

Questions for members of the OCC’s Minority Depository Institutions Advisory Committee to discuss at the April 26, 2022 meeting.

The OCC is in the process of updating its Policy Statement for Minority National Banks and Federal Savings Associations, which has not been revised since 2013 (2013 Policy Statement). The agency proposes to revise and clarify the 2013 Policy Statement. The proposed revisions include an update to the description of the activities and programs available to OCC-supervised minority depository institutions (MDI).

The 2013 Policy Statement has defined “MDI” largely based on Section 308 of FIRREA, which (for national banks and federal stock savings associations) addresses the ownership of the private or public stock MDI and includes a non-ownership-based definition for mutual institutions. A copy of the 2013 Policy Statement is included in the materials for the meeting.

OCC staff would like to get feedback on possible changes to the 2013 Policy Statement and ask that you provide your thoughts at the April 26 meeting of the Minority Depository Institutions Advisory Committee. After we get your comments and suggestions, the OCC plans to publish a revised policy statement for public comments. At that time, you will have an opportunity to provide your comments on the proposal.

Under Section 308 of FIRREA, the definition of MDI is codified as part of a note to 12 U.S.C. § 1463. Under that provision, an MDI is defined as “any depository institution” that:

- If privately owned, is 51 percent owned by one or more socially and economically disadvantaged individuals;
- If publicly owned, 51 percent of the stock is owned by one or more socially and economically disadvantaged individuals; and
- In the case of a mutual institution where the majority of the board of directors, account holders, and the community which it serves are predominately minority.

Section 308 defines the term “minority” as “any black American, Native American, Hispanic American, or Asian American.”

In addition, the OCC includes women-owned and women-led national banks and federal savings associations in its definition of MDI.

Questions about the definition of MDI for OCC-supervised banks?

The questions below do not include all areas of the 2013 Policy Statement and are not meant to be comprehensive. If there are other areas of the 2013 Policy Statement that you believe should be revised, updated, or clarified, please raise them in the discussion or in your comments.

1. In addition to ownership or control, as applicable, should the OCC consider other factors in designating an MDI? What factors do you suggest?
2. If you suggest that other factors be included in the designation of an MDI, how would the factors be defined and measured?

3. The 2013 Policy Statement includes a way for an MDI that no longer meets the ownership test to continue to be designated as an MDI. Specifically, the 2013 Policy Statement stated that the OCC, at its discretion, may continue to treat a previously designated national bank or federal savings association as an MDI, even if it no longer meets the ownership criteria, provided that the institution primarily serves the credit and other economic needs of the community in which it is chartered, and that community is predominantly minority. Does this provision need to be clarified? How do you suggest that compliance with this provision be measured?

Additional questions

1. Do you suggest that other changes be made to the 2013 Policy Statement to update the document? Is additional information necessary to assist the industry and/or the public?
2. What additional items, if any, do you suggest we clarify?
3. OCC staff are considering developing frequently asked questions and answers to provide more detailed guidance once the revised policy statement is finalized. What subjects should be included within the frequently asked questions?
4. What role, if any, should the community a bank serves have in designating that bank as an MDI?
5. How should the OCC verify who or what entity owns or leads an MDI? How should the OCC verify that those who own or lead an MDI are or are comprised of minorities, women, or other socially and economically disadvantaged individuals?