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OCC Update July - October 2006

OCC Update is an 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.

1. Community Affairs News

Comptroller Salutes Part 24 Community Development Investment Limit Increase

In a [statement issued September 30, 2006](#), Comptroller Dugan expressed his appreciation to Congress for raising the limit on community development investments from 10 percent to 15 percent of a financial institution's capital and surplus. This action potentially generates \$30 billion in private investment. [OCC Bulletin 2006-44](#) explains the changes to Part 24 investment limits.

OCC Efforts to Assist Minority Banks

In a [speech](#) to the National Bankers Association annual convention, Comptroller Dugan said that the OCC wants to do more to assist minority-owned institutions in strengthening their operations and financial performance.

Final Guidance on Nontraditional Mortgage Product Risks

The federal financial regulatory agencies issued [final guidance on residential mortgage products](#) commonly referred to as "nontraditional mortgage" loans to address risks that these loans pose. See also [OCC 2006-41](#).

The agencies issued a [request for comments on illustrations of consumer information](#) intended to improve public understanding of nontraditional mortgage loans. See also [OCC 2006-42](#) and a new consumer publication, [Interest-Only Mortgage Payments and Payment-Option ARMs -- Are They for You?](#)

The agencies also issued [an addendum to guidance on home equity loans](#) containing interest-only features.

In a [speech](#) to the America's Community Bankers annual convention, Comptroller Dugan said there is important work remaining at the state level to apply standards comparable to federal guidance.

Comptroller Dugan Tours D.C. Community Development Projects

The [Comptroller's tour included Part 24 projects](#) sponsored by LISC, the Marshall Heights Community Development Organization and other local community development corporations, as well as a stop at the Operation Hope Center.

OCC Named One of the 50 Best Places to Start a Career

OCC ranks 48th on [Business Week's list of top employers](#) for new college graduates.

- [OCC Guidance on Gift Cards](#)
- [OCC's Congressional Testimony on Nontraditional Mortgage Products Guidance](#)
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Scarlett Duplechain Named OCC Community Affairs Officer for New Orleans

[Scarlett Duplechain](#) has been appointed the district community affairs officer for New Orleans. Ms. Duplechain will coordinate community, bank, and governmental outreach and serve as a liaison for community development lending and investment opportunities.

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2. Community Reinvestment

Community Development Investments Examines CRA Revisions

The [Summer 2006 issue of OCC's Community Development Investments](#) highlights how CRA changes give banks greater flexibility to make investments that help distressed or underserved rural areas and federally designated disaster areas while reducing regulatory burden on banks with assets between \$250 million and \$1 billion.

2005 Small Business, Farm, and Community Development Lending Data

The Federal Financial Institutions Examination Council (FFIEC) has prepared [an analysis of the data and disclosure statements](#) for each reporting commercial bank and savings institution.

2006 Distressed or Underserved Nonmetropolitan Middle-Income Geographies

[OCC Bulletin 2006-29](#) lists geographic areas in which bank revitalization or stabilization activities may receive Community Reinvestment Act (CRA) consideration as community development.

OCC CRA Examination Schedule and Completed CRA Public Evaluations

CRA evaluations announced through September 2006 include:

- [CRA evaluations](#) for 21 national banks (FL, GA, KS, ME, MN, MO, OH, OK, PA, TX)
- [CRA evaluations](#) for 17 national banks (CA, CO, DE, IA, KS, MN, NE, NJ, OH, OK, PA, TN, UT, VA, WY)
- [CRA evaluations](#) for 29 national banks (CA, GA, IA, IL, IN, KS, MN, NE, NV, NY, OK, TX, VA, WI, WV), and
- [CRA evaluations](#) for 25 national banks (AR, CA, FL, GA, IA, IL, KS, KY, MN, NY, OK, PA, TX, WA).

[View the OCC's 4th quarter 2006 CRA examination schedule now.](#)

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3. Consumer Credit and Lending

Comptroller Emphasizes Importance of Underwriting and Strong Loan Loss Reserves

In his [remarks to the American Bankers Association](#), Comptroller Dugan cautioned against easing underwriting practices and inappropriately lowering loan loss reserves.

OCC Guidance on Gift Cards

This [guidance on gift cards issued by national banks](#) emphasizes fully informing purchasers and recipients of the terms and conditions of gift cards issued by national banks.

OCC's Congressional Testimony Nontraditional Mortgage Products

Guidance

[Deputy Comptroller Kathryn Dick testified](#) before two Senate subcommittees on September 20, 2006, on the proposed guidance related to nontraditional mortgage products.

Regulation Z Home Mortgage Loan Dollar Trigger Requirements

The Federal Reserve Board published this annual amendment to its Regulation Z commentary in the [August 14, 2006 Federal Register](#). View [OCC 2006-38](#).

OCC Working Paper Examines Foreclosures of Subprime Mortgages

This [OCC working paper](#) examines whether long prepayment penalty periods and balloon payments increase the probability of subprime loan foreclosures.

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4. Information and Privacy Protection

FAQs Relating to Guidance on Authentication

These [frequently asked questions \(FAQs\)](#) released by the FFIEC member agencies are designed to help financial institutions understand guidance on authentication in an Internet environment. [See also OCC Bulletin 2006-35](#).

Customer Authentication and Internet Banking

The [OCC Alert 2006-50](#) warns that there will be increased fraudulent activity as the December 31, 2006, conformance date for banks to address risks of fraud and identity theft related to Internet banking activities draws near.

Do-Not-Call Requirements for National Banks

The [OCC Bulletin 2006-37](#) reminds national banks of telemarketing compliance requirements of the Telephone Consumer Protection Act.

FFIEC Releases Updated Information Security Booklet

The [new booklet](#) replaces the 2002 version. See also [OCC 2006-31](#).

Notice of Proposed Rulemaking on Identity Theft Red Flags

Federal Financial Institution Regulatory Agencies and the Federal Trade Commission published a proposed rule on Identity Theft Red Flags in the [Federal Register](#) on July 18, 2006.

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5. Bank Supervision

OCC Enforcement Actions

The OCC maintains a [searchable database of all public enforcement actions](#) taken since August 1989 on its Internet Web site. Recent Enforcement Actions include:

[News Release 2006-80](#) announces 13 enforcement actions and two terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AL, AR, AZ, LA, NV, NY, TN).

[News Release 2006-86](#) announces 14 enforcement actions and two terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (CA, CO, FL, GA, IL, IN, MA, MO, MN, NC, NE, NY, PA, NE).

[News Release 2006-97](#) announces 27 enforcement actions and

five terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AL, AR, CA, FL, GA, IL, KS, KY, MI, NE, NY, NC, OH, OK, PA, NE, TX).

[News Release 2006-114](#) announces 12 enforcement actions and four terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AR, CA, KY, IN, KY, MT, NE, NY, OH, PA, SD, TX, WA).

25th Anniversary OCC Quarterly Journal

This [issue of the Quarterly Journal \(Volume 25, Number 2, June 2006\)](#) includes first quarter 2006 data on the condition and performance of banks, including new tables on bank performance by OCC district.

Electronic *Interpretations and Actions*, July – September 2006

[View July electronic *Interpretations and Actions*.](#)

[View August electronic *Interpretations and Actions*.](#)

[View September electronic *Interpretations and Actions*.](#)

[View October electronic *Interpretations and Actions*.](#)

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6. Bank Regulation

OCC's Congressional Testimony on Interpretive Letters

[First Senior Deputy Comptroller and Chief Counsel Julie Williams testified](#) before the House Subcommittee on Government Management, Finance, and Accountability on September 27, 2006, on three interpretive letters issued by the OCC in December 2005. These letters concerned national bank real estate and investment activities.

Guidance for National Banks and Examiners on Automated Clearing House (ACH) Risks

[OCC Bulletin 2006-39](#) outlines key components of an effective automated clearing house.

2006 Revisions to Uniform Standards of Professional Appraisal Practice

[OCC Bulletin 2006-27](#) alerts banks and examining personnel to uniform standards of professional appraisal practice revisions and frequently asked questions issued by the Appraisal Standards Board.

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7. Corporate Applications

Weekly Bulletin Search

The OCC publishes a weekly record of its actions upon applications for new banks, branches, mergers, and conversions; changes in bank control, corporate titles, fiduciary powers, domestic subsidiaries; and relocations of head offices and branches and branch closings. The [Weekly Bulletin](#) may be sorted by bank or by state and types of applications.

Public Inquiries and Comments on Applications

Inquiries related to filing corporate applications and notices involving most national banks should be directed to the [OCC licensing units](#) in the district where the bank is headquartered. Inquiries related to Bank of America, Citigroup, Wachovia, Wells Fargo, and JP Morgan Chase should be directed to Large Bank Licensing in Washington, DC at (202) 874-5060. Inquiries regarding foreign banks should be directed to the Northeastern District licensing unit.

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8. Contact Us at the OCC

The OCC's Web site is the easiest way to find out about new developments in banking and community affairs. View popular [OCC Freedom of Information Requests](#) or visit the [OCC's Web site](#).

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