



# NEWS RELEASE

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Comptroller of the Currency  
Administrator of National Banks

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## ***Community Developments On-Line*** **Spotlights New Markets Tax Credit Program**

WASHINGTON – In the first on-line edition of the award-winning Community Developments newsletter, the Office of the Comptroller of the Currency focuses on how investments in New Markets Tax Credits (NMTCs) can help fill gaps in financing for projects located in economically-distressed communities.

“Banks find that these investments add to their bottom lines, support the revitalization of economically distressed neighborhoods, and leverage matching funds from investment partners,” said Comptroller of the Currency John D. Hawke, Jr. “The New Markets Tax Credits leverage the banks’ loans and investments and help them reach underserved areas, and provide crucial links for project success,” he added.

The on-line newsletter describes national bank strategies for using NMTCs to reach projects located in markets that might otherwise lack financing or only find financing at too high of a cost. NMTCs offer banks an opportunity to leverage the Federal tax credits by injecting investment capital into projects that can help to revitalize neighborhoods.

“The New Markets Tax Credit program has expanded our scope by giving us the flexibility of using the credits in our pricing on the loan side, making the financing more affordable,” said John Kastellic, senior vice president, Key Bank, Cleveland, Ohio, and national manager of Community Development Lending, in a feature article in *Community Developments*.

This quarterly on-line newsletter provides an opportunity to focus on an area of the Community Reinvestment Act on which national banks often seek OCC guidance – that related to community development investments. Each edition of the on-line newsletter will focus on a community development investment topic of interest to bankers and examiners, and provide feature articles and resources on that topic. The on-line newsletter also includes easy access to resources, like those for the NMTC programs, and the OCC’s Part 24 authority (12 CFR 24).

The on-line edition will feature the perspectives of bankers and community development practitioners on topics that illustrate the creative side of community development investments and offer strategies that can be implemented by other banks. The print edition of *Community Developments* is published semi-annually on topics relating to community development lending and retail financial services in underserved markets.

*Community Developments*, which the OCC has been publishing for the past 12 years, recently received an award in the Best External Newsletter category by the National Association of Government Communicators.

“In the past two years, over \$1.2 billion of tax credits have been allocated to Community Development Entities (CDEs) affiliated with insured depository institutions,” said Barry Wides, Acting Deputy Comptroller for Community Affairs. “These and other CDEs can learn from the experiences of national banks who have been awarded New Markets Tax Credits in order to take advantage of the remaining \$9 billion of credits that will be allocated over the next 3 years.”

In addition to looking at bank involvement in NMTC activities, the newsletter also highlights community development investment opportunities across the nation identified by OCC’s District Community Affairs Officers. The on-line newsletter can be accessed quickly by selecting “Community Affairs” on the OCC Internet home page, <http://www.occ.treas.gov/>, and choosing “Publications and Resource Materials.”

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The OCC charters, regulates and examines approximately 2,000 national banks and 51 federal branches of foreign banks in the U.S., accounting for more than 56 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.