

NR 95-16  
February 9, 1995

OCC GRANTS NATIONAL BANK CHARTER FOR NEW  
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

The Office of the Comptroller of the Currency (OCC) today announced it has approved the formation of Neighborhood Development Bank, N.A. (NDB), San Diego, CA. This marks the first time the agency has chartered a national bank with a community development focus. Simultaneously, the OCC announced it had approved a request from Wells Fargo Bank, N.A., San Francisco, to make a direct equity investment in NDB.

NDB's initial target area is Southeast San Diego, a financially underserved area with a high concentration of low- and moderate-income and minority residents. NDB plans to address the community's affordable housing needs and the credit needs of local small businesses, including minority and women-owned small businesses.

Wells Fargo Bank, N.A., San Francisco, and two state-chartered banks are serving as the co-lead investors in NDB. Wells Fargo Bank received approval to make an equity investment in NDB and its proposed bank holding company under the OCC's authority for Community Development Investments (12 C.F.R. Part 24). The investor banks have also provided the organizers with significant support and assistance through the charter application process, including providing facilities, equipment and expertise. The organizers hope to receive additional capital from banks, other private corporations, pension funds and individuals. An application to form a bank holding company, Neighborhood Bancorp, is pending Federal Reserve Board approval.

The newly chartered NDB plans to seek federal funding as a community development financial institution under the Reigle Community Development and Regulatory Improvement Act of 1994.

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