

Connecting Banks, Communities, and Resources



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Message from Deputy Comptroller Barry Wides

Community Affairs undertook a variety of activities to support national banks and federal savings associations (collectively, banks), communities, and consumers during FY 2015.

The FY 2015 *Year in Review* describes many of these activities, which include national policy development, public welfare investments, publications, and outreach and training held in each of the OCC's four districts.

National Initiatives

At the national level, Community Affairs supported the Comptroller and senior OCC staff in the preparation and delivery of speeches, public comments, and testimony related to community reinvestment and regulatory reform.

Community Affairs facilitated meetings with advocacy groups to understand their concerns and receive their recommendations on a variety of policy fronts related to financial access and community credit needs.

Community Affairs also worked on matters related to bank branches, charter changes, and other corporate activities.

Throughout the year, the OCC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation held

a series of outreach hearings with representatives from the financial industry and consumer groups. These hearings were convened as part of interagency required by the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA).

Each hearing provided interested parties with an opportunity to discuss outdated, unnecessary, or unduly burdensome regulations. The hearings included a series of panel presentations by bankers and advocates moderated by senior agency staff.

I moderated the panel on soliciting feedback on Federal banking regulation from consumer and community group at the Los Angeles hearing held in December and the Dallas hearing held in February.

Through OCC and interagency Community Reinvestment Act (CRA) work groups, Community Affairs continued working on amendments to the "Interagency Questions and Answers Regarding Community Reinvestment" to help banks serve their communities.

Community Affairs also assisted banks in reaching a new level of public welfare investments and coordinating the banks' eligibility reviews with other OCC departments.



In March, I delivered remarks to a coalition of community organizations in New York City that focused on how the public welfare authority and CRA foster community and economic development. Nationally, public welfare investments reached \$12 billion in FY 2015 (see page 15).

Publications

To inform bankers and community development practitioners, Community Affairs produced a number of informative publications, including *Community Developments Insights* reports, newsletters, and fact sheets.

The bi-monthly *Financial Literacy Update* (FLU) reports financial literacy events, initiatives, and related resources of the OCC and other government agencies and organizations.

In addition to the FLU, Community Affairs informed consumers about financial literacy opportunities and

resources at outreach events held in Washington, D.C. and around the country, and supported the extensive work of the interagency U.S. Financial Literacy and Education Commission.

In February, the OCC and other member agencies issued “Guidance to Encourage Financial Institutions’ Youth Savings Programs and Address Frequently Asked Questions” (see page 12).

District Activities

District Community Affairs Officers (DCAO) and headquarter Community Affairs staff expanded their use of technology, media, and electronic publications to reach larger audiences.

Staff wrote articles, conducted media interviews, and delivered presentations at a variety of national and regional conferences.

The Community Affairs *Hot Topics* webinar series informed OCC employees about important policy and program initiatives. A list of this year’s publications and other resources can be found on page 17-18.

In addition to national events, Community Affairs and its DCAOs conducted a large number of activities within the OCC’s field locations and districts, including bank consultations, examination and examiner support, and banker and community outreach.

In conjunction with OCC’s Supervision, Community Affairs offered CRA assistance to banks

Reaching Out to Indian Country



Community Affairs conducted a variety of outreach activities in Indian country in FY 2015. District Community Affairs Officer Michael Martinez (center) attended the South Dakota Indian Business Alliance annual meeting held in Rapid City, South Dakota on May 18, 2015. From left: Sandy Gerber, Community Development Senior Project Manager, Federal Reserve Bank of Minneapolis; Kimberly Tilsen-Brave Heart, owner, Painted Skye Management; Martinez; Nick Tilsen, Executive Director, Thunder Valley Community Development Corporation; Terry Lee, Community Affairs Officer, Federal Deposit Insurance Corporation.

transitioning from the small bank test to the intermediate small bank test, as well as those transitioning from the intermediate small bank to large bank test.

In FY 2015, DCAOs and Community Affairs staff conducted 211 bank consultations, supported 134 bank examinations, and sponsored or co-sponsored 77 outreach events.

Outreach meeting topics included financial capability, healthy food initiatives, homelessness, Native American banking, small businesses, and rural development.

A number of outreach activities begin with community contacts and listening sessions, often attended by OCC district supervisory staff, that reveal unmet credit needs and local community development opportunities related to affordable housing, community revitalization, and economic development.

To learn more about these activities, publications, and upcoming events, please join the Community Affairs distribution list, visit our website, or contact our staff (see page 20 for the staff directory).

Community Affairs Outreach

Growing Demand for Rental Housing Offers New Banking Opportunities

With rents rising and vacancies dwindling, finding an affordable place to rent has become more challenging in most American cities. Unlike the last two decades, the Urban Institute predicts that growth in rental households will exceed that of homeowners in coming years. Between 2010 and 2030, renters are estimated to increase by 13 million, while the number of homeowners is expected to grow by nine million.

Over the past two years, OCC's Community Affairs has organized public events around the country to explore financing options to address the growing demand for rental housing. These conferences and community tours brought together community housing groups, national bank and federal savings associations, and federal bank regulators.

From the Northeastern to the Western District, here are topics discussed at housing events recently co-sponsored by the OCC.

Interagency Forum on Affordable Multifamily Housing—New York City, June 2015

District Community Affairs Officer Denise Kirk-Murray joined NBE

(Commercial Credit Lead Expert Support) Shima Martin and Senior Community Development Analyst Reggie Ellison for the discussion with New York lenders, community stakeholders, and regulators. “The conference provided an opportunity to explore the challenges associated with creating and preserving affordable multifamily housing, to discuss the opportunities that exist to acquire, develop, and rehabilitate affordable housing, and to consider forming new partnerships that address the challenges and take full advantage of future opportunities,” said Ellison.

Kirk-Murray added, “During a Community Affairs tour of multifamily rental properties last year, we saw firsthand that New York has a limited supply of affordable housing units and insufficient housing production to meet the demands of population growth.” She noted that the “City of New York plans to create 200,000 units of high-quality affordable housing in five boroughs



Senior Community Development Analyst Reggie Ellison (center) and DCAO Denise Kirk-Murray (right) joined Shima Martin, NBE (Commercial Credit Lead Expert Support), at the “Interagency Forum on Affordable Multifamily Housing” held in New York City. The discussion included rental trends, government initiatives, and effective banking strategies for financing affordable multifamily housing.

over the next decade.” Next steps include collaboration with banks to ensure the safety and soundness of properties and programs to help subsidize affordable housing projects.

Financing Small Multifamily Properties in Chicago Neighborhoods—Chicago, May 2014

At the forum in Chicago, a diverse group of bankers, affordable housing advocates, and owners of small multifamily property examined how to preserve small multifamily housing stock (property containing fewer than 50 units). “We discussed impediments

to the smooth operation of that market and the opportunities for banks to book sound, profitable loans,” said Associate Deputy Comptroller Daniel McKee.

At the interagency forum, District Community Affairs Officer Paul Ginger suggested that several options could make credit more available for small multifamily rental housing, including portfolio lending, investing, and partnering with community development financial institutions. He also mentioned grant programs that provide “gap funding” for affordable housing projects.

“Lending for affordable housing could also qualify as a community development investment that can receive consideration under both a bank’s Community Reinvestment Act lending test and among its community development activities,” Ginger said.

Community Reinvestment Act Roundtable–Dallas, July 2015

District Community Affairs Officer Aaron Satterthwaite and Community Development Expert Letty Shapiro helped organize the roundtable in Dallas including discussion of challenges relating to small multifamily rental housing. “According to the National Low Income Housing Coalition’s research, there are only 20 units available [last year] per 100 units needed for low-income renters in the Dallas/Fort Worth region,” said Shapiro. “Multifamily housing is in short supply, and community leaders are meeting with lenders to



Deputy Comptroller for Community Affairs Barry Wides (second from the right) and Senior Community Development Analyst Reggie Ellison (center) gathered with community stakeholders representing affordable housing advocates, real estate developers, and lenders from New York City during a tour in the Bronx, New York. A stop on the tour included a recently rehabilitated affordable rental property on Kelly Street.

discuss ways to maintain current properties, as well as building more affordable units.”

Arizona Affordable Housing Summit–Phoenix, June 2015

“With costs of acquisition and construction rising, banks are concerned that multifamily projects may not underwrite well,” said Wells Fargo Senior Vice President Ken Sofge, a panelist at the housing event in Phoenix. Another panelist, Dede Devine, President and Chief Executive Officer of the nonprofit developer Native American Connections, noted that the number of funding sources required for most affordable rental housing projects

complicates underwriting. Devine gave the example of Stepping Stone, “a project that used 27 sources of funding to build 82 rental units for formerly homeless individuals and persons with disabilities.” Satterthwaite, who also participated in the summit, said, “Fortunately, the community supported the Stepping Stone project and made it possible for banks to participate as lending partners.”



District Community Affairs Officer Paul Ginger (left) participated in the “Financing Small Multifamily Properties in Chicago Neighborhoods” forum with FNBC Bank and Trust President Dan Hennebry (right), and Bill Iaculla, FNBC Bank and Trust Executive Vice President and Chief Loan Officer (center).

Community Affairs Sparks Interest in Multifamily Rental Housing

Community Affairs hosted an OCC-wide *Hot Topics* session at Headquarters in April 2015 to examine bank-financing options to address the demand for affordable rental housing. Attendees included representatives from the Federal Housing Finance Agency, Abt Associates, and the Federal Housing Administration. Senior Community Development Analyst Reggie Ellison moderated the session.

During the discussion, Jeff Lubell, Director of Housing and Community Initiatives at Abt Associates, said that the majority of

rental housing properties in the United States are privately owned and financed. “Newly constructed rental projects often target higher income tenants, but during 2014, banks [also] invested approximately \$9 billion nationwide in affordable housing projects,” said Lubell. “The majority of investments used Federal Low-Income Housing Tax Credits, and many served as a qualified investment under the CRA [Community Reinvestment Act].”

To disseminate best practices, the OCC published in May 2015 an e-zine, [Community Developments, Small](#)

[Multifamily Rental Property Financing](#), which focuses on how banks and federal savings associations can be active players in financing these properties.

“Lending and investing in affordable rental housing will help those markets develop in the coming years,” noted Barry Wides, Deputy Comptroller for Community Affairs. “These emerging markets present new opportunities for banks to meet the growing demand for rental housing in a safe and sound manner.”

OCC Works With Banks and Community Leaders to Preserve Affordable Housing in NYC

Community organizations in New York City contacted OCC Community Affairs with concerns that multi-family rental property owners were engaged in problematic activities in their efforts to increase rental income. Concerns were also raised that OCC-regulated banks were making loans to property owners who were attempting to raise rents by replacing low-income tenants with higher-paying occupants.

In response to those concerns, Community Affairs staff met with community leaders and banking officials in New York City to

discuss these issues. The August 18, 2014 visit included a tour of recently rehabilitated affordable rental housing property in the Bronx, New York. District Community Affairs Officer Francis Baffour and Senior Community Development Analysts Rafe Ellison and Simon Galed joined Deputy Comptroller for Community Affairs Barry Wides for the tour and meeting. Baffour serves as the New York City Community Affairs Officer. Ellison and Galed assist banks nationwide with their investments in community development projects.

“When community organizations share concerns, the OCC works to facilitate dialog and to build relationships between the organizations and the banks’ community development officials. By working with such groups, the OCC can help find solutions that are beneficial to both community organizations and banks,” said Wides.

The meeting drew a gathering of approximately 20 diverse community stakeholders representing the New York City Department of Housing Preservation and Development

(HPD), affordable housing advocates, real estate developers, and Morgan Stanley. During the event, the group explored partnerships between banks and community groups to provide financing solutions for distressed rental properties.

In New York City, many multi-family rental properties, often located in low- and moderate-income communities, have difficulty covering normal operating expenses and meeting their mortgage debt payments with their current rental income. As a result, many of these buildings run the risk of falling into disrepair and face mortgage default and foreclosure, becoming a drag on their communities and destabilizing their surrounding neighborhoods.

The group toured five buildings comprised of 81 low-income housing units on Kelly Street in the Bronx. Once severely distressed with hundreds of housing code violations, the housing units were rehabilitated thanks to a deal that was reached in 2011 between Morgan Stanley and JPMorgan Chase to finance the project.

During the tour, Mike Mantle, President of Morgan Stanley Community Investments LLC, discussed the bank's partnership with the developer, Workforce Housing Group, and the Banana Kelly Community Improvement Association. Mantle said that Morgan Stanley provided \$15 million debt and equity financing, which included a \$10.2 million Low Income Housing Tax Credit investment.



Morgan Stanley's Mike Mantle (left) discusses the bank's investment in affordable housing rehabilitation in the Bronx, New York with Katie LoCosa, an Associate from Morgan Stanley, Deputy Comptroller for Community Affairs Barry Wides, Northeastern District Community Affairs Officer Francis Baffour, and Rosalba Lopez Ramirez, Kelly Street Garden Caretaker.

Tour participants said the rehabilitation of the Kelly Street housing units transformed a set of blighted buildings with mold-infested apartments, broken windows, and limited hot water into a stable affordable housing community.

When Morgan Stanley made its initial investment in 2011, the New York City HPD designated three of the project's buildings as among the most distressed and hazardous dwellings in the city. According to HPD Deputy Commissioner Vito Mustaciuolo, the Kelly Street units were among the most distressed in the city. However, the renovation greatly improved the housing units, which now include an environmental green roof and a wastewater retention system that provides water to a new community garden.

At the conclusion of the tour, stakeholders met to discuss

strategies to bring banks, developers, and community groups together to preserve more of New York's affordable housing. One of the representatives, John Crotty from Workforce Housing Group, noted that "New York City has been a center of creative housing policy for generations. We are proud to have played a role working with banks and community organizations turning a distressed asset into safe and healthy homes for 80 families."

District Community Affairs Officer Baffour said that highlighting projects like Kelly Street and informing banks about investment opportunities in low- and moderate-income housing will help put the tools in place to preserve affordable housing. Baffour said "By collaborating with banks and community organizations, OCC is helping banks make community investments where they are most needed."

Comptroller Curry Speaks at New Orleans Recovery Summit

On August 29, 2005, Hurricane Katrina swept across Alabama, Mississippi, and Louisiana. The storm breached New Orleans' flood controls and caused widespread destruction to communities along the Gulf Coast. A few weeks later, Hurricane Rita struck these communities again, resulting in one of the worst natural disasters in U.S. history.

Eighteen hundred people lost their lives, and more than 265,000 homes were lost or damaged in the storms. More than 800,000 people were displaced—the greatest number since the Dust Bowl of the 1930s. Damage estimates topped \$80 billion.

While the devastation was severe, New Orleans' recovery over the past decade has been inspirational. On June 18, 2015, NeighborWorks America, a national nonprofit organization chartered by Congress, convened the Comeback Communities summit in New Orleans to commemorate Katrina's 10th anniversary and examine how to rebuild and sustain New Orleans and other disaster-stricken communities.

As the longest-serving chair of the NeighborWorks America Board, Comptroller Thomas J. Curry welcomed over 200 government officials, bankers, and community representatives to the summit and spoke with them about the important role that the OCC and national banks and federal savings



Teri North (left), President and CEO of Providence Community Housing, and Comptroller Curry are welcomed into the Sojourner Truth Neighborhood Center by youth drummers from the Treme/Lafitte communities of New Orleans.

associations have played in disaster recovery in New Orleans and long-term community building around the nation.

“Many of the success stories we have heard about in communities that are rebuilding can be attributed to the partnerships created by bankers, government, businesses, and the nonprofit sector,” the Comptroller told the summit attendees. “These joint efforts support effective and cohesive local community development organizations and activities. It is rewarding, personally and professionally, that banks have played such an important role in helping to bring these recoveries to fruition.”

Provisions of the Community Reinvestment Act and the OCC's public welfare investment authority provided critical tools reinforcing

much of the redevelopment that has occurred since Katrina, according to District Community Affairs Officer Scarlett Duplechain, who was living in Baton Rouge when Katrina hit. She came to the OCC shortly after to work on the recovery.

“Since 2006, the OCC has approved almost \$600 million in public welfare investments in New Orleans,” said Duplechain. “About 80 percent of these investments were in affordable housing with the remainder supporting a variety of community and economic development projects, including schools, art centers, health clinics, and support for entrepreneurs and small businesses.”

The NeighborWorks summit in New Orleans included panel discussions and mobile workshop tours to a healthy foods store and

an eco-friendly community located in the historic Tremé/Lafitte neighborhoods. Providence Community Housing, a local NeighborWorks affiliate, and the national nonprofit Enterprise Community Partners are redeveloping the former Lafitte Public Housing development on a 27.5-acre parcel. The development will include affordable rental units, parks, and schools. Workshop participants toured the development site and met with residents at a bustling new community center.

“Attending this conference reminds me how important it is to involve stakeholders in the community revitalization planning process,” said Jerome Brown, Senior Vice President and Director of Community Development at The First, N.A., a summit participant who has financed projects along the Gulf Coast.

The Recovery Continues

While many New Orleans neighborhoods have recovered, some are still awaiting repair. Before Katrina, East New Orleans’ Lower Ninth Ward boasted the highest rate of homeownership among African-Americans.

Analysis of 2012 census data indicates that only about 20 percent of the area’s population returned after the storms, with more than 30 percent of the current residents living in poverty. The loss of homes and residents in the Lower Ninth Ward left a checkerboard pattern of some streets with new homes and other nearby streets with decaying schools, gutted housing, and overgrown lots.

Speaking at the summit about his experiences with the Katrina recovery, former Tulane University President Scott Bowen said that he sees progress in New Orleans, but underserved communities persist—

what some call the recovery gap. Many key economic and social trends remain troubling in these areas.

Today, 37 percent of New Orleans renters are paying more than 50 percent of their pre-tax income on rent and utilities, up from 24 percent in 2004.

Recognizing the need for affordable housing, New Orleans Mayor Mitch Landrieu said in his recent State of the City address that the city “must be ever mindful to ensure that New Orleans remains a city that is welcoming to all.”

The mayor and city council have initiated recovery plans for each of the 49 neighborhoods that suffered severe flooding as part of a citywide strategy for the inclusive recovery and rebuilding of New Orleans.

The planning framework serves as a guide for both public and private investment for the good of the entire community, with the full participation and approval of community stakeholders.

“Going through Katrina taught us the importance of creating a resilient community, one that offers a brighter and more sustainable future for everyone,” said Duplechain. “The timeline for a full recovery is likely to be another generation, but the good times are rolling again.”



Marla Newman (left to right), Executive Director of the Louisiana Housing Alliance, confers with Assistant District Comptroller David Clay, Scarlett Duplechain, and Samuel Sanders.

Partnerships Serve the Unbanked and Underbanked in Creative Ways

In speaking with lenders and community organizations in Memphis, Tenn., District Community Affairs Officer Nancy Gresham-Jones has noticed that one topic is drawing increased interest: how banks maintain community ties when closing a branch.

Gresham-Jones organized a community reinvestment roundtable in May 2015 to investigate the impact of branch closings in Memphis and other communities. The roundtable included representatives from the Federal Deposit Insurance Corporation, the Federal Reserve Bank of St. Louis, the Barret Graduate School of Banking in Memphis, and the Community Development Council of Greater Memphis.

Deputy Comptroller for Community Affairs Barry Wides also joined the roundtable to discuss how banks are finding new ways to downsize branches, repurpose buildings, and stay connected with communities after branch closings. “Some banks with older branches have room to spare. They are sharing or making their spaces available to community groups,” Wides said during the roundtable.

Space Sharing in Action

Regions Bank, SunTrust Bank, and First Tennessee Bank, N.A., are collaborating with Operation

HOPE in Memphis and other locations to offer free financial education and counseling within their retail branches under a new program called HOPE Inside. Additional banks are launching similar programs in Nevada and other communities affected by foreclosures. “The banks provide workspace and support, enabling HOPE’s certified financial counselors to meet with clients during regular business hours at the branch,” said Jon Davies, Senior Vice President and Compliance Expert at Regions.

“Banks can receive CRA consideration for donating the use of their property and facilities to certain public and nonprofit organizations,” Wides told the roundtable participants. “These organizations often are able to repurpose their facility in innovative ways that serve the community.”

During the roundtable, Cassandra Williams, Vice President of Hope Credit Union (not affiliated with Operation HOPE), spoke of her credit union’s long-standing partnership with Regions Bank. Regions donated one of its former



Nancy Gresham-Jones (left), District Community Affairs Officer, discusses the reuse of bank branches with Chris Kelly (center), Executive Director of the Barret Graduate School of Banking, and Deputy Comptroller for Community Affairs Barry Wides at the community reinvestment roundtable.

Memphis branches to the credit union in 2007. Davies said the bank was planning to donate additional branches, equipment, and support to help the credit union expand its operations into lower-income areas of the Mississippi Delta.

Representatives from Community LIFT, a Memphis community and economic development intermediary, told roundtable participants that their organization has benefited from a 2014 donation of leased office space valued at more than \$122,000. Cadence Bank, N.A., based in Birmingham, Ala., made the in-kind donation. The downtown location now serves as Community LIFT’s headquarters. “We are extremely fortunate to have Cadence Bank’s partnership as we reach out to our communities,” said Eric Robertson, President of Community LIFT.

Another successful bank branch transfer involves the South Memphis Alliance (SMA), which opened its doors in 2000 to help organize neighborhood associations in a blighted area of Memphis. For years, it operated in a 10' x 10' office, slowly expanding its services and outreach to vulnerable youth.

In 2009, SMA launched the Dream Seekers Initiative to assist young people transitioning out of the foster care system. First Tennessee

Bank, N.A., headquartered in Memphis, donated a 20,000 square foot branch facility that became SMA's Youth Opportunity Center, where young people can receive services, seek shelter, and obtain counseling.

"The bank has a good relationship with the Southern Memphis Alliance. In addition to financial contributions to the SMA, our employees have provided financial literacy training to SMA clients," said Angelia Allen, Vice President

of Corporate CRA Compliance for First Horizon National Corporation, who supported transferring ownership of the building to SMA.

"These partnerships are all about staying connected with the community, exploring new customer-serving options, and sharing resources and opportunities," said Gresham-Jones. "They help banks serve unbanked and underbanked individuals and communities in creative ways."

Atlanta Tour Focuses on Sweet Auburn Revitalization

Deputy Comptroller for Community Development led a tour of the historic district and memorial to Dr. Martin Luther King, Jr. on January 15, 2015 as part of Operation HOPE's global forum and annual meeting held in Atlanta. The event included a panel discussion about the importance of financial literacy and the need for banks to serve low-wealth communities.



Tour participants learn history of the Historic Ebenezer Baptist Church during the pre-conference event of the 2015 HOPE Global Forum, "From Civil Rights to Silver Rights" held on January 15, 2015. Other tour sites included the MLK Reflection Pool, the King Crypt, and the Historic Fire Station.

District Community Affairs Officer Nancy Gresham-Jones followed the tour with a Community Development Banker's Roundtable held in Atlanta on May 19, 2015. Sponsored by the OCC and the FDIC for bankers in the metro Atlanta area, the roundtable highlighted the collaborative initiatives taking place in the historic district and beyond.

Gresham-Jones provided an overview of the Community Reinvestment Act (CRA) and the consideration that banks could receive under CRA for their community development activities. Local officials gave presentations on metro Atlanta's economic outlook. The 17 participating bankers interacted with representatives from local community-based organizations and government agencies and committed to continuing the dialogue.



Tour participants visit the King birth home and surrounding historic row homes in the Atlanta neighborhood.

Since the roundtable, Gresham-Jones and Wides have been working with local leaders and the Atlanta banking community to support the redevelopment of the Sweet Auburn neighborhood. "These investments have a larger community benefit, within the area's historic context, for those who want to live and work here," said Wides. "We want to make bankers aware of the opportunities to be involved in investing in the rebirth of this important historic area."

Financial Literacy Outreach Continues to Make a Difference

During FY 2015, Community Affairs highlighted the importance of financial capability by developing guidance for banks on youth savings accounts, participating in meetings and events promoting financial inclusion, and providing resources to help individuals and families meet their financial goals.

Guidance for Banks on Youth Savings Accounts

As one of the 21 Federal agencies on the U.S. Financial Literacy and Education Commission (FLEC), the OCC's focus in 2015 was on "starting early," which builds on the experience and resources of FLEC members to help young people learn the financial basics before they join the workforce or begin their careers.

According to Deputy Comptroller for Community Affairs Barry Wides, the OCC's representative on FLEC, one of the major outcomes was issuance of the "Guidance to Encourage Financial Institutions' Youth Savings Programs and Address Frequently Asked Questions." "The guidance provides answers to common questions, including those related to Customer Identification Program requirements, which may arise as financial institutions collaborate with schools and other community stakeholders to facilitate youth

savings and financial education programs," said Wides.

With leadership from Community Affairs, the youth savings guidance stemmed from the collaborative work of the OCC and the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration, and the U.S. Department of the Treasury's Financial Crimes Enforcement Network.

"The goal of the guidance is to encourage financial institutions to develop and implement programs that will expand young peoples' financial capability and build opportunities for financial inclusion for more families," said Karen Bellesi, Community Development Manager. "Comptroller Curry spoke at the FLEC quarterly meeting on February 25, 2015 and the National Savings Forum on May 20, 2015 about the Guidance, as well as the importance of starting early to develop savings habits."

Events Promoting Financial Inclusion

Access to financial services by disadvantaged persons continues to be one of Community Affairs' financial literacy priorities. Community Affairs staff co-sponsored four events in the District of Columbia that focused on "Economic Inclusion: A Series of Discussions to Improve

Financial Health in D.C." Along with their colleagues from the FDIC and the Federal Reserve Bank of Richmond, attendees at these events included financial institutions and nonprofit organizations that serve the area's low- and moderate-income population and implement strategies for bringing them into the financial mainstream.

In 2015, Community Affairs had a particular focus on financial services for older Americans. Community Affairs participated in the National Community Reinvestment Coalition's (NCRC) Age-Friendly Banking Convening and several subsequent banker roundtables and innovations labs attended by financial institutions, nonprofit organizations, and government agencies.

These events focused on best practices for ensuring that Americans aged 65 and older will have access to safe and affordable financial services. Comptroller Curry provided a keynote address at the NCRC's 2015 annual conference on this topic. Community Affairs staff also attended the World Elder Abuse Awareness Day event and the National Adult Protective Services Association's Summit on Elder Financial Exploitation.

Throughout 2015, OCC's staff participated in a number of financial literacy and education outreach events where they distributed the OCC's financial

literacy and consumer materials. These events included the Operation Hope Global Forum, National Guard Headquarters Financial Readiness Fair, National Consumer Protection Week on Capitol Hill, Department of Defense Pentagon Financial Readiness Fair, Federal Communications Commission Employee Financial Fair, Financial Literacy Day on Capitol Hill, and the Congressional Black Caucus exhibit hall. The OCC also issued news releases supporting Earned Income Tax Awareness Day, America Saves Week, National Consumer Protection Week, and Financial Literacy Day on Capitol Hill. Denise Murray, Community Development Specialist, participated in two Political Jones syndicated radio shows on financial literacy topics.

Community Affairs also supported other national financial literacy outreach, including those events sponsored by the American Savings Education Council, the Jump\$tart Coalition for Personal Finance Literacy,

the National Consumers League’s Alliance Against Fraud, and the Consumer Federation of America’s Consumer Assembly and Financial Services Conference.

Additionally, Community Affairs assisted in the OCC’s efforts to encourage its own employees to learn about the importance of savings and participation in financial literacy volunteer activities. For example, during America Saves Week, Community Affairs created savings messages for the OCC’s digital displays. Community Affairs also organized staff volunteers to teach a financial literacy curriculum in connection with Operation HOPE’s Banking on Our Future event in a school located in a low- and moderate-income community in the D.C. area.

“Community Affairs staff will continue to engage in financial literacy and capability outreach and educating bankers on how they can support their

customers’ positive financial behaviors and outcomes,” said Bellesi.

Financial Capability Resources

In 2015, Community Affairs produced six issues of the bimonthly Financial Literacy e-Newsletter that reports on events, initiatives, and related resources of the OCC and other government agencies and organizations. This e-newsletter was distributed to more than 30,000 people on Community Affairs’ listserv.

Community Affairs also maintained a financial literacy web resource directory on OCC.gov that provides information on financial literacy resources, issues, and events that are important to bankers, organizations, and consumers. Additionally, the directory includes reports that cover financial literacy-related topics, such as the School Based Banking Savings Programs.

Financial Literacy Outreach in Washington, D.C.

Financial Literacy Day on Capitol Hill



The Financial Literacy Day on Capitol Hill 2015 was co-sponsored by the Jump\$tart Coalition for Personal Financial Literacy, the Council for Economic Education, and Junior Achievement USA. The OCC's Community Affairs and Public Affairs staff and other exhibitors offered information on their financial literacy programs to business leaders, Congressional aides, financial educators, and consumers. From left to right, Courtney Cook, President and CEO of Jump\$tart Coalition for Personal Financial Literacy Laura Levine, Deputy Comptroller for Community Affairs Barry Wides, Karolina Arias, and Denise Murray.

Financial Literacy Outreach in Washington, D.C. (continued)

Military Saves Week at the Pentagon



Community Development Specialist Denise Murray answers questions regarding saving techniques to an attendee of the Military Saves Week Financial Readiness Fair at the Pentagon.

OCC's Open Season Benefits Fair



OCC's Denise Murray (left) shares informational materials from other member agencies of the Financial Literacy and Education Commission (FLEC) at the OCC's Open Season Benefits Fair on November 18, 2014.

Banking On Our Future



Federal agency representatives volunteer on October 29, 2014 at Operation Hope's financial literacy outreach event "Banking on Our Future" at Washington Math Science Technology Public Charter School in Washington, D.C.



OCC representatives Courtney Cook, Tom Melo, and Patricia Acosta (left to right) discuss financial literacy topics, including saving and budgeting, to students of Washington Math Science Technology Public Charter School.

Public Welfare Investments Pave the Way for Successful Community Development Projects

National bank investments under the public welfare authority increased approximately 16 percent in fiscal year 2015, involving a variety of economic and community development projects that preserved affordable housing, produced jobs and job opportunities, and revitalized neighborhoods for low- and moderate-income individuals. National banks made 1,054 investments totaling \$12.0 billion in 2015 compared to 904 investments and \$10.4 billion in 2014. A key advantage of the public welfare investment authority is that it provides banks with broad investment powers to enhance their strategies and respond appropriately to changing community and economic development needs. While the majority of public welfare filings made by large banks, other banks are taking advantage of the authority. “More intermediate small banks, and especially those approaching the large bank CRA threshold of \$1.22 billion, are taking advantage of public welfare investment opportunities because they can help support the bank’s community development test performance,” said Senior Community Development Analyst Reginald Ellison. One example of a national bank’s innovative use of the public welfare investment authority involves financing transit-oriented developments in the State of

Massachusetts. To improve the well-being of low- and moderate-income individuals, the Healthy Neighborhoods Equity Fund I Limited Partnership finances new construction and redevelopment projects in transit orient neighborhoods that are safe for pedestrians and cyclists. These projects also produce jobs, create green space, and give neighborhood residents access to fresh food and other goods and services. Another national bank’s investment will improve job prospects for low- and moderate-income individuals for years to come. This national bank financed the redevelopment of a vocational school in Liverpool, Ohio. The school trains low-income individuals for skilled jobs, providing hands-on training in automotive, electrical, building, refrigeration and air conditioning, machinist, and welding technologies. In addition, the school offers students training in commercial truck driving and heavy equipment operation. A local community bank’s investment shows how national banks can finance projects that help close the digital divide. RS Fiber Cooperative is an organization that is building a fiber optic network to



The public welfare investment authority is being used to finance transit-oriented developments that produce jobs and revitalize neighborhoods across the country.

provide high-speed internet to rural areas in Sibley and Renville County, Minnesota. Recognizing the potential positive impact on the lives of low- and moderate-income individuals, a community bank utilized the public welfare investment authority to provide financing for this initiative. Resources and requirements under the statute (12 USC 24(Eleventh)) and underlying regulations (12 CFR Part 24), national bank public welfare investments must primarily benefit low- and moderate-income individuals, low- and moderate-income areas, or other areas targeted by a governmental entity for redevelopment; or the investment must be a “qualified investment” under 12 CFR 25.23 of the Community Reinvestment Act (CRA). Investments must not expose the bank to unlimited liability nor exceed 15 percent of its capital and surplus. *(continued on next page)*

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Federal Savings Associations (FSAs) have a separate but similar authority to make public welfare investments, but are not required to provide information about them to the OCC. However, several FSAs did notify Community Affairs about their public welfare investments. Those investments involved affordable housing projects using Federal Low Income Housing Tax Credits. More information about national bank

and FSAs public welfare investments, including the process used to submit information to the OCC, can be found on the OCC's Public Welfare Investments Web Resource Directory at www.occ.gov/pwi.

The Web Resource Directory also provides questions and answers on public welfare investment activities and precedent setting cases and highlights public welfare

investment and community development best practices related to national bank and thrift investments. Those examples are described in *Community Development Investments E-Zines*, *Community Developments* newsletters, fact sheets, and *Insights Reports*. Inquiries also may be directed to District Community Affairs Officers or Community Affairs headquarters staff (see back cover).

Interagency Forum Highlights Changing Landscape Facing Minority Depository Institutions

In July, the OCC hosted the Interagency Minority Depository Institutions and CDFI Bank Conference at the Constitution Center in Washington, D.C. More than 100 bankers representing 72 institutions attended the conference, along with representatives of the Federal Reserve Board, Federal Deposit Insurance Corporation and other federal organizations.

The conference began with a discussion with Thomas J. Curry, Comptroller of the Currency; Martin J. Gruenberg, Chairman of the Federal Deposit Insurance Corporation; and Lael Brainard, Governor of the Federal Reserve Board. Kelvin Boston, host of PBS MoneyWise, moderated the session. The conversation touched upon a number of topics, including how the banking world has changed since the financial crisis and opportunities for banks to

collaborate and receive support from their regulatory agencies. Melvin J. Watt, Director of the Federal Housing Finance Agency, and Sarah Bloom Raskin, Deputy Secretary of the U.S. Department of the Treasury, addressed the conference, and regulatory agencies provided information about resources to mitigate several key risks facing the industry, including cybersecurity, compliance, and strategic risk. Several federal agencies, including the U.S. Small Business Administration, the Export-Import Bank of the United States, the CDFI Fund, and the Federal Home Loan Bank of Chicago, informed the gathering about new products and opportunities to obtain technical assistance.



Senior Deputy Comptroller for Mid-Size/Community Bank Supervision Toney Bland discusses meeting objectives with Joe Quiroga, President of Texas National Bank and Norman Williams, Chairman and CEO of Illinois Service Federal Savings and Loan Association (left to right). The MDIAC meeting agenda included a review of accomplishments, a discussion of the status of the minority depository institutions, and current topics of interest to the industry.

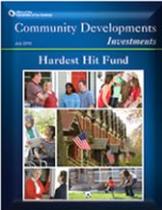
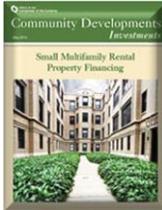
Bankers engaged in peer discussions around several topics of interest, including changing demographics, making banking more accessible, serving poor and distressed communities, collaboration to reduce costs and access new business, and attracting and retaining bank leadership.

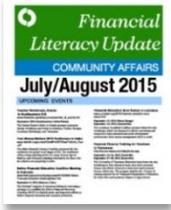
Publications and Resources

Community Affairs publications and resources range from short summaries of community development programs and products called Fact Sheets to more detailed discussions of community development topics

and best practices contained in Community Development Insights reports and newsletters. The Community Affairs Website is a one-stop reference guide and gateway to these resources, as well as the Financial Literacy Update.

Publications and *SuperVisions* articles published during fiscal year 2015 are listed below as well as speeches delivered by Comptroller Thomas Curry.

<i>Insights Reports</i>	<i>Community Developments</i>
<ul style="list-style-type: none"> ▪ Small Business Investment Companies: Investment Option for Banks (September 2015) ▪ Historic Tax Credits: Bringing New Life to Older Communities (May 2015) ▪ See complete listing of Insights Reports here. <div style="display: flex; justify-content: space-around; align-items: center;">   </div>	<ul style="list-style-type: none"> ▪ Hardest Hit Fund: State Programs to Improve Loan Modification Sustainability and Stabilize Communities (July 2015) ▪ Small Multifamily Rental Property Financing (May 2015) ▪ See complete listing of Community Developments here. <div style="display: flex; justify-content: space-around; align-items: center;">   </div>

<i>Financial Literacy Updates</i>	<i>SuperVisions Articles</i>
<ul style="list-style-type: none"> ▪ September/October 2015 ▪ July/August 2015 ▪ May/June 2015 ▪ March/April 2015 ▪ January/February 2015 ▪ November/December 2014 	<ul style="list-style-type: none"> ▪ OCC Hosts Interagency Community Development and CRA Forum ▪ Growing Demand for Rental Housing Offers New Banking Opportunities ▪ Partnerships Serve the Unbanked and Underbanked in Creative Ways ▪ Comptroller Curry Speaks at Summit on New Orleans' Recovery ▪ OCC Works With Banks, Community Leaders on Preserving Affordable Housing in NYC
<i>Fact Sheets</i>	
<ul style="list-style-type: none"> ▪ Affordable Mortgage Lending Opportunities: Exemptions Under the Ability-to-Repay Rule ▪ HUD Section 184 Indian Home Loan Guarantee Program ▪ See complete listing of fact sheets here. 	

Community Affairs Shares *Hot Topics* in Webinar Series

The Community Affairs *Hot Topics* offers engaging speakers and interaction with OCC staff. Community Affairs created the agency wide series to raise awareness of new and effective efforts to develop distressed communities and provide financial services to underserved populations. This knowledge is important to OCC staff working in a variety of contexts, including supervision, policy, compliance, and licensing.

For past *Hot Topics* sessions and materials, please see the *Hot Topics* OCC.net web page.



Community Development Manager Karen Bellesi (far left) hosted the *Hot Topics* session on the unbanked and underbanked.

FY 2015 *Hot Topics* Sessions

- “FDIC Study of the Unbanked and Underbanked”– November 2014
- “B Corps: Meeting Higher Standards of Transparency, Accountability, and Performance”– January 2015
- “Creative Placemaking: How the Arts Can Stimulate Community and Economic Development”– February 2015
- “Presenting FICO® Score 9: FICO's Latest Innovation in Credit Risk Scoring”– March 2015
- “Supporting Our Nation's Renters: Addressing Challenges to Multifamily Housing Affordability and Financing”– April 2015
- “New Tools in Development Finance”– June 2015
- “Income, Expenses, and Savings of the Working Poor”– August 2015
- “Aligning Value with Values”– September 2015

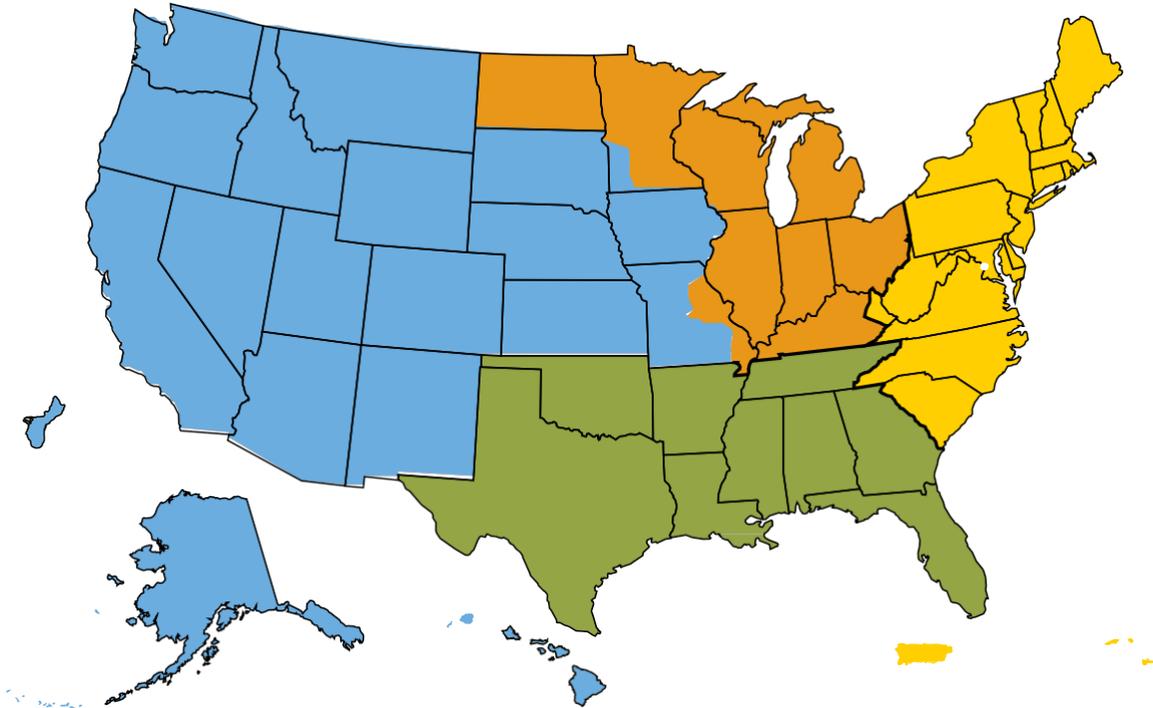
Comptroller Curry Addresses Community Affairs Topics

In a number of speeches and public remarks, Comptroller of the Currency Thomas J. Curry discussed how financial products and bank services are important to local communities and the nation’s economy. The Comptroller focused on positive considerations under the Community Reinvestment Act and highlighted the OCC’s initiatives in support of responsible bank innovation. These remarks include:

- [Comptroller of the Currency Discusses Urban Stabilization and Revitalization](#)
Cleveland, Ohio, September 9, 2015
- [Comptroller Discusses Community Redevelopment](#)
New Orleans, Louisiana, June 18, 2015
- [Comptroller Discusses Efforts to Strengthen Community Banking](#)
Framingham, Massachusetts, April 2, 2015
- [Comptroller of the Currency Discusses Efforts to Protect Seniors from Financial Abuse](#)
Washington, D.C., March 27, 2015
- [Comptroller of the Currency Marks the 150th Anniversary of the Freedman's Bank](#)
Washington, D.C., March 3, 2015
- [Comptroller of the Currency Discusses Financial Literacy Efforts, the Value of Savings](#)
Washington, D.C., February 25, 2015

Community Affairs at Your Fingertips

OCC District Community Affairs Officers and Their Areas of Coverage



■ Western District	■ Central District	■ Southern District	■ Northeastern District
Beth Castro	Paul Ginger	Scarlett Duplechain	Genny Chow
Michael Martinez	Tim Herwig	Nancy Gresham-Jones	Vonda Eanes
Michael Nield	Norma Polanco-Boyd	Lisa Mifflin	Bonita Irving
			Denise Kirk-Murray

E-mail and telephone information for the OCC's District Community Affairs Officers is available at www.occ.gov/cacontacts.

FY 2015 Year in Review

Deputy Comptroller

Barry Wides

Editorial Staff

Hershel Lipow
Courtney Cook
Jason Bouleris
David Black
Karen Bellesi
Denise Murray
Reggie Ellison

How to Contact Us

OCC's Community Affairs staff comprises professionals with diverse expertise in all aspects of community development. District Community Affairs Officers are located throughout the country in district and field offices (see map above).

The Deputy Comptroller for Community Affairs and other Headquarters staff members can be reached at (202) 649-6420 or communityaffairs@occ.treas.gov. District Community Affairs Officers can be reached by calling the numbers listed on page 20.

For more information, visit our web site at www.occ.gov/communityaffairs.

Community Affairs Department
Comptroller of the Currency
400 7th St. SW
Washington, D.C. 20219



Community Affairs



Photo Date: December 2014

Back row, from left: Francis Baffour, Barry Wides, William Reeves, Ammar Askari, Aaron Satterthwaite, Simon Galed, Tim Herwig, Ted Wartell, Michael Carrier, Reggie Ellison

Front row, from left: Letty Shapiro, Susan Howard, Courtney Cook, Sharon Canavan, Denise Murray, Vonda Eanes, Norma Polanco-Boyd, Denise Kirk-Murray, Bonita Irving, Amy Friend (Senior Deputy Comptroller and Chief Counsel), Michael Martinez, David Black, Juanita Page, Nancy Gresham-Jones, Hershel Lipow, Paul Ginger, Beth Castro, Jason Bouleris, Norman Hatton

Not pictured: Karen Bellesi, Genevieve Chow, Scarlett Duplechain, Vernell Maynard, Lisa Mifflin, Michael Nield, Taledia Washington

Community Affairs Staff Directory

Headquarters

Name	Title	Phone
Barry Wides	Deputy Comptroller for Community Affairs	(202) 649-6420
Karen Bellesi	Community Development Manager	(202) 649-6376
Ammar Askari	Community Development Expert	(202) 649-6389
David Black	Community Development Expert	(202) 649-6391
Jason Bouleris	Technical Assistant	(202) 649-6382
Sharon Canavan	Community Relations Expert	(202) 649-6386
Michael Carrier	Community Development Expert	(202) 649-6430
Reggie Ellison	Senior Community Development Analyst	(202) 649-6542
Norman Hatton	Secretary to the Deputy Comptroller	(202) 649-6374
Hershel Lipow	Community Relations Expert	(202) 649-6387
Denise Murray	Community Development Specialist	(202) 649-6379
Juanita Page	Technical Assistant	(202) 649-6383
Letty Shapiro	Community Development Expert	(202) 649-6393
Taledia Washington	Secretary to Community Development Director	(202) 649-6381

District Community Affairs Officers

Northeastern	
Name	Phone
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Vonda Eanes	(704) 350-8377
Bonita Irving	(857) 415-3412
Denise Kirk-Murray	(212) 790-4053
Southern	
Name	Phone
Scarlett Duplechain	(832) 325-6952
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Lisa Mifflin	(813) 284-3203
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Name	Phone
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Tim Herwig	(312) 660-8713
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Name	Phone
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Michael Martinez	(720) 475-7670
Mike Nield	(913) 401-4436