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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Office of the Comptroller of the Currency**

### **Policy Statement on Minority-Owned National Banks**

Recognizing the important role that minority-owned banks play in addressing financial services needs in the minority and low-income communities they serve, the Office of the Comptroller of the Currency (OCC) affirms its commitment to encouraging the success of these banks. Consistent with the goals of Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), which include preserving existing minority depository institutions and promoting the creation of new minority depository institutions, this statement outlines OCC policies and initiatives that further the ability of minority banks to prosper and meet the needs of their communities. These policies complement the OCC's overall mission of ensuring a safe, sound, and competitive banking system.

#### **Definition of Minority-Owned Banks**

OCC's definition of minority-owned bank is consistent with that established by the Treasury Department for eligibility in the Minority Bank Deposit Program and includes minority-owned or controlled banks as well as banks owned, controlled, and operated by women.

#### **Identification of Minority-Owned Banks**

OCC will annually identify minority-owned national banks that participate in the Treasury Department's Minority Bank Deposit Program. OCC will maintain a list of minority-owned national banks and make it available on *National Banknet* and the OCC's Web site to entities interested in establishing business relationships with minority-owned institutions.

#### **Formation of Minority-Owned Banks**

The OCC provides advice and technical assistance to minority bank applicants interested in entering the national banking system. A national bank whose mission focuses on low- and moderate-income individuals or areas or government revitalization areas may be eligible for designation as a community development focus bank which would facilitate investments by other depository institutions. The OCC has produced materials geared to minority bank organizers, which facilitate the development of national bank applications. The OCC also provides

assistance to organizers of minority institutions through pre-filing meetings and comments on draft applications. Requests for such assistance should be directed to the licensing manager in the OCC's district office that serves the area in which the bank will be headquartered.

### **Capital for Minority-Owned Banks**

Investments in minority-owned banks are allowable investments pursuant to 12 USC § 24(Eleventh) and 12 CFR Part 24 ("Part 24"), depending on the nature of the minority institution's mission and business operations, and may also be eligible for positive consideration under the Community Reinvestment Act. Receiving a community development focus designation, or otherwise engaging in activities authorized by Part 24, may further enhance access to capital for a minority-owned national bank by helping to establish its eligibility for funding from the Community Development Financial Institutions Fund of the Treasury Department.

OCC's Community Affairs Department can provide technical assistance to minority-owned institutions interested in structuring community development investments under Part 24. In addition, the Community Affairs Department can assist an established minority-owned bank in seeking designation as a community development focus bank.

### **Examination Support for Minority-Owned Banks**

As part of its supervisory process and through quarterly reviews of bank performance, OCC examiners communicate regularly with minority bankers to identify risks to the bank and suggest methods of approaching any potential problems. As part of the supervisory process, OCC examiners also will provide information on compliance, risk management, and operational issues facing the bank. Experts also are available in each district to provide guidance on subjects such as credit and asset management, consumer compliance, capital markets, bank information systems, legal issues, and economic conditions.

The OCC will provide examination continuity for minority-owned national banks through the assignment of a portfolio manager who will have familiarity with the bank. Assignments of examiners to minority-owned banks will take 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.

### **Information, Education and Outreach for Minority-Owned Banks**

Minority-owned national banks will be invited to attend outreach meetings throughout the country to discuss supervisory and industry issues with OCC personnel. In addition, the OCC will sponsor roundtable discussions or conferences for CEOs and senior managers of minority-owned national banks to highlight "best practices" and issues of particular relevance to minority-owned institutions. When feasible, OCC staff also will participate in other seminars, conferences and workshops directed to minority-owned institution audiences.

The OCC will promote the use of the Comparative Analysis Reporting system on *National Banknet* by minority-owned national 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 includes publicly available call report data on all Federal Deposit Insurance Corporation (FDIC)-insured banks.

### **Supervisory Cases**

When supervisory cases entail resolving a minority-owned national bank, the OCC will work with the FDIC and will provide the necessary support to enable the FDIC to identify potential minority investors. The OCC encourages the preservation of the minority character of institutions in cases involving mergers or acquisitions.

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John D. Hawke, Jr.  
Comptroller of the Currency

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