



Comptroller of the Currency
Administrator of National Banks

Office of the Comptroller of the Currency Policy Statement on Minority-Owned National Banks

The Office of the Comptroller of the Currency (OCC) recognizes the importance of minority-owned national banks in supporting and promoting the economic viability of the communities they serve. Consistent with its mission of ensuring a safe, sound, and competitive banking system, the OCC seeks to advance the objectives of Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), including the preservation of a robust and healthy minority-owned national bank sector and the creation of new minority-owned national banks.

Definition of Minority-Owned National Banks

A minority-owned national bank is a national bank that is more than 50 percent owned or controlled by African Americans, Native Americans, Hispanic Americans, Asian Americans, or women.

Identification of Minority-Owned National Banks

The OCC maintains a list of minority-owned national banks and makes it available on *National BankNet* (OCC's secure, limited-access "extranet" Web site for national banks) and the agency's External Outreach and Minority Affairs page on its public Web site at <http://www.occ.gov/minority.htm>.

Formation of Minority-Owned National Banks

The OCC provides advice and technical assistance to minority bank applicants interested in entering the national banking system. The OCC has produced materials useful to national bank organizing groups that can facilitate their development of national bank applications. The OCC assists organizers of minority-owned national banks through pre-filing meetings and comments on draft applications. Requests for such assistance should be directed to the licensing director in the OCC's district office that serves the area in which the bank will be headquartered.

A minority-owned national bank may be eligible for designation as a community development bank if its activities will primarily support: (1) low- and moderate-income individuals or areas; (2) government targeted revitalization areas; or (3) activities that would be considered "qualified investments" under the Community Reinvestment Act. The institution's designation as a

community development bank can facilitate investments in that community development bank by other depository institutions.

Examination Support for Minority-Owned National Banks

A supervisory strategy is developed annually for each minority-owned national bank. The supervisory strategy is based on the risks facing the individual minority-owned national bank and addresses specific supervisory issues identified by the OCC as requiring attention. As part of the supervisory strategy, OCC examiners will also consider the minority-owned national bank's need for technical assistance, training, and education in areas such as compliance, risk management, and operational issues.

The OCC assigns to each minority-owned national bank an Assistant Deputy Comptroller and portfolio manager who are familiar with the issues and needs of the individual minority-owned bank. Assignment of examiners to minority-owned national banks takes into account the expertise and background needed to properly evaluate the products and services offered by those institutions and the markets and environments in which they operate.

Each OCC district has expert advisors who are available to provide minority-owned national banks with guidance on subjects such as credit, asset management, consumer compliance, capital markets, bank information systems, legal issues, and economic conditions.

The OCC periodically convenes meetings and discussions among Assistant Deputy Comptrollers with responsibility for supervision of minority-owned national banks to exchange information and best practices for supervising minority-owned national banks.

Capital for Minority-Owned National Banks

The OCC supports investments by national banks in minority-owned banks pursuant to the public welfare investment authority (12 U.S.C. § 24(Eleventh) and 12 C.F.R. Part 24 ("Part 24")) and will give positive consideration under the Community Reinvestment Act to national banks that invest in minority-owned banks.

Accessing Peer Data for Minority-Owned Institutions

The OCC promotes the use of the Comparative Analysis Reporting system which includes publicly available call report data on all FDIC-insured banks. A minority-owned national bank can use this system to develop peer group analyses that help the bank to identify its relative strengths and weaknesses by comparing its performance to other specified banks or groups of banks. The system can be accessed on *National BankNet* at <https://www.banknet.occ/Portal/Banking.aspx>.

Resolution of Supervisory Cases

In the course of its ongoing supervision, the OCC provides technical assistance to help prevent the failure of minority-owned national banks. In resolving supervisory cases involving minority-owned national banks, the OCC encourages remedies, including mergers and acquisitions, which are consistent with the institution's safety and soundness and the goal of maintaining its minority ownership.

Information, Education, and Outreach for Minority-Owned National Banks

The OCC provides relevant information to minority-owned national banks through the publication *OCC Highlights* as well as its *External Outreach and Minority Affairs* page on the OCC's Web site at <http://www.occ.gov/minority.htm>.

A series of workshops is offered to national bank directors covering a variety of topics relevant to all community banks, including those with minority ownership. The OCC actively promotes these workshops to minority-owned national banks and encourages their directors to participate.

The OCC, in collaboration with the Federal Reserve Board, the Federal Deposit Insurance Corporation, and Office of Thrift Supervision, annually co-sponsors an interagency national conference for minority-owned banks and thrifts. The purpose of the conference is to highlight recent regulatory developments and provide OCC executive leadership and managers an opportunity to understand issues facing minority-owned banks and identify strategies to address them.

A Community Affairs Officer is assigned to each minority-owned national bank to provide technical assistance to those institutions interested in structuring community development investments under the national bank public welfare investment authority (Part 24). Upon request, Community Affairs Officers also advise minority-owned national banks in designing community development initiatives.

Periodic Surveys of Minority-Owned National Banks

The OCC periodically surveys minority-owned national banks to assess the effectiveness of its education, outreach, and technical assistance efforts.

Annual Report

Beginning in 2008, the OCC's Annual Report includes a summary of the agency's activities to support minority-owned national banks.


Roles and Responsibilities

The OCC's Senior Advisor for External Outreach and Minority Affairs serves as the agency's focal point for minority-owned national bank matters. The OCC's efforts in support of minority-owned national banks are coordinated through the Minority-Owned National Bank Working

Group, which is comprised of representatives of External Outreach and Minority Affairs, Community/Mid-Size Bank Supervision, the Chief National Bank Examiner, Public Affairs, and Community Affairs.

Conclusion

The OCC recognizes the important role of minority-owned national banks in their communities and our national banking system. The agency remains committed to employing measures and resources that will encourage and preserve minority ownership of national banks.



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Date