



*25<sup>th</sup> Anniversary*



INTERPRETATIONS

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## *April* [Interpretations and Actions]

1056, 3/29/2006, Letter concludes that a national bank may engage in customer-driven, perfectly matched, cash-settled derivative transactions on reference assets permitted under OCC Interpretive Letter No. 1039 (September 13, 2005), with the exception of emissions allowances, and on frozen concentrate orange juice, low density polyethylene and polypropylene, provided the bank's examiner-in-charge is satisfied that the bank has adequate risk management and measurement systems and controls to conduct the activities on a safe and sound basis.

## *May* [Interpretations and Actions]

1057, 6/14/2005, Letter confirms the appropriate capital treatment of a multipurpose loan commitment where the borrower has the option to utilize the commitment in one of several ways, including a standby letter of credit.

1058, 4/20/2005, Interagency letter addressing the risk-based capital treatment of structured second mortgages.

1059, 4/13/2006, Letter concludes that a national bank may engage in customer-driven, perfectly matched, cash-settled derivative transactions (such as swaps, options, forwards, caps, floors, collars, and futures) where payments are based on prices of (i) polypropylene: injection molding (copoly) (2,6); (ii) old corrugated cardboard #11 (OCC 11); and (iii) the Dow Jones AIG Commodity Index, provided the bank's examiner-in-charge is satisfied that the bank has adequate risk management and measurement systems and controls to conduct the activities on a safe and sound basis.

1060, 4/26/2006, Letter concludes that a national bank may engage in customer-driven coal derivative transactions that settle in cash or by transitory title transfer and that are hedged on a portfolio basis with derivative and spot transactions that settle in cash or by transitory title transfer, provided the bank's examiner-in-charge is satisfied that the bank has adequate risk management and measurement systems and controls to conduct the activities on a safe and sound basis.

## INTERPRETATIONS

1061, 4/28/2006, Letter states that loans secured by insured non-negotiable certificates of deposit issued by other institutions do not qualify for the exception in the legal lending limit for loans secured by certain other loans (12 CFR 32.3(c)(3)(i)(B)) nor for the additional lending limit described in 12 CFR 32.3(a) for loans secured by readily marketable collateral.

1062, 4/24/2006, Letter grants request of certain affiliated banks of a waiver from Part 12's requirement that bank officers and employees who make investment recommendations or decisions for customers must report their personal transactions in securities to the bank within 10 business days after the end of the calendar quarter.