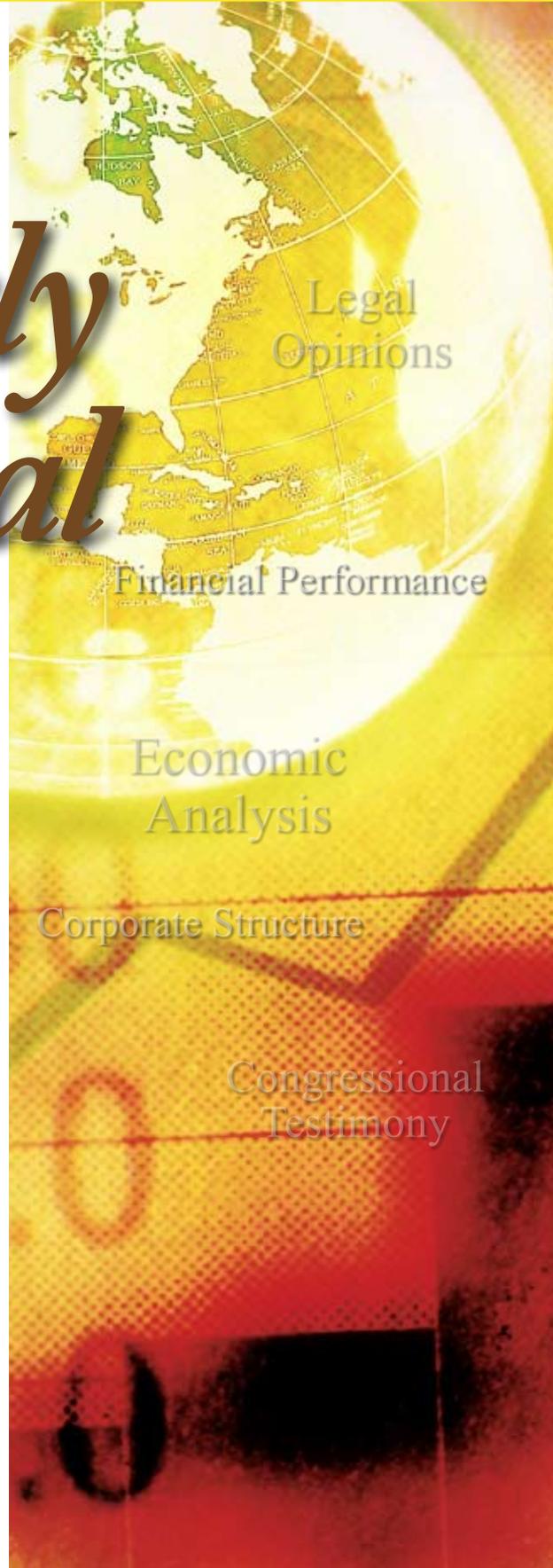




Comptroller of the Currency
Administrator of National Banks
US Department of the Treasury

Quarterly Journal

March 2007



Volume 26, Number 1

Quarterly Journal



Office of the Comptroller of the Currency
Administrator of National Banks

John C. Dugan
Comptroller of the Currency

Volume 26, Number 1

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(Fourth quarter data)

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1069, 8/21/2006, Letter concludes that a national bank and its operating subsidiaries are authorized, pursuant to 12 USC 24(7), 12 USC 371, and 12 CFR 7.4002, to charge expedited service fees for loan payoff information. (www.occ.gov/interp/oct06/int1069.pdf)	

1070, 9/6/2006, Letter concludes that a national bank may acquire and hold two classes of certificates, one rated investment grade and one unrated, issued by a trust under a tender option bond structure as Type III investment securities, provided the bank can demonstrate that the unrated certificate is the credit equivalent of investment grade. The letter also concludes that the bank also may acquire the certificates under the authority in 12 USC 24(Seventh) to discount and negotiate evidences of debt, subject to the limitations of 12 USC 84 and the requirements of Banking Circular 181 (Rev.). (www.occ.gov/interp/oct06/int1070.pdf)

1071, 09/6/2006, Letter concludes a national bank may participate as a member in several regional Independent System Operators (ISOs) and Regional Transmission Operators (RTOs) in order to execute electricity derivatives transactions that the OCC previously has found to be permissible for the bank, subject to the limitations set forth in 12 USC 84 and 12 CFR Part 32 and any additional limitations imposed by the bank's examiner-in-charge (EIC). The bank also is required notify its EIC and receive written notification of the EIC's supervisory non-objection before becoming a member of an ISO or RTO. (www.occ.gov/interp/oct06/int1071.pdf)

1072, 9/15/2006, Letter concludes that it would be permissible under 12 USC 29 for bank to enter into a long-term ground lease with unrelated third party of property that it has owned and used as bank premises for three decades. (www.occ.gov/interp/oct06/int1072.pdf)

November [[Interpretations and Actions](#)]

1073, 10/19/2006, Letter concludes that it is permissible for the bank and its London branch to engage in customer-driven, metal derivative transactions that settle in cash or by transitory title transfer and that are hedged on a portfolio basis with derivatives that settle in cash or by transitory title transfer. Before the bank may engage in these transactions, the bank must notify its examiner-in-charge (EIC), in writing, of the proposed activities and must receive written notification of the EIC's supervisory non-objection. (www.occ.gov/interp/nov06/int1073.pdf)

1074, 11/21/2006, Letter addresses the applicability of the lending limit combination rules to loans to wind tower companies that sell their output to the same power company. (www.occ.gov/interp/nov06/int1074.pdf)

December [[Interpretations and Actions](#)]

1075, 11/14/2006, Letter concludes that national banks may retain stock received in IPO of MasterCard, Inc., because it is a byproduct of permissible membership in MasterCard. (www.occ.gov/interp/dec06/int1075.pdf)

1076, 11/14/2006, Letter concludes that the lending limits in 12 USC 84 and the public welfare investments limits of 12 USC 24(11) are separate and independent of each other. (www.occ.gov/interp/dec06/int1076.pdf)

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About the OCC

About the Office of the Comptroller of the Currency

March 2007

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Background

The Office of the Comptroller of the Currency (OCC) was established in 1863 as a bureau of the Department of the Treasury. The OCC is headed by the Comptroller, who is appointed by the President, with the advice and consent of the Senate, for a five-year term.

The OCC regulates national banks by its power to:

- Examine the banks;
- Approve or deny applications for new charters, branches, capital, or other changes in corporate or banking structure;
- Take supervisory actions against banks that do not conform to laws and regulations or that otherwise engage in unsound banking practices, including removal of officers, negotiation of agreements to change existing banking practices, and issuance of cease and desist orders; and
- Issue rules and regulations concerning banking practices and governing bank lending and investment practices and corporate structure.

The OCC divides the United States into four geographical districts, with each headed by a deputy comptroller.

The OCC is funded through assessments on the assets of national banks, and federal branches and agencies. Under the International Banking Act of 1978, the OCC regulates federal branches and agencies of foreign banks in the United States.

ABOUT THE OCC



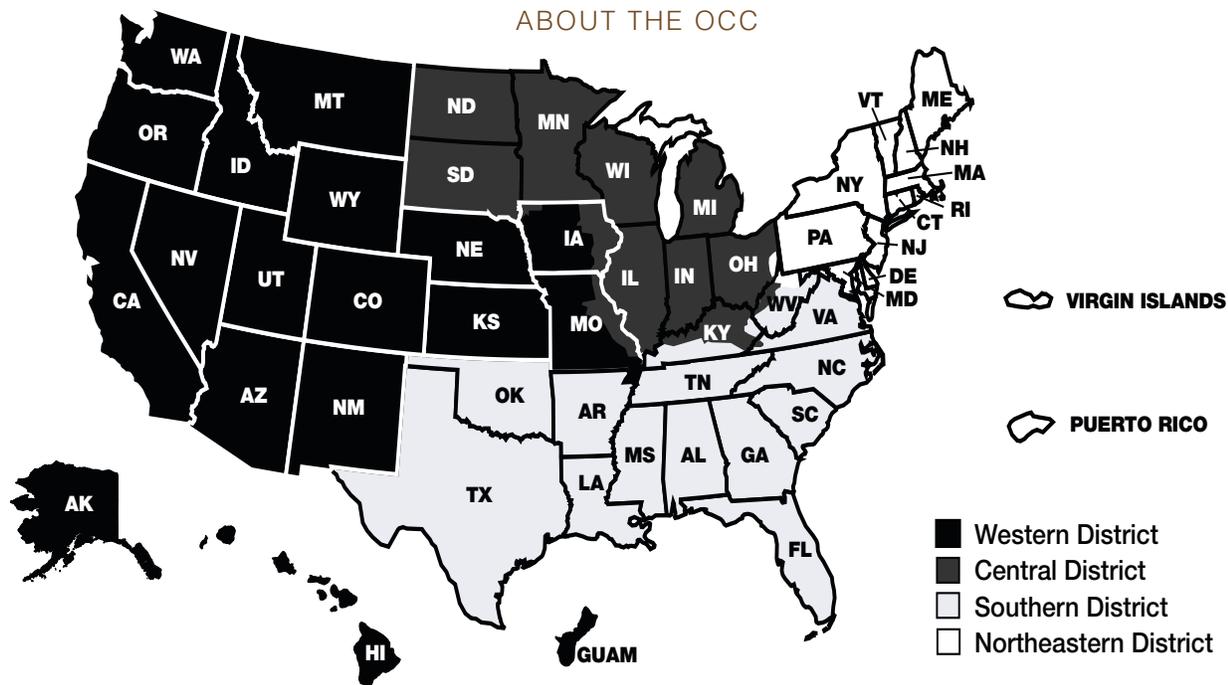
The Comptroller

John C. Dugan was sworn in as the 29th Comptroller of the Currency on August 4, 2005. Prior to his appointment as Comptroller, Mr. Dugan was a partner at the law firm of Covington & Burling, where he chaired the firm's Financial Institutions Group. He specialized in banking and financial institution regulation. He also served as outside counsel to the ABA Securities Association. He served at the Department of the Treasury from 1989 to 1993 and was appointed assistant secretary for domestic finance in 1992. While at Treasury, Mr. Dugan had extensive responsibility for policy initiatives involving banks and financial institutions, including the savings and loan cleanup, Glass-Steagall and banking reform, and regulation of government-sponsored enterprises. In 1991, he oversaw a comprehensive study of the banking industry that formed the basis for the financial modernization legislation proposed by the administration of the first President Bush. From 1985 to 1989, Mr. Dugan was minority counsel and minority general counsel for the U.S. Senate Committee on Banking, Housing, and Urban Affairs. There he advised the committee as it debated the Competitive Equality Banking Act of 1987, the Proxmire Financial Modernization Act of 1988, and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Among his professional and volunteer activities before becoming Comptroller, he served as a director of Minbanc, a charitable organization whose mission is to enhance professional and educational opportunities for minorities in the banking industry. He was also a member of the American Bar Association's committee on banking law, the Federal Bar Association's section of financial institutions and the economy, and the District of Columbia Bar Association's section of corporations, finance, and securities laws. A graduate of the University of Michigan in 1977 with an A.B. in English literature, Mr. Dugan also earned his J.D. from Harvard Law School in 1981.

The *Quarterly Journal* is the journal of record for significant actions and policies of the OCC. It is published four times a year, based on data released in March, June, September, and December. The *Quarterly Journal* is first released on the Web at www.occ.treas.gov/qj/qj.htm, and then, by subscription, on the CD-ROM *Quarterly Journal Library*, a cumulative collection starting with volume 17. The *Quarterly Journal* includes the condition and performance of commercial banks, statistical tables on the performance of FDIC-insured banks and OCC data on bank corporate structure, policy statements, decisions on banking structure, appeals to the ombudsman, links to selected speeches and congressional testimony and interpretive letters, summaries of enforcement actions, and other information of interest in the administration of national banks. Please send your comments and suggestions to Rebecca Miller, senior writer-editor, by fax to (202) 874-5263 or by e-mail to quarterlyjournal@occ.treas.gov. Subscriptions to the *Quarterly Journal Library* CD-ROM are available for \$50 a year by writing to Publications—QJ, OCC, Attn: Accounts Receivable, MS 4-8, 250 E St., SW, Washington, D.C. 20219.

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(revised July 2005)

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