News Release 2005-37](#)), March 31, 2005.

[OCC Bulletin 2005-14](#) transmits [data](#) from the U.S. Census and HUD that are used to determine 2005 income levels of geographies (Census) and borrowers (HUD) in CRA performance evaluations.

[OCC Bulletin 2005-11](#) transmits a joint [final rule](#) that adopts changes in the Standards for Defining Metropolitan and Micropolitan Statistical Areas, census tracts designations, and the FRB's Regulation C.

OCC General

[OCC News Release 2005-56](#) announces publication of the [2004 Report of the Ombudsman](#) and a [customer assistance brochure](#).

The [March](#) (4th quarter 2004) and [June 2005](#) (1st quarter 2005) of OCC's Quarterly Journal are available on-line.

V. OCC News: Find Out What's Happening At OCC

The OCC's Web [site](#) has been refreshed to make it easier to read and find important information about the OCC and new developments in banking and community affairs. The easiest way to locate information is to utilize the site's search feature or to go to the [site map](#) to investigate specific topics.

OCC News

The OCC Web page maintains a complete listing of OCC news [releases](#), [publications](#), and [new items](#) of interest.

OCC New List Service: The OCC also has an electronic information service available free to the public. You can now receive press releases, speeches by senior OCC officials, and other OCC issuances (advisory letters, bulletins, etc.) about the national banking system automatically via e-mail.

Just sign up for "OCC-News", an Internet subscription list, by going to <http://www.occ.treas.gov/listserv.htm> and following these instructions. Address an e-mail to [http://listserv@peach.ease.lsoft.com/](mailto:listserv@peach.ease.lsoft.com) In the body of the message, type:

Subscribe OCC-News Your Name

For example, if John Jones subscribed, his message would read:

Subscribe OCC-News John Jones

Community Affairs

The [Community Affairs](#) Division supports the OCC's mission to ensure a safe and sound banking system by helping national banks to be leaders in providing community development financing and retail services to underserved communities and consumers.

Publications

Community Affairs makes available [community development publications and other materials](#) relevant to banks and their community development partners. For a copy of these documents, please contact [Tom Goffe](#) at the OCC's Community Affairs Department at (202) 874-5556.

Community Affairs Information Service

Community Affairs has a new electronic [information service](#) available free to the public. You can now receive OCC Community Affairs news and information automatically in your e-mail by subscribing to the OCC Community Affairs News List Service in two easy steps:

1. Address an e-mail to listserv@peach.ease.lsoft.com (You may leave the subject line blank.)
2. In the body of the message, type:

Subscribe OCC-COMMUNITY-AFFAIRS-NEWS Your Name

For example, if John Jones subscribed, his message would read:

Subscribe OCC-COMMUNITY-AFFAIRS-NEWS John Jones

Staff Contacts

CA staff contacts, including the Community Affairs Officers located in each of the OCC's four Districts can be found at <http://www.occ.treas.gov/cdd/contacts.htm>.

CRA Ratings and Enforcement Actions

CRA

The OCC's Web site (<http://www.occ.treas.gov>) also offers access to a searchable list of all public CRA evaluations (<http://www.occ.treas.gov/cra/crasrch.htm>). The button labeled "CRA Information" leads to the following information:

- [CRA ratings of national banks examined since May 1996](#)
- [Schedule of upcoming CRA exams](#)
- [Copies of CRA performance evaluations](#)
- [CRA "Q and As"](#)
- [CRA interpretive letters](#)

Copies of the actual evaluations may be obtained by e-mail request to FOIA-PA@occ.treas.gov or from: Office of the Comptroller of the Currency, Public Information Room, Mailstop 1-5, Washington, DC 20219. When requests are made electronically, remember to include your postal mailing address. Facsimile requests may be sent to (202) 874-4448.

Enforcement Actions

Generally, the OCC may take formal enforcement actions for violations of laws, rules or regulations, unsafe or unsound practices, violations of final orders, violations of conditions imposed in writing, and for breaches of fiduciary duty.

The OCC maintains a searchable database of all public enforcement actions taken since August 1989 on its Internet Web site located at:

http://www.occ.treas.gov/enforce/enf_search.htm.

A list of enforcement actions previously disclosed and copies of the actual documents are available from the OCC's Communications Division by writing to: Comptroller of the Currency, Public Information Room (1-5), Washington, DC 20219. Requests made by facsimile transmission should be sent to (202) 874-4448. Please include the identifying enforcement action number when placing an order. Enforcement actions are also listed monthly in OCC [Interpretations and Actions](#) (available electronically from 1995-2004). Subscriptions to that publication are available from the OCC's Communications Division.

Customer Assistance

Customer Assistance Group

The OCC [Customer Assistance Group](#) (CAG), part of the OCC's Office of the Ombudsman, was created to answer questions, offer guidance, and assist consumers in resolving complaints about national banks. This year, the CAG unit expects to recover about \$6 million for individual bank customers who filed complaints against their banks. See their new [brochure](#) for a description of their mission and how consumers can file complaints.

Further Information

For printed copies of referenced documents, please contact [Tom Goffe](#) at the OCC's Community Affairs Department at (202) 874-5556.