



Community Affairs

January 2006

OCC Update

OCC Update is a quarterly, 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. It provides information about national bank involvement in community development lending, investments and services, small business financing, financial literacy, access to financial services, consumer protection, CRA, HMDA and other consumer compliance issues.

If you have any questions about this information or the OCC's Community Affairs activities, please contact [Barry Wides](#), Deputy Comptroller, [Karen Bellesi](#), Special Advisor for Community Affairs, or [Hershel Lipow](#), Information and Communications Specialist.

Contents:

1. [New and Noteworthy](#)
2. [Hurricane Relief Information](#)
3. [CRA Examinations](#)
4. [Enforcement Actions](#)
5. [Publications/Studies/Guidance](#)
6. [OCC News](#)

1. New and Noteworthy

Gulf Coast Hurricanes

Federal bank, thrift and credit union regulators [announced a public service campaign](#) to help hurricane victims. The campaign urges individuals affected by these storms to contact their lender as an essential first-step in their financial recovery. The agencies are also encouraging lenders to continue working with borrowers to provide such assistance as fee waivers, lower interest rates, extended repayment schedules and deferment of principal or interest, where appropriate.

Commercial Real Estate Lending

The federal thrift and bank regulatory agencies issued for comment [proposed guidance](#) on sound risk management practices for concentrations in commercial real estate lending. Comments are requested on all aspects of the guidance and are due sixty days after publication in the Federal Register, expected shortly.

Nontraditional Mortgage Products

The federal regulatory agencies also issued for comment [proposed guidance](#) on residential mortgage products that allow borrowers to defer repayment of principal and interest. The proposed "Interagency Guidance on Nontraditional Mortgage Products" discusses the importance of managing the potential risk created by these loans. Comments are due by February 27, 2006.

CRA Web and Telephone Seminar

The OCC held a web and telephone seminar on CRA regulatory changes January 24 and again on January 25th. This [seminar](#) featured new CRA examination procedures and interagency guidance on such matters as how bank efforts in disaster areas will be recognized. Call (800) 775-7654 for more details or visit

<http://www.occ.gov/news-issuances/events/index-events.html>.

New CA Staff

[Matt Quigley](#) has been appointed director of the Community Development Division in OCC's Community Affairs Department. Mr. Quigley will be responsible for the department's research and publications, as well as the management of district community affairs officers.

[Mary Catherine Garon](#) has been appointed as acting community affairs officer in New Orleans. In this newly created position, Ms. Garon will coordinate agency outreach to community groups and others. (See [item 2](#). below for additional information on OCC's involvement in other Gulf hurricane relief efforts.)

Enforcement Actions

The OCC levied a \$6.25 million [civil money penalty](#) against ABN-Amro Mortgage Group, Inc. (AAMG), a subsidiary of LaSalle Bank Midwest, N.A. The action was taken in conjunction with the U.S. Department of Housing and Urban Development (HUD) as part of a \$16.85 million settlement that also includes restitution payments.

The OCC entered into a [formal agreement](#) with the Laredo National Bank, Laredo Texas, to address issues related to the bank's consumer lending practices. [News Release 2005-110](#) announces that the bank has agreed to set aside at least \$14 million to fund reimbursement payments to borrowers and to establish new policies and procedures to guide its future lending practices.

OCC Annual Report

The OCC has published its [Annual Report](#) for Fiscal Year 2005. The report includes OCC's financial statements, operations and accomplishments, and management initiatives.

Community Reinvestment

CRA

[OCC Bulletin 2006-1](#) transmits the [final rule](#) amending Reg C of the Home Mortgage Disclosure Act, raising the data reporting exemption for HMDA depository institutions to \$35 million effective January 1, 2006. The previous level was \$34 million.

The federal regulatory agencies issued a [notice and request](#) for comments on proposed revisions to "2001 Interagency Questions and Answers Regarding Community Reinvestment" that would provide guidance on changes to CRA regulations. Comments were due by January 9, 2006. See [OCC Bulletin 2005-43](#) for a description of the proposed questions and answers.

The federal banking agencies announced the [list](#) of distressed and underserved nonmetropolitan middle- income geographies in which bank revitalization or stabilization activities will receive Community Reinvestment Act (CRA) consideration as "community development" per the revised [CRA rules](#) issued by the agencies on August 2, 2005. Consult the FFIEC Web site to obtain [Census Reports](#) and demographic information by MSA.

The summer 2005 online edition of [Community Development Investments](#) newsletter describes two funds that serve as intermediaries through which banks and other investors can finance affordable housing, economic development initiatives, and small businesses. The newsletter also highlights community development investment opportunities across the nation.

Consumer Credit and Lending

Consumer Loan Products

In a December [speech](#) to the Consumer Federation of America, Comptroller Dugan expressed concerns that negative amortization in consumer loan products, particularly in the areas of credit cards and mortgages, "raise substantial - and intertwined - consumer protection and safety and soundness issues."

HMDA

The Summer 2005 edition of [Community Developments Online](#) is available. It features strategies on how the revised Home Mortgage Disclosure Act (HMDA) could enhance mortgage lending for national banks and their customers.

Gift Cards

The OCC's consumer advisory on [gift cards](#) provides information to consider when purchasing or receiving a gift card.

Information and Privacy Protection

Information Sharing

The federal bank, thrift, and credit union regulatory agencies issued final rules under the Fair Credit Report Act (FCRA) to address the collection and sharing of medically related information that is typically considered in credit underwriting. The [final rules](#) go into effect April 1, 2006 and are substantially the same as the interim rules adopted on June 10, 2005.

Identity Theft and Fraud

[OCC Bulletin 2005-35](#) transmits Federal Financial Institutions Examinations Council (FFIEC) [guidance](#) to help banks improve customer awareness and authentication systems to mitigate risks of Internet related identity theft and fraud.

Information Security

The federal bank and thrift regulatory agencies published *Interagency Guidelines Establishing Information Security Standards* (Security Guidelines). The [compliance guide](#) summarizes the obligations of financial institutions to protect customer information and illustrates how certain provisions of the Security Guidelines apply to specific situations.

Bank Supervision and Regulation

BSA/Anti-Money Laundering (AML)

In a [speech](#), Comptroller Dugan stated that the OCC is committed to a BSA/AML process that is effective, measured and fair. Comptroller Dugan also sent a letter to Senate Banking Committee Chairman Richard C. Shelby on the short- and long-term initiatives the OCC is taking to strengthen its supervision in this area.

The OCC and FinCEN (Financial Crimes Enforcement Network) imposed a \$3 million civil money [penalty](#) against Banco de Chile for deficiencies in the Bank's internal controls, particularly in the area of Bank Secrecy Act and Anti-Money Laundering compliance.

The OCC entered into a [consent order](#) with KeyBank, N.S. of Cleveland, Ohio to do a better job in identifying and monitoring potentially high-risk transactions under the Bank Secrecy Act.

Preemption

In his December [speech](#) to the Consumer Federation of America, Comptroller Dugan discussed the assertion that national bank preemption has created a "regulatory gap" in consumer protection. He welcomed increased information sharing and collaboration with state regulators and consumer protection groups to address consumer abuses.

Fair Credit Reporting

OCC Bulletin 2005-38 transmits revised interagency Fair Credit Reporting Act examination procedures for consumer compliance issues (per the Fair and Accurate Credit Transactions Act of 2003 (FACT Act)). The OCC plans to incorporate these procedures in an update to the Comptroller's Handbook series. The new requirements apply to banks that are consumer reporting agencies or that use consumer reports.

Regulatory Burden

Comptroller Dugan [said](#) in a [speech](#) to bankers that both consumers and banks have benefited from the long fight to shed outdated laws and regulations.

Chief Counsel and First Senior Deputy Comptroller Julie L. Williams [testified](#) on regulatory relief before a subcommittee of the House Committee on Financial Services. Her testimony touched on efforts to help bank customers and to reduce regulatory burden in the aftermath of the Gulf Coast hurricanes.

2. Hurricane Relief Information

OCC's response to the recent Gulf Coast disasters has been multi-faceted. Among its many initiatives the OCC has:

- Created a new feature on the OCC Internet page that provides information for consumers and bankers. OCC's [Hurricane Central](#) includes a series of questions and answers (Q&As) on banking services in Hurricane stricken areas and links to other information sources.
 - These Q&As include a description of how banks may receive CRA credit for loans, investments, and services that benefit people or areas affected by the gulf hurricanes.
- Along with the other federal regulatory agencies, [encouraged](#) and provided [guidance](#) on how national banks should work with affected customers.
 - New [appraisal guidance](#) was jointly published in the *Federal Register* on October 14, 2005, providing exceptions to regulatory requirements for appraisals in areas affected by Hurricanes Katrina and Rita.
 - The Treasury Department provided [special notice](#) to depository institutions on cashing FEMA Disaster Assistance Checks and Government Benefit Checks Issued by the U.S. Treasury.
- Signed an agreement with [Project HOPE](#) to provide information and referral assistance to hurricane victims.
- Joined a public service campaign, along with the other federal regulators, to encourage borrowers to contact their lenders as a vital first step to their financial recovery. The PSAs are being distributed to media outlets with high concentrations of hurricane victims. They are also available for [download](#) from the OCC public Web site.
- Bank customers may also contact OCC's [Customer Assistance Group \(CAG\)](#) regarding such matters as account access, replacing lost records and contacting a national bank. The number is 800.613.6743.
- Appointed OCC bank examiner [Mary Catherine Garon](#) as Acting Community Affairs Officer in New Orleans to serve as a local liaison with disaster-affected banks and their customers. [Ms. Garon](#) joins two other members of the OCC's Southern District Community Affairs team. [David Lewis](#) is based in the Southern District Office in Dallas and [Karol Klim](#) is based in the Atlanta Field Office. Ms. Garon can be reached at (504)533- 7932.

See the other federal regulatory agency Web sites for additional information relating to their hurricane assistance.

FDIC: <http://www.fdic.gov/hurricane/index.html>

FRB: <http://www.federalreserve.gov/hurricanekatrina.htm>

OTS: <http://www.ots.treas.gov/hurricane>

NCUA: <http://www.ncua.gov/Resources/Hurricane/Katrina/index.aspx> &

<http://www.ncua.gov/Resources/Hurricane/Rita/index.aspx>

[FEMA](#), the [SBA](#), and the [IRS](#) also have special Gulf hurricane-related web sites.

3. CRA Examinations

Examination Schedule

The [CRA examination schedule](#) for the 1st quarter 2006 is provided.

Evaluations

Completed CRA Evaluations are available electronically for downloading and viewing from links on <http://www.occ.gov/topics/compliance-bsa/cra/performance-evaluations-by-month.html>.

CRA evaluations **announced through December 15, 2005** include:

- [CRA evaluations](#) for 17 national banks (CA, FL, GA, IA, IN, MS, NC, ND, NJ, OH, OK, PA, TN, TX, VT).
- [CRA evaluations](#) for 35 national banks (AR, CA, DE, FL, GA, IA, KS, KY, MI, NY, PA, TN, TX, WA, WV).
- [CRA evaluations](#) for 22 national banks (AL, CA, FL, IL, KS, NY, OH, PA, TN, TX, VT, WI).
- [CRA evaluations](#) for 12 national banks (CA, DC, IL, MO, MT, TN, TX).

4. Enforcement Actions

The OCC maintains a searchable database of all public enforcement actions taken since August 1989 on its Internet Web site located at: <http://www.occ.gov><http://apps.occ.gov/EnforcementActions>.

Recent Enforcement Actions:

[News Release 2006-5](#) announces **19 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).

[News Release 2005-123](#) announces **9 enforcement actions** and three terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (CA, FL, GA, IL, MO, NE).

[News Release 2005-114](#) announces **10 enforcement actions** and three terminations (CO, FL, GA, KS, OH, MN, TX, WY).

[News Release 2005-102](#) announces **17 enforcement actions** and three terminations (AZ, CA, FL, MN, NJ, NY, TN, WV).

[News Release 2005-91](#) announces **25 enforcement actions** and four terminations (AL, AZ, CA, CO, FL, IA, KY, LA, MN, NE, NY, OH, TX, UT).

[News Release 2005-79](#) announces **16 enforcement actions** (CA, CO, GA, IN, KY, MN, NJ, OK, UT).

5. Publications/Studies/Guidance

[Investment Intermediaries: Helping Banks Achieve a Double Bottom Line](#) (*Community Development Investments*, Summer 2005) provides a look at two community development finance providers. These investment intermediaries offer banks the ability to earn a double bottom line return - of both economic earnings for the investing bank and social gain for the communities they serve.

The Summer 2005 edition of [Community Developments Online](#) features strategies on how the revised Home Mortgage Disclosure Act (HMDA) could enhance mortgage lending for national banks and their customers.

OCC's Fiscal Year 2005 [Annual Report](#) is available online. The report includes OCC's financial statements, operations and accomplishments, and management initiatives.

The September (2nd quarter 2005) volume of OCC's [Quarterly Journal](#) is available online. The Journal includes information about the OCC and the financial performance of national banks.

6. OCC News: Find Out What's Happening At OCC

The [OCC's Web site](#) has been refreshed to make it easier to read and find important information about the OCC and new developments in banking and community affairs. New features include [consumer protection news](#),

including information on such hot topics as identity theft, fraud, abusive lending, and credit card practices.

The easiest way to locate information is to utilize the site's search feature or to go to the [site map](#) to investigate specific topics. [Links](#) are also provided to other sites providing information about banks regulated by other federal agencies. To find information about any bank insured by the FDIC [go to BanFk ind.](#)

OCC News

The OCC Web page maintains a complete listing of OCC [news releases](#), [publications](#), and [new items](#) of interest.

OCC News List Service: The OCC also has an electronic information service available free to the public. You can now receive press releases, speeches by senior OCC officials, and other OCC issuances (advisory letters, bulletins, etc.) about the national banking system automatically via e-mail.

Just sign up for "OCC-News", an Internet subscription list, by going to <http://www.occ.gov/subscribe/occ-email-list-service.html> and following these instructions. Address an e-mail to listserv@peach.ease.lsoft.com In the body of the message, type:

Subscribe OCC-News {Insert Your Name}

Community Affairs

The [Community Affairs](#) Division supports the OCC's mission to ensure a safe and sound banking system by helping national banks to be leaders in providing community development financing and retail services to underserved communities and consumers.

Publications

Community Affairs makes available [community development publications](#) and other materials relevant to banks and their community development partners. These publications include community development newsletters, insight papers, and an online investments E-zone. For a copy of these documents, please contact the OCC's Community Affairs Department at (202) 874-5556.

Community Affairs Information Service

Community Affairs has a new [electronic information service](#) available free to the public. You can now receive OCC Community Affairs news and information automatically in your e-mail by subscribing to the OCC Community Affairs News List Service in two easy steps:

1. Address an e-mail to listserv@peach.ease.lsoft.com (You may leave the subject line blank.)
2. In the body of the message, type:

Subscribe OCC-COMMUNITY-AFFAIRS-NEWS {Insert Your Name}

Staff Contacts

CA staff contacts, including the Community Affairs Officers located in each of the OCC's four Districts, can be found at <http://www.occ.gov/topics/community-affairs/contacts.html>.

Customer Assistance

Customer Assistance Group

The OCC [Customer Assistance Group \(CAG\)](#), part of the OCC's Office of the Ombudsman, was created to answer questions, offer guidance, and assist consumers in resolving complaints about national banks. With the help of private vendors, CAG expects to expand its hours of operation to twelve hours a day. Assistance is provided in English and Spanish (with interpretive services available for other languages). See [their brochure](#) for a description of their mission and how consumers can file complaints. To contact CAG: Phone: (800) 613-6743

Fax: (713) 336-4301 E-mail: Customer.Assistance@occ.treas.gov Mail:

Customer Assistance Group
Office of the Comptroller of the Currency
1301 McKinney St.
Suite 3450
Houston, TX 77010

CRA Ratings and Enforcement Actions

CRA

The OCC's Web site (<http://www.occ.gov>) also offers access to a searchable list of all public CRA evaluations (<http://www.occ.gov/tools-forms/tools/compliance-bsa/cra-perf-eval-search.html>). The button labeled "CRA Information" leads to the following information:

- [CRA ratings of national banks examined since May 1996](#)
- [Schedule of upcoming CRA exams](#)
- [Copies of CRA performance evaluations](#)
- [CRA "Q and As"](#)
- [CRA interpretive letters](#)

Copies of the actual evaluations may be obtained by e-mail request to Customer.Assistance@occ.treas.gov or from: Office of the Comptroller of the Currency, Public Information Room, Mailstop 1-5, Washington, DC 20219. When requests are made electronically, remember to include your postal mailing address. Facsimile requests may be sent to (202) 874-4448.

Enforcement Actions

Generally, the OCC may take formal enforcement actions for violations of laws, rules or regulations, unsafe or unsound practices, violations of final orders, violations of conditions imposed in writing, and for breaches of fiduciary duty.

The OCC maintains a searchable database of all public enforcement actions taken since August 1989 on its Internet Web site located at:

<http://apps.occ.gov/EnforcementActions>.

A list of enforcement actions previously disclosed and copies of the actual documents are available from the OCC's Communications Division by writing to: Comptroller of the Currency, Public Information Room (1-5), Washington, DC 20219. Requests made by facsimile transmission should be sent to (202) 874-4448. Please include the identifying enforcement action number when placing an order. Enforcement actions are also listed monthly in OCC [Interpretations and Actions](#) (available electronically from 1995-2004). Subscriptions to that publication are available from the OCC's Communications Division.

Further Information

For printed copies of referenced documents, please contact the OCC's Community Affairs Department at (202) 874-5556.

You are subscribed to receive periodic news and information from the Community Affairs Department of the Office of the Comptroller of the Currency.

To unsubscribe, send an e-mail to <mailto:listserv@peach.ease.lsoft.com> and in the body of the message, type: Signoff OCC-COMMUNITY-AFFAIRS-NEWS.