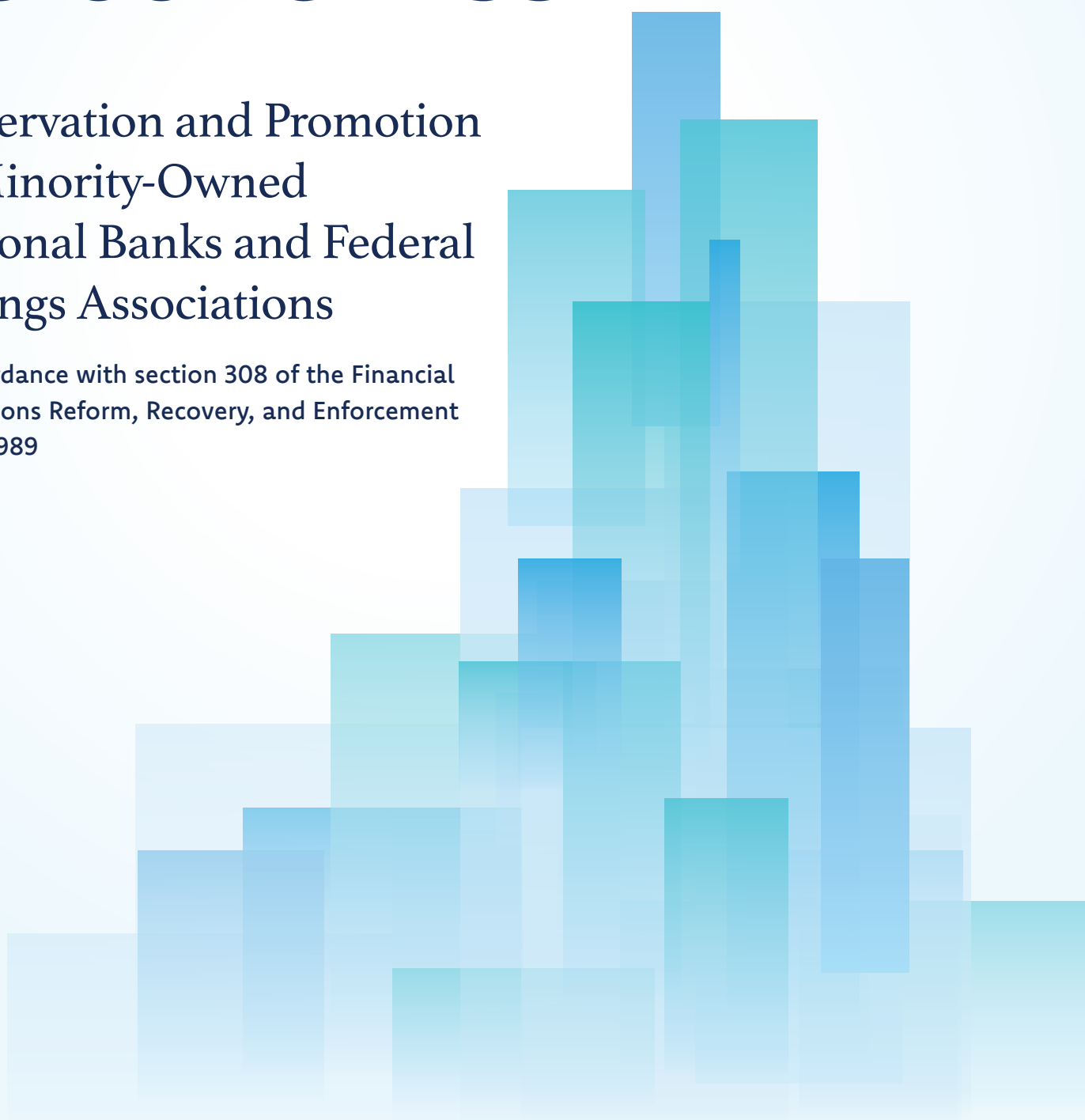


# ANNUAL REPORT TO CONGRESS

## Preservation and Promotion of Minority-Owned National Banks and Federal Savings Associations

In accordance with section 308 of the Financial  
Institutions Reform, Recovery, and Enforcement  
Act of 1989





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Recovery, and Enforcement Act of 1989

**2024** ANNUAL REPORT TO CONGRESS



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# 1 Executive Summary

As of December 31, 2024, the Office of the Comptroller of the Currency (OCC) supervised 53 national banks and federal savings associations (collectively, banks) that the agency has designated as minority depository institutions (MDI), representing 5.4 percent of the 987 banks supervised by the OCC.

As amended by section 367 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd–Frank Act), section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) directs the Comptroller of the Currency to submit an annual report on actions taken to carry out section 308. Section 308 describes goals related to MDIs, including preserving existing MDIs and promoting the creation of new MDIs, and directs the Secretary of the Treasury to consult with the Comptroller and the chairpersons of the Board of Governors of the Federal Reserve System (Federal Reserve), the National Credit Union Administration, and the Board of Directors of the Federal Deposit Insurance Corporation (FDIC) on methods for best achieving these goals.

Pursuant to section 367, this report details the OCC’s actions taken in 2024 to support the goals of section 308, including the following:

- The OCC continued to support the Roundtable for Economic Access and Change (Project REACH), an initiative to bring together stakeholders to address barriers to economic inclusion.
  - The work of the Project REACH stakeholders to address these barriers included efforts to revitalize MDIs, including through facilitating collaboration between non-minority banks and MDIs. Many of the collaborations have resulted in operational technical assistance and investments from non-minority banks to MDIs.
  - Through Project REACH, the OCC and participating organizations have provided webinars, executive secondments, and one-on-one bank-specific technical assistance on a variety of topics of interest to all banks, including MDIs, such as cybersecurity, third-party partnerships, and commercial real estate risk management.
  - Additionally, 26 banks have adopted the Pledge to Strengthen MDIs and are pursuing a variety of collaboration partnerships.
- OCC subject matter experts provided regulatory and operational technical assistance to MDIs on various topics, including compliance with safety and soundness, cybersecurity, and consumer compliance requirements. This technical assistance included providing information on the implementation of effective risk management, availability and use of secondments and deposit placements, the use of innovative tools and digitalization, and information on programs offered by the Community Development Financial Institutions Fund.
- The OCC’s Bank Supervision and Examination (formerly Midsize and Community Bank Supervision) line of business hosted two Minority Depository Institutions Advisory Committee (MDIAC) meetings, one in April and one in September.
- The OCC hosted the Project REACH Financial Inclusion Summit in May 2024. The Summit provided opportunities to reflect on solutions in presentations led by Project REACH participants and included discussion on initiatives to increase economic mobility. During the meeting, there was a discussion about MDI revitalization efforts.

- The OCC held in-person bank director workshops that addressed risk governance, credit risk, compliance risk, operational risk, capital markets, and other important banking issues. The OCC encouraged MDI directors to attend these workshops. See table 2 for numbers of representatives of MDIs who attended workshops in 2024.
- The OCC's Community Affairs Officers conducted consultations with, responded to questions from, and provided resources to MDIs on community development, the Community Reinvestment Act (CRA), and related topics.
- OCC staff attended and participated in the annual National Bankers Association's (NBA) conference.
- The OCC's Office of External Relations and Strategic Partnerships staff consulted with MDIs on relevant topics and informed them of other federal resources available to support their missions.



## 2 Condition of OCC-Supervised MDIs

In 2024, the overall condition of OCC-supervised MDIs remained satisfactory; 85 percent of MDIs were rated composite 1 or 2, the same as the prior year-end. Earnings performance was satisfactory but somewhat mixed in 2024. MDI net income improved slightly in 2024 driven by the larger MDIs, although lower fee income was a drag on performance. The median MDI return on average assets decreased seven basis points to 0.82 percent while the net interest margin rose five basis points to 3.67 percent. MDI capital levels are solid. The MDI leverage ratio decreased 66 basis points to 12.48 percent in 2024 but remains much higher than the community bank median. Asset quality remained satisfactory and resilient. Non-current loans and other real estate owned remained low but increased 15 basis points to 0.50 percent as of December 31, 2024. MDIs continue to hold sufficient liquidity. At MDIs, the on-hand liquidity to total liabilities ratio remained adequate at 21.38 percent as of December 31, 2024.

### 3 OCC's Federal Minority Depository Institutions Program

The OCC's Minority Depository Institutions Program provides technical assistance and other support to OCC-supervised MDIs<sup>1</sup> to promote and preserve these banks, consistent with section 308 of the FIRREA.

#### 3.1 Preserving the Present Number of MDIs

Table 1 indicates 41.5 percent of OCC-supervised MDIs have assets totaling \$250 million or less, and 64.2 percent have assets of \$500 million or less.

**Table 1: Asset Distribution for OCC-Supervised MDIs (as of December 31, 2024)**

| Asset size                     | National banks | Federal savings associations | Total MDIs | Percentage of total MDIs |
|--------------------------------|----------------|------------------------------|------------|--------------------------|
| \$50 million or less           | 1              | 0                            | 1          | 1.9%                     |
| \$50 million to \$100 million  | 9              | 2                            | 11         | 20.8%                    |
| \$100 million to \$250 million | 10             | 0                            | 10         | 18.9%                    |
| \$250 million to \$500 million | 7              | 5                            | 12         | 22.6%                    |
| \$500 million to \$1 billion   | 8              | 1                            | 9          | 16.9%                    |
| Greater than \$1 billion       | 9              | 1                            | 10         | 18.9%                    |
| <b>Total</b>                   | <b>44</b>      | <b>9</b>                     | <b>53</b>  | <b>100%</b>              |

OCC-supervised MDIs are in 23 states and have combined assets of \$40.2 billion. The largest concentrations of MDIs are in Texas (15) and California (9). Additionally, New York (4), Georgia (3), Oklahoma (2), Massachusetts (2), and Minnesota (2) are home to multiple OCC-supervised MDIs.

The total number of MDIs increased by one in 2024. MDIs are owned by a wide variety of individuals and groups, including Asian or Pacific Islander Americans and women (36 percent each), followed by African Americans (13 percent), Hispanic Americans (9 percent), and Native Americans or Alaskan Natives (6 percent).

#### 3.2 Preserving the Minority Character of MDIs

The OCC uses the “general preference guidelines” outlined in section 308 of the FIRREA when considering potential merger and acquisition partners for MDIs. Consistent with section 308, the OCC applies the order of preference as follows:

1. Same type of MDI in the same city
2. Same type of MDI in the same state

<sup>1</sup> In 2024, the OCC defined MDI to include banks that are majority-owned by women.

3. Same type of MDI nationwide
4. Any type of MDI in the same city
5. Any type of MDI in the same state
6. Any type of MDI nationwide
7. Any other bidders

### 3.3 Providing Technical Assistance to Prevent Insolvency

The OCC regularly provides technical assistance to community banks in the form of webinars and meetings on a wide range of topics, such as digitalization and prudent risk management practices, and banks can also receive technical assistance by contacting their local supervisory office. Specific to MDIs, the OCC's efforts through the MDIAC and Project REACH provide a platform to discuss the challenges and resources needed to address concerns such as cybersecurity and provide technical assistance on technology-related and other matters. Assistance on these topics and others help MDIs to better serve their customers while operating safely and soundly. They are better able to stay abreast of the products and services their customers request and need.

### 3.4 Supporting and Preserving MDIs

MDIs play, and have played for many years, a critical role in their local communities. Typically, MDIs serve economically challenged communities traditionally underserved by the banking industry and other businesses. The OCC understands that MDIs are uniquely positioned to create positive change in these communities and supports the mission of MDIs through many actions.

The OCC supports and preserves MDIs and their missions by conducting outreach, hosting educational conferences, and providing training, advice, and technical assistance to OCC-supervised MDIs and to those seeking to obtain both a national bank or federal savings association charter and designation as an MDI. For example, every two years, the OCC, in conjunction with the FDIC and the Federal Reserve, hosts an interagency conference to help promote and preserve MDIs and CDFIs. This conference was most recently held in 2023.

As of December 31, 2024, the OCC supervised 53 MDIs. Of the OCC-supervised MDIs, 44 have national bank charters and 9 have federal savings association charters.

On an annual basis, the OCC develops a supervisory strategy for each community bank, including MDIs. The supervisory strategy is designed to ensure safe and sound operations while addressing any unique risks facing the MDI and/or specific supervisory issues the agency identifies. As appropriate, the OCC supports MDIs by providing training, technical assistance, and educational programs via external outreach in such areas as compliance, risk management, and operations.

Additionally, the OCC provides advice and technical assistance to persons interested in obtaining a bank charter to form an MDI. The agency provides organizing groups with materials that help facilitate the charter application and MDI designation process. The OCC assists organizing groups through prefilings meetings and by commenting on draft applications.

### 3.5 Providing Training, Technical Assistance, and Educational Programs

OCC bank director workshops are among the many training opportunities available for MDI directors and senior management to help them fulfill their fiduciary responsibilities. Directors are integral to the long-term health and viability of community-based banks, and the OCC is committed to providing a support structure that recognizes and builds on the importance of the directors' responsibilities.

In 2024, the OCC held 26 in-person workshops focusing on six subjects (see table 2). The table below provides data on MDI participation in the 2024 bank director workshops.

**Table 2: MDI Participation in 2024 Workshops**

| Workshops                            | Sessions in 2024 | Number of MDIs | Total institutions | Percentage of participants that were MDIs | Number of MDI directors | Total number of directors participating | Percentage of participating directors who were from MDIs |
|--------------------------------------|------------------|----------------|--------------------|---|-------------------------|---|--|
| <b>Risk Governance</b>               | 4                | 3              | 46                 | 6.52%                                     | 3                       | 70                                      | 4.28%  |
| <b>Credit Risk</b>                   | 5                | 7              | 54                 | 12.96%                                    | 14                      | 92                                      | 15.21%   |
| <b>Compliance Risk</b>               | 5                | 5              | 52                 | 11.53%                                    | 6                       | 81                                      | 7.40%  |
| <b>Operational Risk</b>              | 4                | 3              | 36                 | 8.33%                                     | 10                      | 58                                      | 17.24%   |
| <b>Building Blocks for Directors</b> | 4                | 5              | 40                 | 12.50%                                    | 6                       | 67                                      | 8.95%  |
| <b>Capital Markets</b>               | 4                | 2              | 33                 | 6.06%                                     | 3                       | 50                                      | 6.00%  |

In addition, the OCC's Community Affairs Officers supported MDIs by

- providing customized consultations to help them develop and implement effective CRA compliance and community development programs.
- offering technical assistance and responding to questions about the CRA at the request of MDIs or their supervisory teams.
- organizing and conducting, often in concert with other government agencies, community outreach events and listening sessions to exchange ideas about best practices, existing and innovative community development opportunities, and promoting partnerships between MDIs and other banks.

Additionally, the OCC's Community Affairs Division conducted "best practice" research and produced publications that encourage economic development actions by banks consistent with safe and sound banking practices.

The OCC maintains publications relevant to MDIs, including the following newsletters, fact sheets, and reports:

- *Profitable Partnerships: Collaborating with Minority Depository Institutions*, published in May 2018, highlights how MDI partnerships with large and midsize banks can be profitable for all parties involved and help MDIs fulfill their missions and serve customers in a rapidly evolving industry.
- *Housing Financing in Indian Country: Spotlight on HUD's Title VI Program* focuses on the U.S. Department of Housing and Urban Development's Title VI Loan Guarantee Program, which provides an additional source of funding for Indian tribes receiving federal Indian Housing Block Grants for affordable housing activities.
- *Extending Credit in Indian Country: How Banks Use Federal Programs to Promote Economic Development* highlights best practices, challenges, and CRA treatment of the investments, services, and credit extensions that banks make in Indian Country.
- *Minority-Owned Banks: Making a Difference in Their Communities* outlines the role MDIs play in meeting the credit needs of customers in their communities.
- *A Guide to Tribal Ownership of a National Bank*<sup>2</sup>, a companion to the OCC's Comptroller's Licensing Manual, helps federally recognized Native American tribes explore entry into the national banking system by establishing or acquiring control of a national bank.
- *Commercial Lending in Indian Country: Potential Opportunities in a Growing Market* discusses the specific approaches that bankers active in commercial lending have used to meet unique business and legal challenges, including the use of several federal programs that are available to manage the risks in tribal commercial and business development.
- *Banking in Indian Country: Challenges and Opportunities* addresses how financial institutions, tribal organizations, and other organizations have developed partnerships that lead to increased access to lending and other financial services on tribal lands. Noted successes are in the areas of home mortgage lending, commercial lending, retail services, financial literacy initiatives, and development of Native American financial institutions.
- *How Banks Can Measure and Support Customer Financial Health Outcomes* outlines the concept of customer financial health and how banks can measure and support financial health outcomes.

These publications are available on the OCC Community Affairs pages on the agency's website at [www.occ.gov](http://www.occ.gov). Additionally, OCC staff members provide copies of the publications at conferences and other events.

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<sup>2</sup> The concepts in this publication apply to national banks and federal savings associations.

## 4 OCC Outreach Supporting MDIs

### 4.1 Outreach

The OCC holds regional outreach meetings for bank executive officers typically once a year. Chief executive officers (CEO) of MDIs generally attend the meetings in their regions and a variety of topics are addressed, including compliance, accounting, economics, and safety and soundness. In addition, since 2016 the OCC has held at least one MDI collaboration roundtable each year, with the exception of 2024.

The OCC distributes quarterly newsletters to the CEOs of OCC-supervised banks to provide updates on recent OCC issuances and guidance on current trending topics. The format of agency bulletins, which announce new regulations, guidance, and other issuances, includes an easily identifiable and readable box summarizing the applicability of the guidance to community banks, titled “Note for Community Banks.”

The OCC maintains other publications and resources applicable to MDIs and community banks, including *A Common Sense Approach to Community Banking*, which describes fundamental banking best practices that have proven useful to boards of directors and management in successfully guiding community institutions through economic cycles and environmental changes.

In 2024, the OCC participated in 18 national and state banking conventions via an exhibit booth program of the agency’s Banking Relations unit. In addition, OCC staff members participated in events sponsored by minority trade associations and typically attended by a significant number of MDI representatives. Outreach efforts specifically targeted to MDIs in 2024 included the following:

- The OCC held two MDIAC meetings, in April and September, to identify and discuss supervisory matters affecting MDIs.
- The OCC met with the NBA chairman and president to discuss the issues and regulatory requirements affecting minority bankers’ ability to serve the needs of their communities.
- The OCC, along with the FDIC and Federal Reserve, hosted virtual interagency listening sessions with MDI leaders to identify additional ways federal agencies can promote and preserve MDIs.
- In February 2024, OCC staff attended the American Bankers Association and NBA Partnership Summit. The annual summit encourages the forging of long-term partnerships between MDIs and midsize, regional, and large banks.
- The OCC participated in 66 outreach engagements that included MDI participants, as identified by OCC employees.

These outreach events gave the OCC the opportunity to hear suggestions from MDIs about issues affecting their banks and the banking industry and provided MDIs with information on banking trends and issues. Agency staff highlighted OCC-developed resources (e.g., a commercial real estate stress test model and comparative analysis reports on the OCC’s BankNet website, a secure site only for OCC-supervised banks) at these events.

## 4.2 OCC Minority Depository Institutions Advisory Committee

The MDIAC advises the OCC on issues and opportunities facing MDIs. It is designed to provide advice to help meet the goals of section 308 of the FIRREA. The committee provides an invaluable perspective on the business environment affecting MDIs, their customers, and the communities they serve. The MDIAC also provides advice and insight regarding the condition of MDIs, potential regulatory changes or steps that may promote the health and viability of MDIs, and other issues affecting these institutions. The committee includes officers and directors of MDIs and other depository institutions committed to supporting MDIs of all types, sizes, operating strategies, and geographic areas.

The MDIAC met on April 16, 2024, and on September 24, 2024. These meetings were informative for both the OCC and the committee members. Minutes of the meetings are posted on the agency's website at [www.occ.gov](http://www.occ.gov).

## 5 Conclusion

During 2024, the OCC planned, implemented, and participated in many outreach, training and educational activities, as well as examination activities supporting MDIs. OCC participants included senior agency management and other agency staff, including representatives from the Bank Supervision and Examination (including former Midsize and Community Bank Supervision and Bank Supervision Policy) line of business; Office of Community and Industry Relations; the Chief Counsel's Office; and the Office of Enterprise Governance and the Ombudsman.

Recognizing the importance of economic growth in general, and of MDIs to the community bank sector in general, as well as to the local communities they serve, the OCC continues to engage in proactive and coordinated programs and ongoing and new partnerships with other agencies and community groups. The OCC's national and regional Project REACH initiatives further address the challenges MDI executives face in accessing investments and capital, training, exchange programs, and mentorship.



## 6 Appendixes

### Appendix 1: OCC-Supervised MDIs (as of December 31, 2024)

| Name  | Address                       | City          | State | Zip        | Phone          | Charter | Total assets (\$000) | MDI Code |
|---|-------------------------------|---------------|-------|------------|----------------|---------|----------------------|----------|
| First National Bank Alaska                                    | 101 West 36th Avenue          | Anchorage     | AK    | 99503-0000 | (907) 777-4362 | 12072   | \$4,997,767          | 6        |
| Commonwealth National Bank                                    | 2214 St. Stephens Rd.         | Mobile        | AL    | 36617-0000 | (251) 476-5938 | 16553   | \$66,375             | 1        |
| The First National Bank of Izard County                       | 2184 AR Highway 56            | Calico Rock   | AR    | 72519-0000 | (870) 297-3711 | 21165   | \$216,345            | 6        |
| New Omni Bank, NA   | 1235 South Garfield Ave.      | Alhambra      | CA    | 91801-5037 | (626) 284-5555 | 16840   | \$531,971            | 3        |
| American Plus Bank, NA  | 630 West Duarte Rd.           | Arcadia       | CA    | 91007-0000 | (626) 821-9188 | 24716   | \$766,977            | 3        |
| Gateway Bank, FSB   | 360 8th St.                   | Oakland       | CA    | 94607-0000 | (510) 268-8108 | 708857  | \$256,131            | 3        |
| Beacon Business Bank, NA                                      | 425 California St.            | San Francisco | CA    | 94104-0000 | (415) 543-3377 | 18358   | \$177,003            | 6        |
| Mission National Bank   | 3060 16th St.                 | San Francisco | CA    | 94103-0000 | (415) 826-3627 | 17176   | \$218,988            | 3        |
| Asian Pacific National Bank                                   | 333 West Valley Blvd.         | San Gabriel   | CA    | 91776-0000 | (626) 457-4888 | 23006   | \$55,759             | 3        |
| Universal Bank  | 3455 Nogales Street-2nd Floor | West Covina   | CA    | 91792-0000 | (626) 854-2818 | 705801  | \$356,343            | 3        |
| California International Bank, A National Banking Association | 15606 Brookhurst St., Suite C | Westminster   | CA    | 92683-7582 | (626) 872-0562 | 24577   | \$58,565             | 3        |
| Bank of Whittier, NA  | 15141 East Whittier Blvd.     | Whittier      | CA    | 90603-0000 | (562) 945-7553 | 17548   | \$181,262            | 3        |
| Native American Bank, NA                                      | 201 North Broadway            | Denver        | CO    | 80203-0000 | (303) 988-2727 | 21158   | \$404,104            | 4        |
| City First Bank, NA   | 1432 U Street, N.W.           | Washington    | DC    | 20009-0000 | (202) 243-7100 | 22968   | \$1,301,998          | 1        |
| Interamerican Bank, A Federal Savings Bank                    | 9190 Coral Way                | Miami         | FL    | 33165-2049 | (305) 223-1434 | 707506  | \$266,491            | 2        |
| Touchmark National Bank                                       | 3651 Old Milton Pkwy.         | Alpharetta    | GA    | 30005-0000 | (770) 407-6700 | 24789   | \$448,834            | 3        |
| Embassy National Bank   | 1817 North Brown Rd.          | Lawrenceville | GA    | 30043-0000 | (770) 822-9111 | 24679   | \$181,254            | 3        |
| Southeast First National Bank                                 | 10144 Commerce St.            | Summerville   | GA    | 30747-0000 | (706) 857-3473 | 15651   | \$60,798             | 6        |
| Hawaii National Bank  | 45 North King St.             | Honolulu      | HI    | 96817-0000 | (808) 528-7711 | 14911   | \$857,949            | 3        |
| The First National Bank of Manning                            | 401 Main St.                  | Manning       | IA    | 51455-0000 | (712) 655-3557 | 3455    | \$82,002             | 6        |
| GN Bank   | 4619 S King Dr                | Chicago       | IL    | 60653-4107 | (773) 624-2000 | 703395  | \$64,685             | 1        |

## APPENDIXES

| Name                                      | Address                     | City         | State | Zip        | Phone          | Charter | Total assets (\$000) | MDI Code |
|---|-----------------------------|--------------|-------|------------|----------------|---------|----------------------|----------|
| First National Bank in Fredonia           | 730 Madison St.             | Fredonia     | KS    | 66736-0000 | (620) 378-2151 | 14370   | \$98,610             | 6        |
| Leader Bank, NA                           | 141 Massachusetts Ave.      | Arlington    | MA    | 02474-0000 | (781) 646-3900 | 24131   | \$4,596,441          | 3        |
| Millbury National Bank                    | 18 Main Street              | Millbury     | MA    | 01527-0000 | (508) 865-9521 | 13835   | \$132,899            | 6        |
| Woodlands National Bank                   | 122 Main Street             | Hinckley     | MN    | 55037-0000 | (888) 532-4142 | 23926   | \$316,219            | 4        |
| Stearns Bank National Association         | 4191 Second Street South    | St. Cloud    | MN    | 56303-0000 | (320) 253-6607 | 15576   | \$3,135,139          | 6        |
| Grand Bank For Savings, FSB               | 204 Westover Drive          | Hattiesburg  | MS    | 39402-0000 | (601) 264-1467 | 707547  | \$252,934            | 1        |
| The First National Bank of Gordon         | 134 N. Main Street          | Gordon       | NE    | 69343-0000 | (308) 282-0050 | 8521    | \$333,644            | 6        |
| Hana Bank USA, NA                         | 201 Main Street             | Fort Lee     | NJ    | 07024-0000 | (212) 689-5292 | 20622   | \$578,769            | 3        |
| Ponce Bank                                | 2244 Westchester Ave.       | Bronx        | NY    | 10462-0000 | (718) 931-9000 | 706509  | \$3,027,309          | 2        |
| Abacus Federal Savings Bank               | 6 Bowery                    | New York     | NY    | 10013-5101 | (212) 285-4770 | 708059  | \$319,722            | 3        |
| Carver Federal Savings Bank               | 75 W. 125th Street          | New York     | NY    | 10027-4512 | (212) 360-8810 | 705273  | \$731,693            | 1        |
| Eastbank, NA                              | 183 Centre St.              | New York     | NY    | 10013-0000 | (212) 219-9000 | 18431   | \$160,921            | 3        |
| Warsaw Federal Savings & Loan Association | 3533 Warsaw Ave             | Cincinnati   | OH    | 45205-1850 | (513) 244-6900 | 701158  | \$94,204             | 1        |
| BancCentral, NA                           | 604 Flynn St.               | Alva         | OK    | 73717-0000 | (580) 327-1122 | 12152   | \$267,601            | 6        |
| The Pauls Valley National Bank            | 101 W. Paul Avenue          | Pauls Valley | OK    | 73075-3218 | (405) 238-9321 | 7892    | \$325,253            | 4        |
| The National Bank of Malvern              | King and Warren Streets     | Malvern      | PA    | 19355-0000 | (610) 647-0100 | 3147    | \$204,691            | 6        |
| Classic Bank, National Association        | 102 N. Houston              | Cameron      | TX    | 76520-3932 | (254) 697-6461 | 13731   | \$706,310            | 6        |
| American Bank, National Association       | 2707 West Northwest Highway | Dallas       | TX    | 75220-0000 | (214) 358-3111 | 16320   | \$557,293            | 3        |
| The First National Bank in Falfurrias     | 200 S. St. Mary Street      | Falfurrias   | TX    | 78355-3629 | (361) 325-2565 | 14072   | \$76,792             | 6        |
| Agility Bank, NA                          | 2401 N. Shepherd            | Houston      | TX    | 77088-2990 | (713) 324-8810 | 25225   | \$103,622            | 6        |
| American First National Bank              | 9999 Bellaire Blvd.         | Houston      | TX    | 77036-0000 | (713) 596-2888 | 23521   | \$2,739,261          | 3        |
| Golden Bank, NA                           | 9315 Bellaire Blvd.         | Houston      | TX    | 77036-0000 | (713) 777-3838 | 18558   | \$2,006,070          | 3        |
| Southwestern National Bank                | 6901 Corporate Dr.          | Houston      | TX    | 77036-0000 | (713) 771-9700 | 23081   | \$1,212,228          | 3        |
| Unity National Bank of Houston            | 2602 Blodgett St.           | Houston      | TX    | 77004-0000 | (713) 387-7400 | 21008   | \$201,440            | 1        |
| Texas National Bank of Jacksonville       | 300 Neches Street           | Jacksonville | TX    | 75766-0000 | (903) 586-0931 | 18594   | \$851,438            | 6        |

| Name   | Address               | City        | State | Zip        | Phone          | Charter | Total assets (\$000) | MDI Code |
|--|-----------------------|-------------|-------|------------|----------------|---------|----------------------|----------|
| Texas National Bank                                  | 201 S. Texas Ave.     | Mercedes    | TX    | 78570-0000 | (956) 565-2485 | 11879   | \$955,480            | 2        |
| Lone Star National Bank                              | 206 West Ferguson     | Pharr       | TX    | 78577-0000 | (956) 781-4321 | 17611   | \$3,162,233          | 2        |
| The Santa Anna National Bank                         | 610 Wallis Ave.       | Santa Anna  | TX    | 76878-0000 | (325) 348-3108 | 13854   | \$75,570             | 6        |
| Commercial National Bank of Texarkana                | 5515 Summerhill Road  | Texarkana   | TX    | 75505-0000 | (870) 773-4561 | 15257   | \$312,733            | 6        |
| First National Bank and Trust Company of Weatherford | 220 Palo Pinto Street | Weatherford | TX    | 76086-0000 | (817) 596-0345 | 2477    | \$1,024,257          | 6        |
| Zapata National Bank                                 | 703 Hidalgo Blvd      | Zapata      | TX    | 78076-0000 | (956) 765-4302 | 14955   | \$85,637             | 2        |
| First National Bank in Tigerton                      | 140 Cedar Street      | Tigerton    | WI    | 54486-9527 | (715) 535-2291 | 14150   | \$27,796             | 6        |

Owner codes

1=African American

2=Hispanic American

3=Asian or Pacific Islander American

4=Native American or Alaskan Native

5=Multiracial Minorities

6=Women

## Appendix 2: Policy Statement on Minority Depository Institutions

### 1. Introduction

Minority depository institutions (MDIs) are national banks and Federal savings associations (banks) that support the economic viability of the communities they serve, including but not limited to the minority individuals, women, or other socially and economically disadvantaged individuals in those communities.

The Office of the Comptroller of the Currency (OCC or agency) recognizes the important role of MDIs in the communities they serve and, consistent with the agency's mission to ensure a safe and sound Federal banking system, the OCC actively supports MDIs through a number of initiatives. The agency's efforts to support MDIs also reflect its commitment to the goals of section 308 of Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).<sup>1</sup>

### 2. Meaning of MDI<sup>2</sup>

- A. *National banks or Federal stock savings associations.*<sup>3</sup> The OCC defines an MDI to include a national bank or Federal stock savings association that is at least 51 percent owned by one or more minority individuals, women, or other socially and economically disadvantaged individuals.<sup>4</sup>

*Federal mutual savings associations.* The OCC—

- i. Defines an MDI to include a Federal mutual savings association (1) where minority individuals comprise a majority of both its Board of Directors and its account holders and (2) that serves the credit and other economic needs of a community comprised predominantly of minority individuals; and
- ii. Considers a Federal mutual savings association to be an MDI if (1) a majority of its Board of Directors is comprised of minority individuals, women, or other socially and economically disadvantaged individuals and (2) minority individuals, women, or other socially and economically disadvantaged individuals hold a significant percentage of its senior management positions.

1 12 U.S.C. 1463 (note). The goals of section 308 are to preserve the number of MDIs; preserve MDIs minority character in cases of merger or acquisition; provide technical assistance to help MDIs remain healthy; promote and encourage the creation of new MDIs; and provide training, technical assistance, and educational programs.

2 In addition to the other requirements discussed in this policy statement, an MDI may not be a U.S. subsidiary of a foreign-owned bank.

3 A Federal stock savings association may be publicly or privately owned.

4 For purposes of this policy statement, "individual" means a natural person, corporation, partnership or entity. "Minority individual" means a black American, Native American, Hispanic American, or Asian American individual. Therefore, a bank that is owned by a minority-owned corporation is owned by a minority individual. "Women" incorporates the definition of "individual" and is not limited to natural persons. Therefore, a bank that is owned by a women-owned corporation is owned by women.

### 3. Formation, Designation, and On-Going Review

- A. *De novo bank formation and designation.* The process of forming a de novo bank that is designated as an MDI involves two steps: an applicant must (1) file an application and receive approval to form a bank and (2) request that the bank be designated as an MDI. If the OCC determines that all of the applicable requirements are met, the OCC will provide (1) a letter approving the formation of a bank and (2) a separate MDI designation letter. For individuals interested in this process, the OCC offers advice and technical assistance, including guidance on determining whether the applicant satisfies the meaning of MDI as set forth in section 2 of this policy statement, through pre-filing and exploratory meetings. Requests for assistance should be directed to OCC Licensing.
- B. *Designation of existing banks.* A bank that believes it satisfies the meaning of MDI as set forth in section 2 of this policy statement may request the OCC designate it as an MDI. If the OCC determines the bank satisfies the meaning of MDI, the agency will provide the bank with an MDI designation letter. For banks interested in this process, the OCC offers advice and technical assistance, including guidance on determining whether the bank satisfies the meaning of MDI. Requests for assistance should be directed to the Minority Depository Institution Advisory Committee Designated Federal Officer.
- C. *Continued designation.* At its discretion, the OCC may continue to designate as an MDI a bank that no longer satisfies the meaning of MDI as set forth in section 2 of this policy statement if the bank supports the economic viability of a community comprised predominantly of minority individuals, women, or other socially and economically disadvantaged individuals.
- D. *On-going review.* On an annual basis, the OCC reviews whether (1) a bank designated as an MDI continues to satisfy the meaning of MDI as set forth in section 2 of this policy statement or (2) continued designation is appropriate.

### 4. List of OCC-Supervised MDIs and Related Information

The OCC maintains a list of OCC-supervised MDIs and information about MDI initiatives and related events on its website at [www.occ.gov](http://www.occ.gov).

### 5. Support for MDIs

The OCC develops an annual strategy to support MDIs. The strategy is designed to support their financial vitality and safe and sound operations and to address unique risks facing MDIs. As needed, the OCC supports MDIs by providing training, technical assistance, and educational programs in such areas as compliance, risk management, and operations.

The OCC recognizes that depository institutions that are not MDIs (non-minority depository institutions or NMDIs) can be key partners with MDIs. The agency actively supports these relationships, which can be valuable tools for assisting MDIs, and provides resources to help identify relevant partnership opportunities.

For example, NMDIs may provide direct or indirect financial support for MDIs through an applicable investment authority.<sup>5</sup> This type of support includes an NMDI (1) investing in subordinated debt issued by an MDI; (2) placing deposit funds in an MDI; (3) purchasing MDI issued capital stock (e.g., common or preferred stock); and (4) engaging in a loan participation with an MDI. Other types of support that an NMDI can offer include collaborating with an MDI on products and services (e.g., in-kind services that aid an MDI in serving its customers) and contributing excess real estate to an MDI (e.g., surplus branch facilities).

In assessing the record of an NMDI under the Community Reinvestment Act (CRA) and its implementing regulations,<sup>6</sup> the OCC considers capital investments, loan participations, and other ventures undertaken in cooperation with minority- and women-owned financial institutions and low-income credit unions if such activities help meet the credit needs of the local communities served by the MDI or low-income credit union. NMDIs that invest in MDIs may receive positive consideration under the CRA if those investments are consistent with the requirements of the CRA and its implementing regulations.

## **6. Attribution of Investments for Purposes of the Ownership Threshold**

An investment in an MDI by a natural person may be attributed to the MDI ownership threshold only if the natural person is a minority individual, woman, or other socially and economically disadvantaged individual.

An investment in an MDI by a corporation, partnership, or entity may be attributed to the MDI ownership threshold only if the corporation, partnership, or entity is (1) also an MDI or (2) at least 51 percent owned by one or more minority individuals, women, or other socially and economically disadvantaged individuals.<sup>7</sup>

## **7. Resolution of Supervisory Cases**

In the unlikely event that it is necessary to resolve an MDI, the OCC seeks remedies (including mergers and acquisitions) that are consistent with and aim to maintain the MDI's safety and soundness and its character, in accordance with the goals of section 308 of FIRREA.

## **8. Minority Depository Institutions Advisory Committee and Other MDI-Focused Initiatives**

In addition to the initiatives discussed above, the OCC's Minority Depository Institutions Advisory Committee (MDIAC) and other MDI-focused initiatives also help to support MDIs. Information about these initiatives can be found on the website at [www.occ.gov](http://www.occ.gov) and include the following:

<sup>5</sup> See, e.g., national banks' public welfare investment authority (12 CFR Part 24) and Federal savings associations' community development investment authority (12 CFR 160.36).

<sup>6</sup> See 12 U.S.C. 2901 et seq. and 12 CFR Part 25.

<sup>7</sup> See supra note 4 (meaning of "individual," "minority individual," and "women"). For example, an investment in an MDI by a private equity fund would count toward the 51 percent ownership threshold only if the fund itself is at least 51 percent owned by one or more minority individuals, women, or other socially and economically disadvantaged individuals.

- A. *MDIAC*. The MDIAC is an OCC-chartered advisory committee organized in accordance with the Federal Advisory Committee Act (FACA).<sup>8</sup> The MDIAC includes officers and directors of MDIs and other depository institutions committed to supporting MDIs and provides advice to the OCC on meeting the goals in section 308 of FIRREA. As required by FACA, the OCC has an MDIAC Designated Federal Officer, who is responsible for the MDIAC and serves as the OCC's primary point of contact on MDI matters.
- B. *Director of Minority Outreach*. The OCC's Director of Minority Outreach coordinates the agency's interdepartmental and interagency outreach efforts, including interagency conferences and other activities.
- C. *Minority Depository Institution Collaboration Initiative*. The OCC's Minority Depository Institution Collaboration Initiative promotes collaboration and relationships between MDIs and larger NMDIs and is designed to provide access to products and services that promote empowerment to disadvantaged and underserved communities, economic independence, job creation, and community development/revitalization. This initiative is coordinated by the OCC's Midsize and Community Bank Supervision (MCBS) staff.
- D. *Project Roundtable for Economic Access and Change (REACH)*. The OCC-established Project REACH promotes financial inclusion through greater access to credit and capital. Project REACH brings together leaders from the banking industry, national civil rights organizations, other businesses, and the technology industry to reduce specific barriers that prevent full, equal, and fair participation in the nation's economy. Project REACH supports MDIs through its MDI Revitalization Workstream, which addresses the challenges MDIs face in accessing capital, expanding technology capabilities, and modernizing infrastructure. Project REACH is coordinated by the OCC's Director of Minority Outreach. Information on Project REACH is available at Project REACH.
- E. *Regional Community Affairs Officers*. The OCC's Regional Community Affairs Officers provide advice and technical assistance to MDIs interested in structuring community development investments and initiatives and identifying opportunities for relationships between NMDIs and MDIs.

## 9. Consultation and Annual Report

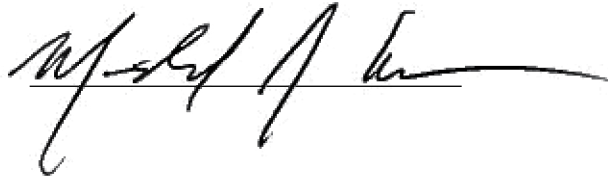
The Secretary of the U.S. Department of the Treasury consults with the Comptroller of the Currency, under section 308 of FIRREA, on the methods for best achieving the goals of section 308 of FIRREA. The law also directs the OCC to submit an annual report to Congress on the actions taken to carry out these goals. The OCC's Director of Minority Outreach is responsible for submitting the annual report to Congress.

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<sup>8</sup> See 5 U.S.C. Appendix 2.

## 10. Conclusion

The OCC recognizes the important role of MDIs in the communities they serve and actively supports MDIs through the initiatives discussed above.

A handwritten signature in black ink, appearing to read 'Michael J. Hsu', written over a horizontal line.

\_/s/ Michael J. Hsu

Michael J. Hsu,  
Acting Comptroller of the Currency.

Date: July 26, 2022



## Appendix 3: Charter

### CHARTER

#### OFFICE OF THE COMPTROLLER OF THE CURRENCY MINORITY DEPOSITORY INSTITUTIONS ADVISORY COMMITTEE

1. Committee's Official Title. Office of the Comptroller of the Currency's Minority Depository Institutions Advisory Committee.
2. Authority. This charter is prepared and filed in accordance with the provisions of the Federal Advisory Committee Act (FACA), as amended, 5 U.S.C. § 1001 et seq.
3. Objective and Scope of Activities.

The Minority Depository Institutions Advisory Committee (MDIAC) will provide advice to the Department of the Treasury, Office of the Comptroller of the Currency (OCC) on meeting the goals established by section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Pub. L. No. 101-73, Title III, 103 Stat. 353, 12 U.S.C. 1463 note, to preserve the present number of minority depository institutions, preserve the minority character of minority depository institutions in cases involving mergers or acquisitions, provide technical assistance, and encourage the creation of new minority depository institutions.

The scope of the MDIAC's work will include an assessment of the current condition of minority depository institutions, what regulatory changes or other steps the OCC may be able to take to fulfill the mandate of section 308, and other issues of concern to OCC-supervised minority depository institutions.

4. Description of Duties. The MDIAC shall meet to discuss issues of importance to minority depository institutions and provide advice and recommendations to the OCC. No non-advisory functions shall be performed.
5. Official to Whom Committee Reports. The MDIAC reports to the Comptroller of the Currency, who shall be solely responsible for any action taken with respect to the MDIAC's advice and recommendations.
6. Support Services. The OCC shall provide all necessary support to the MDIAC.
7. Estimated Annual Operating Costs and Staff Years. The estimated annual cost to operate the MDIAC is \$125,000 (including .50 staff years/FTEs). Annual operating costs include, but are not limited to, travel expenses and staff salaries. While MDIAC members are not compensated for their time or services, they are reimbursed for their travel-related expenses to attend public meetings, working sessions, outreach and orientation sessions in accordance with 5 U.S.C. § 5703.
8. Designated Federal Officer (DFO). The DFO (or designee) is a full-time federal employee who will be appointed by the Comptroller of the Currency and shall ensure compliance with the requirements of FACA and its implementing regulations. The DFO will approve or call all of the advisory committee and subcommittee meetings, prepare and approve all meeting agendas, attend all committee and subcommittee meetings, and adjourn any meeting when determined to be in the public interest.

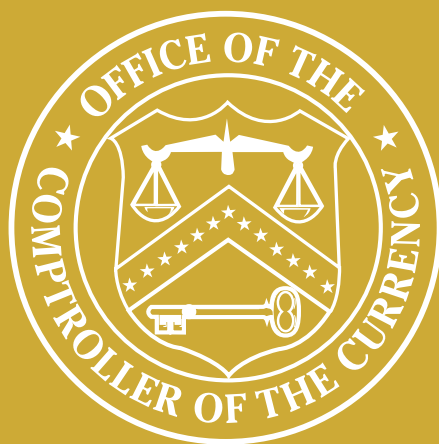
## APPENDIXES

9. Estimated Number and Frequency of Meetings. The MDIAC generally meets two to three times each calendar year. Advance notice of the meetings will be published in the Federal Register.
10. Duration. The MDIAC is a continuing advisory committee.
11. Termination Date. The authority to utilize the MDIAC expires two years from the original charter filing as indicated in paragraph 15.
12. Membership and Designation. The MDIAC shall consist of no more than 10 members serving a two-year term. Each member shall serve as a representative of his or her institution.

A structured application process shall be used to provide a balanced membership and ensure that diverse views are represented, including the views of officers and directors of minority depository institutions and other depository institutions with a commitment to supporting minority depository institutions.

13. Subcommittees. The OCC has the authority to create subcommittees that must report back to the MDIAC. The subcommittees may not provide advice or recommendations directly to the OCC.
14. Recordkeeping. The records of the MDIAC and its subcommittee(s) will be handled in accordance with the General Records Schedule 6.2, or other approved OCC records disposition schedule. The records will be available for public inspection and copying, subject to the Freedom of Information Act, 5 U.S.C. 552.
15. Filing Date. The filing date of this charter is June 20, 2024.





**OCC HEADQUARTERS**

400 7th St. SW  
Washington, DC 20219