

## 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 (1-1-08 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: