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## OCC Update June – October 2008

*OCC Update* is an electronic newsletter that provides information about the Office of the Comptroller of the Currency's (OCC) work in the fair treatment and fair access to financial services of all Americans.

### 1. Community Affairs News

#### **Statement on U.S. Banking Plan**

Comptroller Dugan issued a statement on October 14, 2008 regarding plans to strengthen the U.S. banking and financial system. [View the news release now.](#)

#### **Housing Summit**

Deputy Comptroller for Community Affairs Barry Wides highlighted community stabilization in the foreclosure crisis at a housing summit on October 7, 2008 that was sponsored by the U. S. Department of Housing and Urban Development and the Treasury. [View his remarks now.](#)

#### **Fraudulent Correspondence**

[OCC Alert 2008-42](#) issued October 3, 2008 warns of fraudulent correspondence regarding the release of funds supposedly under the control of the Comptroller of the Currency.

#### **Financial Literacy Update**

The OCC's first periodic [Financial Literacy Update](#) covering October - November 2008 contains information about upcoming events, new initiatives, and listings of financial literacy and consumer financial education resources. [Also view the OCC's Financial Literacy Resource Directory now.](#)

- [Responsible Mortgage Lending](#)
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## **New Community Development Director**

The OCC named Beth Castro Director of Community Development. She reports to Barry Wides, Deputy Comptroller for Community Affairs. [View the news release now.](#)

## **Public Welfare Investments**

The OCC issued an interim final rule on August 11, 2008 to restore the full authority of national banks to make investments designed primarily to promote the public welfare. [View the news release now.](#)

## **Fair Lending Conference**

Comptroller Dugan highlighted the importance of fair lending in his [speech](#) at the OCC's Fair Lending Conference held on September 9-10, 2008 in New Orleans.

## **Minority-Owned National Banks**

The OCC has reissued and updated its Policy Statement on Minority-Owned National Banks. [View the news release now.](#)

## **Multibank Community Development Corporations**

The OCC released the Fall 2008 edition of Community Developments Investments focusing on Multibank Community Development Corporations (CDC). [View the newsletter now.](#)

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## **2. Mortgage Lending and Foreclosures**

### **Comptroller Dugan's Comments on Housing Legislation**

Comptroller Dugan issued a statement July 30, 2008 following the signing of the Housing and Economic Recovery Act of 2008. [View the news release now.](#)

### **Responsible Mortgage Lending**

Comptroller Dugan issued a statement July 8, 2008 after the Forum on Mortgage Lending for Low- and Moderate-Income Households sponsored by the FDIC. [View the](#)

- [Statement Issued on Regulatory Capital Calculations](#)
- [Changes to Rights of Servicemembers Detailed](#)
- [Use of Capital Purchase and Liquidity Guarantee Programs Encouraged](#)
- [The OCC's Deputy Comptroller for International Banking Supervision Addresses the International Association of Insurance Supervisors](#)
- [Changes to FCRA Examination Procedures Addressed](#)
- [Shared National Credits Program Releases Review](#)
- [Agencies Seek Public Comment on Risk Weights](#)
- [Reg Z Examination Procedures Revised](#)
- [Banks Given Discretion to Close during](#)

[news release now.](#)

### **OCC Mortgage Metrics Report**

In a [speech](#) to the American Securitization Forum in New York on June 11, 2008, Comptroller Dugan unveiled a new OCC Mortgage Metrics Report and focused on delinquencies, loss mitigation actions, and foreclosures in mortgages serviced by national banks. [Also see the report now.](#)

### **OCC and OTS Mortgage Metrics Report**

The OCC and the OTS issued a [Joint Report](#) on September 12, 2008 detailing the performance of approximately 60 percent of all first lien mortgages outstanding in the United States. [View the joint news release now.](#)

### **Hope Now Data**

Comptroller Dugan issued a statement on July 2, 2008 regarding the release of new data from the Hope Now Alliance. [View the news release now.](#)

### **Stabilizing Communities Symposium**

In opening remarks to the Stabilizing Communities Symposium on July 15, 2008, Deputy Comptroller for Community Affairs Barry Wides highlighted innovative solutions to the foreclosure crisis. [View his remarks now.](#) [Also view the symposium announcement now.](#)

### **Covered Bonds**

On July 28, 2008, Comptroller Dugan made a statement regarding covered bonds at a press conference sponsored by the Department of Treasury. [View the news release now.](#)

Also see [OCC Bulletin 2008-29](#), issued October 20, 2008, which describes how national banks' covered bond issuances may satisfy FDIC requirements and qualify for expedited access to certain pledged covered bond collateral.

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- [Agencies Evaluate FASB's Accounting Proposals](#)
- [Agencies Issue Release on Fannie Mae and Freddie Mac Exposure](#)
- [Comptroller Dugan Addresses Interagency Minority Depository Institutions National Conference](#)
- [Joint Forum Releases Credit Risk Transfer Paper](#)
- [Comptroller Dugan Testifies Before Senate](#)

### 3. Community Reinvestment

#### SBA 7(a) Loan Guarantee Program Report

The OCC published a Community Developments Insights report that looks at bank participation in the SBA's 7(a) Loan Guarantee Program. [View the report now.](#)

#### The OCC's Completed CRA Public Evaluations

CRA evaluations announced through September 2008 include:

- [CRA evaluations](#) for 19 national banks (AZ, CT, DC, IL, NE, NY, OK, PA, SC, TX, VA).
- [CRA evaluations](#) for 27 national banks (CA, CT, DE, FL, GA, IL, KS, MA, MI, MO, MS, NE, NJ, NY, OH, OK, PA, TN, TX, VT).
- [CRA evaluations](#) for 21 national banks (AK, AL, CA, IA, IL, KS, LA, MN, MO, NE, NY, OH, OK, TX, WI).
- [CRA evaluations](#) for 28 national banks (AL, GA, IL, MO, MT, NC, NE, OH, OK, PA, SC, TX, VA, WI, WV).
- [CRA evaluations](#) for 26 national banks (AR, CO, DE, FL, GA, IL, LA, MT, NC, NY, OH, OK, PA, TX, WA).
- [CRA evaluations](#) for 24 national banks (AR, CO, FL, KS, MD, MN, MO, NM, NY, OH, PA, SD, TX, VA, WA, WI, WV).

View the OCC's [4th Quarter 2008](#) CRA examination schedule.

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### 4. Enforcement

#### First Heritage Bank, N.A.

OCC closed First Heritage Bank, N.A., Newport Beach, CA and appoints FDIC receiver. [View the news release now.](#)

#### First National Bank of Nevada

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- [The OCC Deputy Comptroller for Credit and Market Risk Testifies Before Senate Subcommittee](#)
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OCC closed First National Bank of Nevada and appoints FDIC receiver. [View the news release now.](#)

The OCC's Web site has a searchable database of all public enforcement actions taken since August 1989. Recent enforcement actions include:

- [News Release 2008-123](#) announces 17 enforcement actions and 1 termination of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AL, AZ, CA, CO, FL, IL, IN, KS, MO, PA, TN, UT, WY).
- [News Release 2008-111](#) announces 12 enforcement actions and 2 terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AZ, CO, IA, KS, MO, NY, SD, TN, TX, OH, VA, SD).
- [News Release 2008-41](#) announces 12 enforcement actions and 4 terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (CA, CO, FL, GA, IN, IA, MI, MT, NC, NE, NY, OH, SD).
- [News Release 2007-31](#) announces 8 enforcement actions and 2 terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (CA, CO, MI, MN, NC, NE, OH, TN, WI).
- [News Release 2008-21](#) announces 9 enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (CA, IN, KS, OK, TN, TX).

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## 5. Supervision

## **Response Given to National City Corporation Acquisition**

Comptroller Dugan responded on October 28, 2008 to Congressman LaTourette about PNC Financial Services Group's acquisition of National City Corporation. [View his letter now.](#)

## **Comptroller Discusses Market Events**

In [remarks](#) to OCC managers on October 20, 2008, Comptroller Dugan discussed the agency's response to market events of the past year and lessons learned from those events.

## **Statement Issued on Regulatory Capital Calculations**

[OCC Bulletin 2008-31](#) discusses the interagency statement issued October 24, 2008 by the federal banking and thrift regulatory agencies regarding third-quarter 2008 regulatory capital calculations relating to Fannie Mae and Freddie Mac preferred stock.

## **Changes to Rights of Servicemembers Detailed**

[OCC Bulletin 2008-30](#) issued October 24, 2008 details changes in the Servicemembers Civil Relief Act affecting the rights of servicemembers during their military service.

## **Use of Capital Purchase and Liquidity Guarantee Programs Encouraged**

On October 20, 2008, the federal banking and thrift regulatory agencies encouraged all eligible institutions to use the Treasury Department's Capital Purchase Program and the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program. [View the joint news release now.](#)

## **The OCC's Deputy Comptroller for International Banking Supervision Addresses the International Association of Insurance Supervisors**

On October 16, 2008, Deputy Comptroller for International Banking Supervision Delora Jee spoke to the International Association of Insurance Supervisors about credit risk transfer and other financial market issues. [View her remarks now.](#)

## **Changes to FCRA Examination Procedures Addressed**

[OCC Bulletin 2008-28](#) issued October 15, 2008 updates additions to FCRA examination procedures addressing affiliate marketing, opt-out notices, and duties of credit report users.

## **Shared National Credits Program Releases Review**

The federal bank and thrift regulators on October 8, 2008 released the results of the Shared National Credits Program reporting a large increase in credit volume and significant deterioration in credit quality. [View the joint news release now.](#)

## **Agencies Seek Public Comment on Risk Weights**

The federal bank and thrift regulatory agencies announced on October 7, 2008 that they will request public comment on a joint notice of proposed rulemaking (NPR) to allow a banking organization to assign a 10 percent risk weight to claims on, and portions of claims guaranteed by, Fannie Mae and Freddie Mac. [View the joint news release now.](#)

## **Reg Z Examination Procedures Revised**

[OCC Bulletin 2008-27](#) issued October 6, 2008 describes the examination procedures revised to reflect changes to Regulation Z relating to e-communication and the regulation's relationship to the E-Sign Act. Also see the [Truth in Lending booklet](#) of the [Comptroller's Compliance Handbook](#) series.

## **Banks Given Discretion to Close During Emergencies**

[OCC Bulletin 2008-26](#) issued October 3, 2008 reminds banks that they have discretion to decide whether to open or close during a natural disaster or other emergency, and encourages banks to work with affected borrowers.

## **The OCC Approves Applications for JPMorgan Chase Bank**

On September 26, 2008, the OCC approved applications for JPMorgan Chase Bank, NA to acquire assets and liabilities from Washington Mutual Bank, and to merge Washington Mutual Bank FSB, into JPMorgan Chase Bank,

NA. [View the approval letter now.](#)

### **The OCC Approves Morgan Stanley Conversion to National Bank**

The OCC announced on September 22, 2008 that it has conditionally approved the application of Morgan Stanley Bank to convert to a national banking association to be called Morgan Stanley Bank, National Association. [View the conditional approval letter now.](#)

### **OCC Bulletin Summarizes Capital Treatment of Asset-based Commercial Paper**

[OCC Bulletin 2008-23](#) briefly summarizes an interim final rule concerning the risk-based capital treatment for certain asset-backed commercial paper (ABCP) purchased by national banks pursuant to a special lending facility established by the Federal Reserve System. The OCC seeks comments on all aspects of the interim rule.

### **Agencies Evaluate FASB's Accounting Proposals**

The federal banking agencies announced September 15, 2008 that they are evaluating the amendments to generally accepted accounting principles proposed by the Financial Accounting Standards Board (FASB). [View the joint news release now.](#)

### **Agencies Issue Release on Fannie Mae and Freddie Mac Exposure**

The federal banking agencies issued a joint release September 7, 2008 on the exposures of banks and thrifts to Fannie Mae and Freddie Mac. [View the joint news release now.](#)

### **Comptroller Dugan Addresses Interagency Minority Depository Institutions National Conference**

On July 17, 2008, Comptroller Dugan addressed the Interagency Minority Depository Institutions National Conference and discussed the challenges and opportunities facing minority-owned banks. [View the speech now.](#) [Also see the conference announcement now.](#)

### **Joint Forum Releases Credit Risk Transfer Paper**

The Joint Forum on July 31, 2008 released its paper



entitled [Credit Risk Transfer - Developments from 2005 to 2007](#) focusing on two financial instruments that have been used widely to transfer credit risk. [View the news release now.](#)

### **Comptroller Dugan Testifies Before Senate Committee**

On June 5, 2008, Comptroller Dugan updated the Committee on Banking, Housing, and Urban Affairs on recent events in the financial markets and the condition of the national banking system. [View his written statement now.](#)

### **Comptroller Dugan Discusses Consumer Compliance**

Comptroller Dugan told a meeting of the OCC's compliance examiners on July 7, 2008 that the OCC must continue to focus on consumer compliance. [View the Comptroller's remarks now.](#)

### **The OCC's Deputy Comptroller for Credit and Market Risk Testifies Before Senate Subcommittee**

On July 9, 2008, OCC Deputy Comptroller for Credit and Market Risk Kathryn Dick testified before the Senate Subcommittee on Securities, Insurance, and Investment. [View her written statement now.](#)

### **Bank Commercial and Retail Underwriting Standards Tighten**

On June 12, 2008, the OCC released its 14th annual Survey of Credit Underwriting Practices. [View the news release now.](#)

[Also view the 2008 Survey of Credit Underwriting Practices now.](#)

### **Electronic Interpretations and Actions, June - September 2008**

Electronic Interpretations and Actions, June - September 2008

- [View September](#) electronic *Interpretations and Actions*.

- [View August](#) electronic *Interpretations and Actions*.
- [View July](#) electronic *Interpretations and Actions*.
- [View June](#) electronic *Interpretations and Actions*.

### **LIHTC Web and Telephone Seminar**

On September 10, 2008, the OCC hosted a live Web and telephone seminar on opportunities for banks that invest in projects funded through Low-Income Housing Tax Credits. [View the news release now.](#)

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## **6. Web Resources**

### **The OCC's Web Sites**

The OCC's Web site [www.helpwithmybank.gov](http://www.helpwithmybank.gov) has information links and provides answers to questions frequently asked by national bank customers.

Also see the [Consumer Protection News](#) and [Anti-fraud Resources](#) found on the OCC's Web site [www.occ.gov](http://www.occ.gov).

### **Non-OCC Web Sites**

The following Web resources are related to OCC news topics, but are not produced by the OCC and do not appear on the OCC's public Web site. Note that the privacy policies of those sites may differ from the OCC's privacy policy.

### **Government**

The President's Council on Financial Literacy and the Financial Literacy and Education Commission promote access to financial education tools and help all Americans make wiser financial choices. The U.S. Treasury Department's [Office of Financial Education](#) coordinates the efforts of the Commission and the President's Council.

The U.S. government's Web site [www.mymoney.gov](http://www.mymoney.gov) is dedicated to teaching all Americans about financial education. The site provides financial education resources and on-line financial tools and calculators. The site

includes the new *Money Math: Lessons for Life* curriculum designed to teach mathematical concepts using personal finance scenarios. [View the curriculum now.](#)

[Go Direct](#) is the direct deposit campaign sponsored by the U.S. Treasury Department and Federal Reserve banks. The Treasury Department has also launched its new [Direct Express](#) prepaid debit card for unbanked federal beneficiaries.

The IRS has launched a campaign to help new small businesses. [View the release now.](#)

### **Industry**

[MyMoneyManagement.net](#) is a unique industry-wide effort to provide consumers with comprehensive financial education resources to help guide their personal finance decision-making. The Web site provides information and encouragement to consumers in financial distress to contact their lenders or a U.S. Department of Justice-certified credit counselor.

[The Financial Services Roundtable's Housing Policy Council](#) is collaborating with [NeighborWorks America](#), the [Homeownership Preservation Foundation](#), and other lenders to support the 888-995-HOPE hotline and its foreclosure prevention counseling.

A National Ad Council campaign promotes the [888-995-HOPE](#) service. The campaign's television and radio advertisements urge homeowners in financial difficulty to call the hotline to find solutions that can prevent foreclosures.

The [Consumer Bankers Association initiatives](#), including the "Credit Fairy" and "Hit the Books Running" campaigns, are committed to expanding financial education and improving consumers' understanding of the complexities of consumer financial services.

The [National Community Investment Fund](#), a non-profit, private equity trust that invests in banks, a non-profit, private equity trust that invests in banks, thrifts and

credit unions that generate both financial and social returns, is holding its [Annual Banking Development Conference](#) in Chicago on November 6 – 7, 2008. The conference is for professionals and organizations who are stakeholders in financing the economic development of disadvantaged communities.

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Congress created the Office of the Comptroller of the Currency to charter national banks, to oversee a nationwide system of banking institutions, and to assure that national banks are safe and sound, competitive and profitable, and capable of serving in the best possible manner the banking needs of their customers.

You are subscribed to receive periodic news and information from the Community Affairs Department of the Office of the Comptroller of the Currency. For more information, visit OCC's [Community Affairs page](#).

To unsubscribe, visit <http://www.occ.gov/canewslistserv.htm>.