

§ 6.23

§ 6.23 Decision and issuance of a prompt corrective action directive.

(a) *OCC consideration of response.* After considering the response, the OCC may:

- (1) Issue the directive as proposed or in modified form;
- (2) Determine not to issue the directive and so notify the bank; or
- (3) Seek additional information or clarification of the response from the bank, or any other relevant source.

(b) [Reserved]

§ 6.24 Request for modification or rescission of directive.

Any bank that is subject to a directive under this subpart may, upon a change in circumstances, request in writing that the OCC reconsider the terms of the directive, and may propose that the directive be rescinded or modified. Unless otherwise ordered by the OCC, the directive shall continue in place while such request is pending before the OCC.

§ 6.25 Enforcement of directive.

(a) *Judicial remedies.* Whenever a bank fails to comply with a directive issued under section 38, the OCC may seek enforcement of the directive in the appropriate United States district court pursuant to section 8(i)(1) of the FDI Act.

(b) *Administrative remedies.* Pursuant to section 8(i)(2)(A) of the FDI Act, the OCC may assess a civil money penalty against any bank that violates or otherwise fails to comply with any final directive issued under section 38 and against any institution-affiliated party who participates in such violation or noncompliance.

(c) *Other enforcement action.* In addition to the actions described in paragraphs (a) and (b) of this section, the OCC may seek enforcement of the provisions of section 38 or this part through any other judicial or administrative proceeding authorized by law.

PART 7—BANK ACTIVITIES AND OPERATIONS

Subpart A—Bank Powers

Sec.

7.1000 National bank ownership of property.

12 CFR Ch. I (1–1–05 Edition)

- 7.1001 National bank acting as general insurance agent.
- 7.1002 National bank acting as finder.
- 7.1003 Money lent at banking offices or at other than banking offices.
- 7.1004 Loans originating at other than banking offices.
- 7.1005 Credit decisions at other than banking offices.
- 7.1006 Loan agreement providing for a share in profits, income, or earnings or for stock warrants.
- 7.1007 Acceptances.
- 7.1008 Preparing income tax returns for customers or public.
- 7.1009 National bank holding collateral stock as nominee.
- 7.1010 Postal service by national bank.
- 7.1011 National bank acting as payroll issuer.
- 7.1012 Messenger service.
- 7.1014 Sale of money orders at nonbanking outlets.
- 7.1015 Receipt of stock from a small business investment company.
- 7.1016 Independent undertakings to pay against documents.
- 7.1017 National bank as guarantor or surety on indemnity bond.
- 7.1018 Automatic payment plan account.
- 7.1020 Purchase of open accounts.
- 7.1021 National bank participation in financial literacy programs.

Subpart B—Corporate Practices

- 7.2000 Corporate governance procedures.
- 7.2001 Notice of shareholders' meetings.
- 7.2002 Director or attorney as proxy.
- 7.2003 Annual meeting for election of directors.
- 7.2004 Honorary directors or advisory boards.
- 7.2005 Ownership of stock necessary to qualify as director.
- 7.2006 Cumulative voting in election of directors.
- 7.2007 Filling vacancies and increasing board of directors other than by shareholder action.
- 7.2008 Oath of directors.
- 7.2009 Quorum of the board of directors; proxies not permissible.
- 7.2010 Directors' responsibilities.
- 7.2011 Compensation plans.
- 7.2012 President as director; chief executive officer.
- 7.2013 Fidelity bonds covering officers and employees.
- 7.2014 Indemnification of institution-affiliated parties.
- 7.2015 Cashier.
- 7.2016 Restricting transfer of stock and record dates.
- 7.2017 Facsimile signatures on bank stock certificates.
- 7.2018 Lost stock certificates.

Comptroller of the Currency, Treasury

§ 7.1000

- 7.2019 Loans secured by a bank's own shares.
- 7.2020 Acquisition and holding of shares as treasury stock.
- 7.2021 Preemptive rights.
- 7.2022 Voting trusts.
- 7.2023 Reverse stock splits.
- 7.2024 Staggered terms for national bank directors and size of bank board.

Subpart C—Bank Operations

- 7.3000 Bank hours and closings.
- 7.3001 Sharing space and employees.

Subpart D—Preemption

- 7.4000 Visitorial powers.
- 7.4001 Charging interest at rates permitted competing institutions; charging interest to corporate borrowers.
- 7.4002 National bank charges.
- 7.4003 Establishment and operation of a remote service unit by a national bank.
- 7.4004 Establishment and operation of a deposit production office by a national bank.
- 7.4005 Combination of loan production office, deposit production office, and remote service unit.
- 7.4006 Applicability of State law to national bank operating subsidiaries.
- 7.4007 Deposit-taking.
- 7.4008 Lending.
- 7.4009 Applicability of state law to national bank operations.

Subpart E—Electronic Activities

- 7.5000 Scope.
- 7.5001 Electronic activities that are part of, or incidental to, the business of banking.
- 7.5002 Furnishing of products and services by electronic means and facilities.
- 7.5003 Composite authority to engage in electronic activities.
- 7.5004 Sale of excess electronic capacity and by-products.
- 7.5005 National bank acting as digital certification authority.
- 7.5006 Data processing.
- 7.5007 Correspondent services.
- 7.5008 Location of national bank conducting electronic activities.
- 7.5009 Location under 12 U.S.C. 85 of national banks operating exclusively through the Internet.
- 7.5010 Shared electronic space.

AUTHORITY: 12 U.S.C. 1 *et seq.*, 71, 71a, 92, 92a, 93, 93a, 481, 484, and 1818.

SOURCE: 61 FR 4862, Feb. 9, 1996, unless otherwise noted.

Subpart A—Bank Powers

§ 7.1000 National bank ownership of property.

(a) *Investment in real estate necessary for the transaction of business*—(1) *General*. Under 12 U.S.C. 29(First), a national bank may invest in real estate that is necessary for the transaction of its business.

(2) *Type of real estate*. For purposes of 12 U.S.C. 29(First), this real estate includes:

(i) Premises that are owned and occupied (or to be occupied, if under construction) by the bank, its branches, or its consolidated subsidiaries;

(ii) Real estate acquired and intended, in good faith, for use in future expansion;

(iii) Parking facilities that are used by customers or employees of the bank, its branches, and its consolidated subsidiaries;

(iv) Residential property for the use of bank officers or employees who are:

(A) Located in remote areas where suitable housing at a reasonable price is not readily available; or

(B) Temporarily assigned to a foreign country, including foreign nationals temporarily assigned to the United States; and

(v) Property for the use of bank officers, employees, or customers, or for the temporary lodging of such persons in areas where suitable commercial lodging is not readily available, provided that the purchase and operation of the property qualifies as a deductible business expense for Federal tax purposes.

(3) *Permissible means of holding*. A national bank may acquire and hold real estate under this paragraph (a) by any reasonable and prudent means, including ownership in fee, a leasehold estate, or in an interest in a cooperative. The bank may hold this real estate directly or through one or more subsidiaries. The bank may organize a bank premises subsidiary as a corporation, partnership, or similar entity (*e.g.*, a limited liability company).

(b) *Fixed assets*. A national bank may own fixed assets necessary for the transaction of its business, such as fixtures, furniture, and data processing equipment.

§ 7.1001

(c) *Investment in bank premises*—(1) *Investment limitation; approval.* 12 U.S.C. 371d governs when OCC approval is required for national bank investment in bank premises. A bank may seek approval from the OCC in accordance with the procedures set forth in 12 CFR 5.37.

(2) *Option to purchase.* An unexercised option to purchase bank premises or stock in a corporation holding bank premises is not an investment in bank premises. A national bank must receive OCC approval to exercise the option if the price of the option and the bank's other investments in bank premises exceed the amount of the bank's capital stock.

(d) *Other real property*—(1) *Lease financing of public facilities.* A national bank may purchase or construct a municipal building, school building, or other similar public facility and, as holder of legal title, lease the facility to a municipality or other public authority having resources sufficient to make all rental payments as they become due. The lease agreement must provide that the lessee will become the owner of the building or facility upon the expiration of the lease.

(2) *Purchase of employee's residence.* To facilitate the efficient use of bank personnel, a national bank may purchase the residence of an employee who has been transferred to another area in order to spare the employee a loss in the prevailing real estate market. The bank must arrange for early divestment of title to such property.

[61 FR 4862, Feb. 9, 1996, as amended at 61 FR 60387, Nov. 27, 1996]

§ 7.1001 National bank acting as general insurance agent.

Pursuant to 12 U.S.C. 92, a national bank may act as an agent for any fire, life, or other insurance company in any place the population of which does not exceed 5,000 inhabitants. This provision is applicable to any office of a national bank when the office is located in a community having a population of less than 5,000, even though the principal office of such bank is located in a community whose population exceeds 5,000.

12 CFR Ch. I (1–1–05 Edition)

§ 7.1002 National bank acting as finder.

(a) *General.* It is part of the business of banking under 12 U.S.C. 24(Seventh) for a national bank to act as a finder, bringing together interested parties to a transaction.

(b) *Permissible finder activities.* A national bank that acts as a finder may identify potential parties, make inquiries as to interest, introduce or arrange contacts or meetings of interested parties, act as an intermediary between interested parties, and otherwise bring parties together for a transaction that the parties themselves negotiate and consummate. The following list provides examples of permissible finder activities. This list is illustrative and not exclusive; the OCC may determine that other activities are permissible pursuant to a national bank's authority to act as a finder.

(1) Communicating information about providers of products and services, and proposed offering prices and terms to potential markets for these products and services;

(2) Communicating to the seller an offer to purchase or a request for information, including forwarding completed applications, application fees, and requests for information to third-party providers;

(3) Arranging for third-party providers to offer reduced rates to those customers referred by the bank;

(4) Providing administrative, clerical, and record keeping functions related to the bank's finder activity, including retaining copies of documents, instructing and assisting individuals in the completion of documents, scheduling sales calls on behalf of sellers, and conducting market research to identify potential new customers for retailers;

(5) Conveying between interested parties expressions of interest, bids, offers, orders, and confirmations relating to a transaction;

(6) Conveying other types of information between potential buyers, sellers, and other interested parties; and

(7) Establishing rules of general applicability governing the use and operation of the finder service, including rules that: