



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC Issues Proposed Rule on Electronic Banking

WASHINGTON -- The Office of the Comptroller of the Currency (OCC) published a proposed rule in today's *Federal Register* that would remove unnecessary impediments to the use of technology by national banks and provide simpler and clearer guidance for electronic and developing technologies activities. The proposed rule would also codify positions that the OCC has taken previously in interpretive letters to national banks.

"We want to make it easier for national banks to take advantage of electronic banking opportunities," said Julie Williams, First Senior Deputy Comptroller and Chief Counsel. "We support a regulatory environment that recognizes the profound effect of technology on the design and delivery of financial products and services."

The proposed rule would establish a new section in part 7 of OCC regulations addressing the authority of national banks to conduct activities by electronic means. For example, the new section includes provisions codifying a national bank's authority to act as a digital certification authority, to engage in data processing activities and to market and sell excess electronic capacity. The proposal also updates the OCC's rule authorizing national banks to act as finders. National banks have used this authority as an important basis for conducting business over the Internet. Finally, the proposal offers guidance to national banks seeking to conduct new activities electronically by describing the factors the OCC uses to determine if an electronic activity is part of, or incidental to, the business of banking.

The proposal requests comments in several developing areas of electronic banking. Comment is requested on the ability of a national bank to issue a digital certificate that verifies that the holder has particular authority or financial capacity. In particular, the OCC is interested in comments on the risks posed by this activity and the extent that banks propose to engage in it.

Comment is also requested on whether the OCC should permit national banks to provide limited amounts of nonfinancial information processing for customers in conjunction with financial data processing. National bank customers sometimes request this service so that they can avoid using two sources for data processing. The OCC is considering a rule that would allow national banks to derive a certain percentage of data processing revenue from processing nonfinancial data. This approach would be similar to the approach adopted by the Federal Reserve Board for bank holding companies.

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The proposed rule clarifies that a national bank will not be considered “located in” a state simply because it maintains a technology-based facility, such as an automated loan center or a network server, in that state or because customers in that state electronically access a bank’s products and services. This approach is consistent with the trend reflected in recent judicial rulings.

Comments on today’s [proposed rule](#) are due on August 31.

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The OCC charters, regulates and examines approximately 2,200 national banks and 56 federal branches of foreign banks in the U.S., accounting for more than 55 percent of the nation’s banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.