



OCC Update is an 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.

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1. Community Reinvestment

Community Reinvestment Act

Revised CRA Questions and Answers

The federal banking agencies published "Interagency Questions and Answers Regarding Community Reinvestment" in the March 10, 2006 *Federal Register* as final guidance implementing recent changes to their Community Reinvestment Act (CRA) regulations. These Questions and Answers address 2005 CRA changes dealing with the availability of CRA consideration for bank activities that revitalize or stabilize designated disaster areas and underserved or distressed middle-income rural areas and the new community development test for banks with assets between \$250 million and \$1 billion. [View the guidance now.](#) [View the OCC Bulletin summarizing these changes now.](#)

Supplier Diversity Program Letter

In his letter, Comptroller Dugan restates that the July 12, 2001 *Interagency CRA Questions and Answers* and OCC's Banking *Bulletin 2001-39* provide guidance on how small and minority-owned business contracts that enhance the effectiveness of a bank's small business loan program may be considered favorably in the bank's CRA evaluation. [View now.](#)

CRA Examination Schedule and Completed CRA Public Evaluations

Examination Schedule – 3rd Quarter 2006. [View now.](#)

Completed CRA Evaluations are available electronically for downloading and viewing. [Visit now.](#)

CRA Evaluations that became public during the first half of 2006 include:

- CRA evaluations for 23 banks (CA, KS, MN, MO, NE, NY, OH, OK, SD, TN, TX, VA). [View now.](#)
- CRA evaluations for 22 banks (AL, FL, GA, IL, KS, KY, MD, MO, NE, NV, NY, OH, PA, TN, TX). [View now.](#)
- CRA evaluations for 20 national banks (AR, CA, CO, CT, MA, NE, NJ, NY, OH, OK, SD, TX). [View now.](#)
- CRA evaluations for 15 national banks (FL, KS, MN, NJ, OH, PA, SD, TX, VA, WI). [View now.](#)
- CRA evaluations for 18 national banks (CA, GA, HI, KS, MD, ND, NJ, NY, SD, TN, TX, VA, VT). [View now.](#)

Updated CRA Examination Procedures

OCC Bulletin 2006-17 distributes updated CRA examination procedures for large, small, limited purpose or wholesale banks, and banks operating under approved CRA strategic plans. These procedures will be incorporated into an updated booklet in the Comptroller's Handbook. [View the procedures now.](#)

Examination procedures for intermediate small banks were distributed with *OCC Bulletin 2005-29*. [View the bulletin now.](#)

Income Estimates for Use in Performance Evaluations

OCC Bulletin 2006-21 provides U.S. Census and HUD data that are to be used in Community Reinvestment Act performance evaluations to estimate median family income levels for each state. [View now.](#)

Part 24 Community Development Investment Authority

Part 24 Investment Limit Increase Proposed

Comptroller Dugan submitted a letter to Congress on pending revisions to Part 24 legislation. In his letter, the Comptroller urged Congress to provide increased authority for banks and thrifts to invest in low- and moderate-income communities. [View the letter now.](#)

OCC's chief counsel and first senior deputy comptroller Julie L. Williams testified on March 1, 2006, before the Senate Banking Committee on the subject of regulatory relief. In her testimony, she discussed the OCC's proposal to increase the Part 24 limit on investments from 10 percent of bank capital and surplus to 15 percent. [View the written testimony.](#)

CRA and Part 24 Investment in Minority-Owned Banks and Thrifts

The OCC announced a clarification of the criteria under which national banks may make an investment in a minority-owned bank or thrift under the Part 24 community development investment authority. A new

interpretive "Question and Answer" clarifies that, consistent with CRA criteria, national banks may make a Part 24 investment in any minority-owned bank or thrift that serves the local community in which it is chartered. [View now.](#)

Leadership Opportunities in Financial Services

OCC's Ombudsman Sam Golden shared his insights on leadership opportunities in financial services and discussed the proposed increase to the Part 24 investment authority at a meeting of the Urban Financial Services Coalition on June 2, 2006. [View his speech now.](#)

Comptroller's Tour of Chicago Community Development Projects

Comptroller Dugan toured several of Chicago's near west side community development projects on May 17, 2006. The Comptroller recognized the significant role that the national bank Part 24 authority plays in revitalizing local communities through bank partnerships with community-based organizations. [View the news release now.](#)

Low-Income Housing Tax Credits E-zine

The Spring 2006 edition of *Community Developments Investments* focuses on Low-Income Housing Tax Credits (LIHTC). Articles describe the fundamentals of LIHTCs, with a particular focus on topics of interest to community bankers new to this product. [View now.](#)

Fair Lending

2005 HMDA Price Data

The federal financial institutions supervisory agencies and the U.S. Department of Housing and Urban Development released updated answers to frequently asked questions (FAQs) to aid in the interpretation of 2005 home loan data to be disclosed under the Home Mortgage Disclosure Act (HMDA). [View the FAQs now.](#)

Fair Lending Examination Procedures

Revisions to the Consumer Compliance booklet *Fair Lending Examination Procedures* make note of several changes in Regulation B (12 CFR 202) and incorporate the "Interagency Fair Lending Procedures" issued in 2004, as well as other changes to the booklet that was originally issued in 2000. [View now.](#)

Community Development

Comptroller Attends OCC NeighborWorks Week Event

Comptroller Dugan led OCC volunteers and their families in repairing transitional housing units located in Washington, DC on June 10, 2006, as part of NeighborWorks Week. The volunteers worked alongside community residents and celebrated the Marshall Heights Community Development Organization, Inc. becoming a chartered NeighborWorks America® organization. [View the Comptroller's remarks now.](#)

Greenlining Institute Economic Summit

Comptroller Dugan provided an overview of the ways that the OCC, as the supervisor of national banks, is advancing the goal of broadly increasing access to homeownership in his presentation at the Greenlining Institute's Economic Summit in Los Angeles on April 20, 2006. Mr. Dugan also expressed concerns that new types of mortgages that offer low initial monthly payments may lead to significantly higher payments later. [View his remarks.](#)

Anacostia Economic Summit

At the Anacostia Economic Summit held at the Hope Center in Washington, DC on May 3, 2006, Comptroller Dugan underscored that banks and other lenders have a responsibility to serve the credit needs of all members of the communities in which they establish branches, including low- and moderate-income communities. He pledged to continue to work with banks to identify opportunities for investments, loans, and services using the national bank community development investment authority. [View his remarks.](#)

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2. Consumer Credit and Lending

Mortgage Lending

Non-traditional Mortgage Guidance

In a speech to the National Housing Advisory Council on June 7, 2006, OCC's Chief of Staff John G. Walsh spoke about the need for proposed interagency guidance related to non-traditional mortgages. [View the speech now.](#)

Mortgage Foreclosure Prevention Newsletter

The latest edition of *Community Developments* provides mortgage foreclosure prevention strategies and recommendations aimed at preserving homeownership. The newsletter focuses on a number of ways banks can help reduce foreclosures by partnering with non-profits and successfully implementing early intervention strategies with troubled borrowers. [View now.](#)

Financial Literacy

Financial Literacy Initiatives

The Financial Literacy and Education Commission, headed by the U.S. Treasury Department and comprised of 20 federal agencies, released its strategy report, *Taking Ownership of the Future – The National Strategy for Financial Literacy*. [View the report.](#)

Comptroller Dugan highlighted the importance of financial literacy while attending the quarterly meeting of the Financial Literacy and Education Commission on May 16, 2006. The Comptroller also encouraged bank participation in financial literacy initiatives, saying involvement in these programs enhances community visibility and may lead to positive consideration under the Community Reinvestment Act. [View the news release.](#)

As part of this year's Financial Literacy Month, the OCC participated in the Financial Literacy Fair on Capitol Hill held April 25, 2006. The event was held to promote agency efforts to educate and support consumers of financial services. [View now.](#)

Consumer Financial Disclosures

In a speech to the 2006 Banking Institute on March 30, 2006, OCC's chief counsel and first senior deputy comptroller Julie L. Williams called for more effective "consumer-oriented disclosures in the financial services business." [View now.](#)

Commercial Lending

Proposed Commercial Real Estate Lending Guidance

The federal bank and thrift regulatory agencies issued for comment proposed guidance on sound risk management practices for concentrations in commercial real estate lending. Some concentrations may expose institutions to unanticipated earnings and capital volatility. [View the proposed guidance now.](#)

Comptroller's Remarks: In a speech before the New York Bankers Association on April 6, 2006, Comptroller Dugan said that concentrations in commercial real estate lending can be safe if they are effectively managed. [View the speech now.](#)

504 Small Business Loan Program Insights

A new *Community Developments Insights* report highlights the Small Business Administration's 504 loan program and how banks may team up with certified development companies to make loans for long-term assets and to promote economic development. [View the report now.](#)

Commercial Lending in Indian Country Insights

A new *Community Developments Insights* report highlights best practices for making commercial loans on tribal trust lands and potential opportunities, with recent revisions to the Community Reinvestment Act (CRA), to tap the growing demand for credit and capital by tribes and tribal enterprises. [View the report now.](#)

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3. Customer Assistance Services

GAO Customer Assistance Report

The Government Accountability Office (GAO) released a favorable report on the OCC's Customer Assistance

Group (CAG). Comptroller Dugan stated that the OCC has begun implementing recommendations to improve measurement of customer satisfaction with CAG services and to find ways to better respond and report on consumer questions and complaints. [View the news release.](#)

Spanish Language Brochure Published by OCC's Customer Assistance Group

OCC's Customer Assistance Group (CAG) published an informational brochure to assist those who are Spanish-speaking. [View the brochure.](#)

For Customer Assistance or to find a national bank or its subsidiaries, [view now.](#)

For Consumer Protection News, [view now.](#)

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4. Information and Privacy Protection

Federal Standards to Protect Consumer Financial Data

Federal regulators released *Evolution of a Prototype Financial Privacy Notice*, a report summarizing consumer research contributing to improved financial privacy notices. [View now.](#)

In a February 2, 2006 speech to the ALI-ABA Financial Services Institute, Comptroller Dugan offers principles to guide the adoption of federal standards for privacy and security notices related to the handling of confidential customer information. [View now.](#)

Telephone Consumer Protection and Junk Fax Prevention Acts

The FCC has issued regulations implementing modifications to legislation that prohibit commercial telemarketers from calling phone numbers on the Do-Not-Call registry, including banks, insurance companies, credit unions, and savings associations, and from sending unsolicited facsimile advertising. The OCC is incorporating these procedures into an update to the Comptroller's Handbook series.

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5. Bank Supervision and Regulation

Supervision

Community Banks and the OCC

In a speech to the annual convention of the Independent Community Banks of America on March 9, 2006, Comptroller Dugan stated that independent banks are at the heart of the OCC's mission. He noted that 90 percent of the institutions supervised by the OCC have less than \$1 billion in assets. [View the speech now.](#)

OCC Interpretations and Decisions

The OCC released two publications that provide the latest interpretations and decisions authorizing activities for national banks and their operating subsidiaries: [Significant Legal, Licensing, and Community Development Precedents for National Banks \(2005\)](#); and *Activities Permissible for a National Bank: 2005* (cumulative). [View now.](#)

See the March 2006 edition (Vol. 25, No. 1) of the *Quarterly Journal*, covering the fourth quarter 2005, for further details about bank performance and policies, special supervision and enforcement actions, and OCC's corporate structure. [View now.](#)

OCC Real Estate Rulings

Comptroller Dugan issued a statement regarding misunderstandings related to the effect of three recent OCC interpretative letters regarding the use of bank premises and the financing of a wind tunnel project. [View now.](#)

The Comptroller also stated that these rulings do not expand the OCC's limited authority to approve the real estate and investment activities of national banks. [View the news release now.](#)

Regulations

Bank Secrecy Act Testimony

Deputy Comptroller Ann Jaedicke discussed the Bank Secrecy's impact on Money Services Businesses in testimony on June 21, 2006, before the House Financial Service Committee's Subcommittee on Financial Institutions and Consumer Credit. [View the testimony now.](#)

Class Action Fairness Act of 2005

OCC Bulletin 2006-20 provides guidance on national banks and federal branches and agencies filing notices of proposed class action settlements involving OCC-regulated matters based upon the Class Action Fairness Act. [View now.](#)

Enforcement Actions

Searchable Database The OCC maintains a searchable database of all public enforcement actions taken since August 1989 on its Internet Web site. [View Public Enforcement Actions now.](#)

Recent Enforcement Actions

News Release 2006-1 announces a civil money penalty against ABN-AMRO Mortgage Group, a subsidiary of LaSalle Bank Midwest, N.A., as the result of a joint investigation of FHA loan underwriting practices by the OCC and the U.S. Department of Housing and Urban Development. [View now.](#)

News Release 2006-5 announces **18 enforcement actions** and **eight terminations** of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AZ, CA, FL, IL, IN, KY, LA, MI, MN, MO, NV, NY, OK, TX, WY). [View now.](#)

News Release 2006-18 announces **19 enforcement actions** and **eight terminations** (AZ, CA, FL, IL, IN, KY, LA, MI, MN, MO, NV, NY, OK). [View now.](#)

News Release 2006-32 announces **seven enforcement actions** (AK, DC, MD, MN, NJ, NY). [View now.](#)

News Release 2006-46 announces **four enforcement actions** and **six terminations** (CA, DC, IL, KS, NC, NE, NY, OK). [View now.](#)

News Release 2006-75 announces **twenty-two enforcement actions** and **seven terminations** (AL, CA, FL, MN, NC, NE, NJ, OK, OH, TX). [View now.](#)

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6. Hurricane Relief

Lessons Learned from Katrina

OCC Bulletin 2006-26 transmits the booklet *Lessons Learned from Hurricane Katrina: Preparing Your Institution for a Catastrophic Event* developed by the Federal Financial Institutions Examinations Council and the Conference of State Bank Supervisors. [View the booklet now.](#)

Bankers Forum in New Orleans

The banking regulatory agencies held a forum for banks and thrifts in New Orleans on March 2-3, 2006. The forum focused on challenges facing these institutions and on ways of helping to meet the needs of their local communities. In a speech at the conference, Comptroller Dugan reiterated that banks should work with customers in whatever ways are most conducive to rebuilding their affected communities, observing fundamental safety and soundness standards. [View now.](#)

Public Service Campaign to Help Hurricane Victims

The federal financial regulatory agencies announced a public service campaign to aid in the financial recovery of last year's hurricane victims. Public service announcements (PSAs) are being distributed to encourage borrowers to contact their lenders. [View now.](#)

Examiner Guidance – Hurricane Katrina

The federal financial institutions regulatory agencies and the state supervisory authorities transmitted guidance to their respective examiners regarding supervisory practices to follow in assessing the financial

condition of financial institutions directly affected by Hurricane Katrina. [View now.](#)

Community Reinvestment Act Policies for Areas Affected by Hurricanes Katrina and Rita

The OCC issued a bulletin allowing national banks located outside the Hurricane Katrina and Rita disaster areas to receive positive CRA consideration for activities that support the revitalization and stabilization of affected areas. Banks outside the areas affected by the hurricanes may receive CRA consideration if they have otherwise adequately met the needs of their local communities. [View now.](#)

Hurricane Relief Fact Sheet

A new Fact Sheet describes how banks can help rebuild the Gulf Coast. The Fact Sheet includes programs, resources, and opportunities available to banks and their customers. [View now.](#)

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7. Corporate Applications

Weekly Bulletin Search

The OCC publishes a weekly record of its actions upon applications for new banks, branches, mergers, and conversions; changes in bank control, corporate titles, fiduciary powers, domestic subsidiaries; and relocations of head offices and branches and branch closings. The Weekly Bulletin may be sorted by bank or by state and types of applications. [View now.](#)

Public Inquiries and Comments on Applications

Inquiries related to filing corporate applications and notices involving most national banks should be directed to the OCC licensing units in the district where the bank is headquartered. Inquiries related to Bank of America, Citigroup, Wachovia, Wells Fargo, and JP Morgan Chase should be directed to Large Bank Licensing in Washington, DC at (202) 874-5060. Inquiries regarding foreign banks should be directed to the Northeastern District licensing unit. [View contacts now.](#)

Written comments on corporate filings should be submitted to the licensing unit where the bank filed the original application. [For more information, view now.](#)

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8. Contact Us at the OCC

The OCC's Web site is the easiest way to find out about new developments in banking and community affairs. [Visit the OCC's site now.](#)

You are subscribed to receive periodic news and information from the Community Affairs Department of the Office of the Comptroller of the Currency. For more information visit OCC's [Community Affairs page.](#)

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