

## Comptroller of the Currency, Treasury

## § 24.7

(6) The OCC may impose one or more conditions in connection with its approval of an investment under this part. All approvals are subject to the condition that a national bank must conduct the approved activity in a manner consistent with any published guidance issued by the OCC regarding the activity.

[61 FR 49660, Sept. 23, 1996, as amended at 64 FR 70991, Dec. 20, 1999; 68 FR 48776, Aug. 15, 2003]

### § 24.6 Examples of qualifying public welfare investments.

Investments that primarily support the following types of activities are examples of investments that meet the requirements of § 24.3:

(a) Affordable housing activities, including:

(1) Investments in an entity that finances, acquires, develops, rehabilitates, manages, sells, or rents housing primarily for low- and moderate-income individuals;

(2) Investments in a project that develops or operates transitional housing for the homeless;

(3) Investments in a project that develops or operates special needs housing for disabled or elderly low- and moderate-income individuals; and

(4) Investments in a project that qualifies for the Federal low-income housing tax credit;

(b) Economic development and job creation investments, including:

(1) Investments that finance small businesses (including equity or debt financing and investments in an entity that provides loan guarantees) that are located in low- and moderate-income areas or other targeted redevelopment areas or that produce or retain permanent jobs, the majority of which are held by low- and moderate-income individuals;

(2) Investments that finance small businesses or small farms that, although not located in low- and moderate-income areas or targeted redevelopment areas, create a significant number of permanent jobs for low- or moderate-income individuals;

(3) Investments in an entity that acquires, develops, rehabilitates, manages, sells, or rents commercial or industrial property that is located in a

low- and moderate-income area or targeted redevelopment area and occupied primarily by small businesses, or that is occupied primarily by small businesses that produce or retain permanent jobs, the majority of which are held by low- and moderate-income individuals; and

(4) Investments in low- and moderate-income areas or targeted redevelopment areas that produce or retain permanent jobs, the majority of which are held by low- and moderate-income individuals;

(c) Investments in CEDEs, including:

(1) Investments in a national bank that has been approved by the OCC as a national bank with a community development focus;

(2) Investments in a community development financial institution, as defined in 12 U.S.C. 4742(5);

(3) Investments in a CEDE that is eligible to receive New Markets tax credits under 26 U.S.C. 45D; and

(d) Other public welfare investments, including:

(1) Investments that provide credit counseling, job training, community development research, and similar technical assistance services for non-profit community development organizations, low- and moderate-income individuals or areas or targeted redevelopment areas, or small businesses located in low- and moderate-income areas or that produce or retain permanent jobs, the majority of which are held by low- and moderate-income individuals;

(2) Investments of a type approved by the Federal Reserve Board under 12 CFR 208.22 for state member banks that are consistent with the requirements of § 24.3; and

(3) Investments of a type previously determined by the OCC to be permissible under this part.

[68 FR 48776, Aug. 15, 2003]

### § 24.7 Examination, records, and remedial action.

(a) *Examination.* National bank investments under this part are subject to the examination provisions of 12 U.S.C. 481.

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(b) *Records.* Each national bank shall maintain in its files information adequate to demonstrate that its investments meet the standards set out in § 24.3 of this part, including, where applicable, the criteria of 12 C.F.R. 25.23, and that the bank is otherwise in compliance with the requirements of this part.

(c) *Remedial action.* If the OCC finds that an investment under this part is

in violation of law or regulation, is inconsistent with the safe and sound operation of the bank, or poses a significant risk to a Federal deposit insurance fund, the national bank shall take appropriate remedial action as determined by the OCC.

[61 FR 49660, Sept. 23, 1996, as amended at 68 FR 48777, Aug. 15, 2003]

APPENDIX 1 TO PART 24—CD-1—NATIONAL BANK COMMUNITY DEVELOPMENT (PART 24) INVESTMENTS

 Comptroller of the Currency Administrator of National Banks	<b>CD-1 – National Bank Community                  Development (Part 24) Investments</b>	For Official Use Only
		OMB Number 1557-0194

National banks may make investments designed primarily to promote the public welfare under the community development investment authority in 12 USC 24(Eleventh) and its implementing regulation, 12 CFR 24 (Part 24). Part 24 contains the OCC guidelines to determine whether an investment is designed primarily to promote the public welfare and procedures that apply to those investments. National banks must submit the completed form to provide an after-the-fact notice or to request prior approval of a public welfare investment to the Director, Community Development Division, Office of the Comptroller of the Currency, Washington, DC 20219. Please contact the Community Development Division at (202) 874-4930 for more information.

**PLEASE PROVIDE THE FOLLOWING INFORMATION ABOUT THE INVESTING BANK.**

Bank name:	Mailing address ( <i>street or P.O. box</i> ):
Bank charter number:	City, State, ZIP Code:
Telephone number:	Fax number:
E-mail address:	URL:

**CONTACT FOR INFORMATION:**

Name of bank contact responsible for form's information:	Name of bank contact responsible for CD investment (if different):
Mailing address ( <i>street or P.O. box</i> ):	Mailing address ( <i>street or P.O. box</i> ):
City, State, ZIP Code:	City, State, ZIP Code:
Telephone number:	Telephone number:
Fax number:	Fax number:
E-mail address:	E-mail address:

**PLEASE INDICATE THE PROCESS THE BANK REQUESTS BY CHECKING THE APPROPRIATE BOX, BELOW.**

- After-the-fact notice (12 CFR 24.5(a)) - complete sections 1 and 2.
- Prior approval (12 CFR 24.5(b)) - complete section 2.

### Section 1 – After-The-Fact Notice Only (12 CFR 24.5(a))

A bank may provide an after-the-fact notice of its Part 24 investment if the bank responds affirmatively to all of the following requirements.

The bank is "well-capitalized," as defined in 12 CFR 6.4(b)(1). Yes  No

The bank has a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System. Yes  No

The bank's most recent Community Reinvestment Act rating is satisfactory or outstanding. Yes  No

The bank is not under a cease and desist order, consent order, formal written agreement, or Prompt Corrective Action directive.

Yes  No

Including this investment, the bank's aggregate outstanding investments and commitments under Part 24 are less than 5 percent of its capital and surplus, unless the OCC has provided written approval allowing the bank to provide after-the-fact notices for investments that would raise the aggregate amount of the bank's Part 24 investments beyond 5 percent of its capital and surplus.

Yes  No

The investment does not involve properties carried on the bank's books as "other real estate owned." Yes  No

The OCC has not determined, in published guidance, that the investment is inappropriate for the after-the-fact notification.

Yes  No

**Has the bank responded affirmatively to all of the above requirements in order to provide an after-the-fact notice of its Part 24 investment?** [The OCC may have provided written notification that the bank may submit Part 24 after-the-fact notices. If so, please provide the date or a copy of the OCC's written notification.]

Yes  (The bank may make an investment authorized by 12 USC 24(Eleventh) and this part and notify the OCC within 10 working days by submitting a completed after-the-fact notice.)

No  (The bank must seek prior OCC approval of its investment and submit a completed investment proposal before making the investment.)

**(To complete the after-the-fact notice process or to request prior OCC approval, please proceed to section 2 of this form.)**

## Section 2 — All Requests

1. Please indicate how the bank's investment is consistent with Part 24 requirements for public welfare investments, under 12 CFR 24.3.
  - a. Check at least one of the following that applies to the bank's investment:
 

The investment primarily benefits low- and moderate-income individuals.	<input type="checkbox"/>
The investment primarily benefits low- and moderate-income areas.	<input type="checkbox"/>
The investment primarily benefits areas targeted for redevelopment by a government entity.	<input type="checkbox"/>
The investment is a "qualified investment" under 12 CFR 25.23 for purposes of the Community Reinvestment Act.	<input type="checkbox"/>
  
2. Please indicate how the bank's investment is consistent with Part 24 requirements for investment limits under 12 CFR 24.4 by responding to the following questions.
  - a. Dollar amount of the bank's investment that is the subject of this submission: \_\_\_\_\_.
  - b. Percentage of the bank's capital and surplus represented by the bank's investment that is the subject of this submission. \_\_\_\_\_%.
  - c. Percentage of the bank's capital and surplus represented by the aggregate outstanding Part 24 investments and commitments, including this investment: \_\_\_\_\_%.
  - d. Does this investment expose the bank to unlimited liability?
 

Yes  (This investment cannot be made under Part 24.)

No
  
3. Please attach a brief description of the bank's investment. (See 12 CFR 24.5(a)(3)(i) and (b)(2)(i)). Include the following information in the description.
  - a. The name of the community and economic development entity (CEDE) into which the bank's investment has been (or will be) made.
  - b. The type of bank investment (equity, debt, or other).
  - c. The activity or activities of the CEDE in which the bank has invested (or will invest). (See examples of investment activities described in 12 CFR 24.6 (a), (b), (c), and (d).)
  - d. How the investment is structured so that it does not expose the bank to unlimited liability, such as by describing the structure of the CEDE (e.g., CDC subsidiary, multibank CDC, multi-investor CDC, limited partnership, limited liability company, community development bank, community development financial institution, community development entity, community development venture capital fund, community development lending consortia, community development closed-end mutual funds, non-diversified closed-end investment companies, or any other CEDE) and by providing any other relevant information.
  - e. The geographic area served by the CEDE.
  - f. The total funding or other support by community development partners involved in the project (e.g., government or public agencies, nonprofits, other investors), if known.

- g. Supplemental information (e.g., prospectus, annual report, web address that contains information about the CEDE in which the investment is or will be made), if available.

**4. Evidence of qualification is readily available for examination purposes.**

The bank maintains information concerning this investment in a form readily accessible and available for examination that supports the certifications contained in this form and demonstrates that the investment meets the standards set out in 12 CFR 24.3, including, where applicable, the criteria of 12 CFR 25.23.

Yes  No

**5. Certification**

The undersigned hereby certifies that the foregoing information in this form is accurate and complete. It is further certified that the undersigned is authorized to file this form on Part 24 investments for the bank.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**DESCRIPTION OF THE BANK'S CD INVESTMENT. (See information previously requested)**

*(Type the description of the bank's Part 24 investment here. You may type as much text as necessary. You will have access to all of MS Word's editing features.)*

[68 FR 48777, Aug. 15, 2003]

## REGULATIONS

**PART 25—COMMUNITY REINVESTMENT ACT AND INTERSTATE DEPOSIT PRODUCTION REGULATIONS****Subpart A—General**

## REGULATIONS

**Subpart A—General**

Sec.

- 25.11 Authority, purposes, and scope.  
25.12 Definitions.

**Subpart B—Standards for Assessing Performance**

- 25.21 Performance tests, standards, and ratings, in general.  
25.22 Lending test.  
25.23 Investment test.  
25.24 Service test.  
25.25 Community development test for wholesale or limited purpose banks.  
25.26 Small bank performance standards.  
25.27 Strategic plan.  
25.28 Assigned ratings.  
25.29 Effect of CRA performance on applications.

**Subpart C—Records, Reporting, and Disclosure Requirements**

- 25.41 Assessment area delineation.  
25.42 Data collection, reporting, and disclosure.  
25.43 Content and availability of public file.  
25.44 Public notice by banks.  
25.45 Publication of planned examination schedule.

**Subpart D [Reserved]****Subpart E—Prohibition Against Use of Interstate Branches Primarily for Deposit Production**

- 25.61 Purpose and scope.  
25.62 Definitions.  
25.63 Loan-to-deposit ratio screen.  
25.64 Credit needs determination.  
25.65 Sanctions.

## APPENDIX A TO PART 25—RATINGS

## APPENDIX B TO PART 25—CRA NOTICE

AUTHORITY: 12 U.S.C. 21, 22, 26, 27, 30, 36, 93a, 161, 215, 215a, 481, 1814, 1816, 1828(c), 1835a, 2901 through 2907, and 3101 through 3111.

SOURCE: 43 FR 47146, Oct. 12, 1978, unless otherwise noted.

**§ 25.11 Authority, purposes, and scope.**

(a) *Authority and OMB control number*—(1) *Authority*. The authority for subparts A, B, C, D, and E is 12 U.S.C. 21, 22, 26, 27, 30, 36, 93a, 161, 215, 215a, 481, 1814, 1816, 1828(c), 1835a, 2901 through 2907, and 3101 through 3111.

(2) *OMB control number*. The information collection requirements contained in this part were approved by the Office of Management and Budget under the provisions of 44 U.S.C. 3501 *et seq.* and have been assigned OMB control number 1557–0160.

(b) *Purposes*. In enacting the Community Reinvestment Act (CRA), the Congress required each appropriate Federal financial supervisory agency to assess an institution's record of helping to meet the credit needs of the local communities in which the institution is chartered, consistent with the safe and sound operation of the institution, and to take this record into account in the agency's evaluation of an application for a deposit facility by the institution. This part is intended to carry out the purposes of the CRA by:

(1) Establishing the framework and criteria by which the Office of the Comptroller of the Currency (OCC) assesses a bank's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the bank; and

(2) Providing that the OCC takes that record into account in considering certain applications.

(c) *Scope*—(1) *General*. This part applies to all banks except as provided in paragraphs (c)(2) and (c)(3) of this section.

(2) *Federal branches and agencies*. (i) This part applies to all insured Federal branches and to any Federal branch that is uninsured that results from an acquisition described in section 5(a)(8) of the International Banking Act of 1978 (12 U.S.C. 3103(a)(8)).

(ii) Except as provided in paragraph (c)(2)(i) of this section, this part does not apply to Federal branches that are uninsured, limited Federal branches, or