



Comptroller of the Currency
Administrator of National Banks

Community Developments

Community Affairs
Department

Fact Sheet

Part 24 Filings on e-Corp

National banks may make investments that are designed primarily to promote the public welfare, as specified in 12 USC 24 (Eleventh) and its implementing regulation, 12 CFR Part 24. A bank's investment under Part 24 must be designed primarily to promote the public welfare, such as by providing housing, services, or jobs. Specifically, a national bank or national bank subsidiary may make an investment directly or indirectly if the investment primarily benefits low- and moderate-income individuals, low- and moderate-income areas, or other areas targeted by a governmental entity for redevelopment, or the investment would receive consideration as a "qualified investment" under 12 CFR 25.23 of the Community Reinvestment Act (CRA).

Part 24 allows national banks to make investments not otherwise expressly permitted under the National Bank Act. Banks have used the Part 24 investment authority to develop and own affordable housing and other commercial and industrial real estate developments, provide equity for small business start-ups and expansions, and revitalize or stabilize government-designated development areas. Further, Part 24 requires that a bank must limit its liability with regard to those investments, and that a bank's aggregate investments under Part 24 cannot exceed 15 percent of its capital and surplus.

Because of the special nature of a bank's community development investments, the regulation requires banks to notify the OCC either through after-the-fact notice or a prior approval procedure. Both of those

processes are described in the regulation under 12 CFR § 24.5.

National BankNet

Now, banks have the option to submit their Part 24 applications to the OCC via the National BankNet.

National BankNet, www.banknet.gov, is a secure, limited-access Web site for financial institutions regulated by the OCC. National BankNet is an information portal that provides special OCC communications about "hot banking topics," banking tools, forms and applications, and banking resources. It also acts as a vehicle for banks to deliver accurate, timely, confidential data to the OCC on a secure platform that ensures both information security and data integrity.

E-Corp is one of the tools located on National BankNet. Specifically, e-Corp is an electronic process for banks to complete and submit a variety of corporate applications and notices to the OCC, including the new enhancement of the application involving national banks' Part 24 community development investments.

Electronic Submission of Part 24 Filings

A national bank may submit, electronically, its Part 24 filing by using the CD-1- National Bank Community Development (Part 24) Investments form that is available on e-Corp. The CD-1 form allows the bank to provide information about its community development investment -- for both the Part 24 after-

the-fact and prior approval procedures. A bank that uses the CD-1 form on e-Corp will meet the requirements of Part 24.

A bank may use the CD-1 form on e-Corp to draft, save, and submit its after-the-fact notices and prior approval requests. Banks have the ability to develop and then return to saved drafts. The bank can submit the entire application, including attachments, and then sign and certify the application, electronically.

The CD-1 form on e-Corp provides a detailed “help” function that assists the bank to complete the form. In addition, the CD-1 form enables the bank user to click on statutory and regulatory text and OCC policies and resources that are associated with individual data fields.

Once the OCC receives the CD-1 form through e-Corp, the authorized representative at the bank will receive a letter acknowledging the receipt of the Part 24 application. The OCC’s Community Affairs staff processes the Part 24 application, and staff may contact the bank for additional and/or clarifying information. Once the due diligence process has been completed, the bank will receive a formal OCC letter indicating whether the investment has been approved.

OCC generally notifies the bank of the agency’s decision, in writing, within 30 days after receiving the CD-1 form. OCC also may extend the review period by notifying the bank.

Accessing the CD-1 form on National BankNet

The following are the steps a national bank should use to access the CD-1 form on e-Corp:

1. Log-in to BankNet (www.banknet.gov)
2. From the homepage, click on “Forms and Applications” at the top of the page
3. Scroll down to the center of the page, and click on “OCC’s Electronic Part 24 Investment Form”

4. Read the Disclaimer, and click “Continue”
5. Click on “New/Draft Application”
6. Choose “Select an Application” type from the drop down menu, and click on “Continue”
7. Identify an “Application Nickname”
8. Complete and submit the remainder of the Application

Frequently Asked Questions and Answers

If my bank uses e-Corp to submit the CD-1 form, should it also send the CD-1 form through the mail for the same Part 24 investment?

A bank that submits its CD-1 form on e-Corp is **not** required to mail a hard copy of the same application to the OCC.

Although e-Corp provides an efficient, user-friendly process for banks, the OCC does not require that national banks use the CD-1 form on e-Corp for Part 24 submissions. A bank may continue to submit a CD-1 form via mail, fax, or email. In that case, the CD-1 form should be sent to:

Community Affairs Department
Office of the Comptroller of the Currency
Washington, DC 20219

Fax: 301-433-9062

email: CommunityAffairs@occ.treas.gov

Along with other community development investment resources, a pdf version of the CD-1 form is available for downloading from Community Affairs web site:

<http://www.occ.treas.gov/cdd/CD-1.pdf>

What advantages does e-Corp provide?

National banks that use e-Corp for other corporate applications tell us that the system provides several advantages. Banks find the help functions in e-Corp

very useful, particularly having the statutory, regulatory, and OCC policies all in one place. Banks also like the “draft” feature that enables them to develop and save the template for an investment and fill in more specifics as investment deals are finalized. Banks that submit more than one Part 24 application at a time to the OCC, especially for investments that are similar in nature, like the ability to cut and paste information and upload attachments. Banks also appreciate being able to track the applications that they submit to the OCC on the e-Corp system as well as the automatic receipt of acknowledgement letters.

May the bank save a draft of the electronic application?

Banks have the ability to save a draft version of the CD-1 form on e-Corp prior to submitting it to Community Affairs for review. Draft applications will be saved for one year as of the date of the last bank edit to the application. The OCC only reviews a bank’s application after it has been submitted.

Will e-Corp save all the bank’s Part 24 applications?

E-Corp will save all the CD-1 forms that a bank submits. After the CD-1 form has been submitted, a bank may review the PDF versions. However, the bank may not change any data to a previously submitted CD-1 form in e-Corp. After the CD-1 form on e-Corp has been submitted, a bank provides additional information or clarifications directly to Community Affairs, typically through mail, fax or email.

Note that, currently, e-Corp will not save CD-1 forms, additional information or other correspondence that a bank submits to the OCC via the mail, fax or email.

How does a bank create a BankNet Account?

National BankNet access is available only to national banks. To initiate access to National

BankNet, a bank needs to complete a certification indicating the names of bank employees that have been delegated the authority to serve as a “BankNet Agent” and “Audit Reviewer”. The certification also provides that the bank will institute procedures to secure and protect any nonpublic OCC information that may be maintained on, or accessed from the National BankNet. Such information is subject to the use and disclosure restrictions specified at 12 CFR 4.37.

The certification form can be found at: <https://www.banknet.gov/registration/cert.aspx>, Complete the certification, print, sign and fax it to the Comptroller of the Currency; National BankNet Assistance Center at

301-333-7093.

A member of the OCC's National BankNet Assistance Center will contact your BankNet Agent to complete the process of making National BankNet available to your bank.

How does a banker determine who has access to use BankNet?

To receive a BankNet account, the bank identifies a person as the “Banknet Agent.” That person authorizes the roles of other bank staff for access to BankNet. A “drafter” is permitted to fill-in the data fields and attach appropriate documents to the CD-1 form. However, only the person designated as the “signer” is authorized to certify and submit the CD-1 form on e-Corp. The “signer” commits the bank to the information contained on the CD-1 form. In some cases, a banker may “draft” as well as “sign” the application, but assignment of those roles is determined by the protocol established by each bank.

A banker who currently is responsible for submitting Part 24 applications via the mail should identify and discuss access to e-Corp with the bank’s BankNet

Agent. Community Affairs staff can assist a banker to identify the bank's BankNet Agent.

For more information

- OCC's Web site for information about national bank community development (Part 24) investments generally at <http://www.occ.treas.gov/cdd/pt24toppage.htm>
- Community Affairs staff, including the ten District Community Affairs Officers located across the nation <http://www.occ.treas.gov/cdd/contacts.htm>