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OCC Update July 2007 – January 2008

OCC Update is an electronic newsletter that provides information about the Office of the Comptroller of the Currency's work in the area of fair treatment and fair access to financial services for all Americans.

1. Community Affairs News

President Bush's Foreclosure Prevention Announcement

President Bush announced new steps on August 31, 2007 to help American families keep their homes. [View the Fact Sheet now.](#)

Also see the [Comptroller's statement](#) supporting President Bush's announcement.

To support and guide homeowners facing financial difficulties, the administration has launched a new initiative, the [Hope Now Alliance](#), as a cooperative effort among counselors, investors, and lenders to maximize outreach efforts to homeowners in distress.

See Treasury Secretary Henry Paulson's October 31, 2007 [statement](#) supporting the Hope Now Alliance and his January 18, 2008 [statement](#) on the HOPE Now Alliance Progress Report.

Also, see Comptroller Dugan's December 6, 2007 [statement](#) commending the plan to assist a key segment of subprime borrowers.

EITC Awareness Day

Comptroller Dugan noted the efforts of national banks to promote the use of earned income tax credits in his recognition of January 31, 2008 as EITC Awareness Day. [View the News Release now.](#)

Minority-Owned Banks

The OCC's Chief of Staff and Public Affairs John Walsh provided testimony October 30, 2007 before the House Oversight and Investigations Sub-Committee of the Committee on Financial Services on the preservation of minority-owned financial institutions. [View the testimony now.](#)

Also see the Chief of Staff's October 10, 2007 [remarks](#) to the National Bankers Association and his August 1, 2007 [remarks](#) to representatives of minority-owned institutions.

And see Comptroller Dugan's [statement](#) on the July 11, 2007 release of Interagency "Questions and Answers" proposed to clarify Community Reinvestment Act provisions that encourage banks to partner with and make investments in minority- and women-owned institutions.

Fair Lending

OCC Deputy Comptroller for Compliance Policy Ann Jaedicke discussed the OCC's fair lending and Community Reinvestment Act examination processes in

Garnishments

- [Truth in Savings](#)
- [Truth in Lending](#)
- [Credit Extended to Military Service Members and Dependents](#)
- [Mortgages](#)
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testimony on October 24, 2007 before the Subcommittee on Domestic Policy of the House Committee on Oversight and Government Reform. [View the testimony now.](#)

Also see the July 25, 2007 [testimony](#) of Calvin Hagins, OCC's Director of Compliance Policy, before the House Oversight and Investigations Subcommittee of the Committee on Financial Services.

John Hardage Named Director for Congressional Liaison
The OCC announced that John Hardage has been named Director for Congressional Liaison. [View the News Release now.](#)

Tim Long and Jennifer Kelly Named to Key Supervision Posts
Comptroller Dugan announced that Tim Long will become Senior Deputy Comptroller for Bank Supervision Policy, and that Jennifer Kelly will succeed Mr. Long as Senior Deputy Comptroller for Mid-Size and Community Bank Supervision. In his new role, Mr. Long will also serve as Chief National Bank Examiner and as Chairman of the Committee on Bank Supervision, which coordinates the OCC's supervisory activities. [View the News Release now.](#)

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2. Community Reinvestment

Interagency Questions and Answers

The federal financial regulatory agencies released July 11, 2007 proposed revisions to the Interagency "Questions and Answers" on the Community Reinvestment Act. [View the joint release now.](#)

CRA Asset-Size Threshold Adjustments

The federal bank regulatory agencies announced on December 19, 2007 the annual adjustment to asset-sized thresholds for small and intermediate small institutions under the Community Reinvestment Act regulations. [View the joint release now.](#)

OCC CRA Examination Schedule and Completed CRA Public Evaluations
CRA evaluations announced through January 2008 include:

[CRA evaluations](#) for 26 national banks (GA, IA, KS, KY, MI, NE, OH, OK, SC, SD, TX, VA).

[CRA evaluations](#) for 37 national banks (CO, FL, IA, IL, IN, KS, KY, LA, MA, MN, MT, NE, NM, OK, SC, SD, TX, VA).

[CRA evaluations](#) for 46 national banks (AL, CA, CO, FL, GA, IA, IL, KS, KY, LA, ME, MN, MO, MS, NE, NJ, NV, OK, PA, TX, UT, WY).

[CRA evaluations](#) for 32 national banks (CA, CO, DE, FL, GA, IL, IN, LA, MD, NJ, NY, OH, OK, PA, TX).

[CRA evaluations](#) for 30 national banks (AR, AZ, CA, CO, DE, IA, MO, NE, NY, OK, PA, TX).

[CRA evaluations](#) for 22 national banks (AZ, GA, IA, IL, IN, KY, LA, MN, MO, NE, NH, OH, TN, TX).

[CRA evaluations](#) for 29 national banks (AR, CA, GA, IL, KS, KY, LA, MD, MN, OH, OK, PA, SC, TX, VA, WI).

View the OCC's [1st Quarter 2008](#) CRA examination schedule.

- [Preemption](#)
- [Prudential Supervision](#)
- [Statement on Bank Secrecy Act/Anti-Money Laundering Requirements](#)
- [Regulatory Burden](#)
- [Extended Examination Schedule](#)
- [Lending Limits](#)
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3. Consumer Credit and Lending

Credit Card Practices

In a September 27, 2007 speech to the Financial Services Roundtable, Comptroller Dugan said that consumers should be allowed to "opt out" of certain credit card rate increases and to pay off the card balance at the old rate. [View the text now.](#)

Gift Cards

An [OCC Consumer Advisory](#) reminded consumers to read the terms and conditions for use of gift cards when receiving and purchasing them. Also see OCC Bulletin 2006-34, "[Gift Card Disclosures.](#)"

Federal Benefits Garnishments

OCC First Senior Deputy Comptroller and Chief Counsel Julie Williams testified September 20, 2007 before the Senate Committee on Finance on federal benefits garnishments. [View the testimony now.](#)

Also see the [request for comments](#) on a proposed statement encouraging federally regulated financial institutions to follow best practices to protect federal benefit payments from garnishment orders.

Truth in Savings

OCC Bulletin 2007-41, dated October 22, 2007, reflects changes in regulation DD to address information provided to consumers when they overdraw their deposit accounts.

Truth in Lending

[OCC Bulletin 2007-32](#), dated October 27, 2007, notes that the Federal Reserve has published the final rule for the 2008 HOPEA trigger dollar amount.

Credit Extended to Military Service Members and Dependents

[OCC Bulletin 2007-40](#) provides the Department of Defense final rule issued August 31, 2007, that applies to specific payday, vehicle title, and refund anticipation loans, among other requirements.

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Mortgages

Foreclosures

Comptroller Dugan provided [testimony](#) December 6, 2007 before the House Committee on Financial Services on "Accelerating Loan Modifications, Improving Foreclosure Prevention and Enhancing Enforcement."

See also Treasury Under Secretary for Domestic Finance Robert Steel's November 2, 2007 [testimony](#) before the House Committee on Financial Services on efforts to coordinate and enhance foreclosure prevention and his January 31, 2008 [testimony](#) before the Senate Committee on Banking, Housing, and Urban Affairs on "Foreclosure Prevention and Neighborhood Preservation."

Subprime Lending

Comptroller John Dugan testified on October 24, 2007 before the House Financial Services Committee on a House bill setting national standards for subprime mortgages and providing enhanced regulation for all mortgage brokers. [View the testimony now.](#)

Also see the [Statement on Subprime Mortgage Lending](#) jointly issued on July 10, 2007 by the federal financial regulatory agencies to address issues and

questions related to certain subprime mortgage products and lending practices.

Third-Party Loan Underwriting Standards

In a speech to the American Banker's Association annual convention on October 8, 2007, Comptroller Dugan urged lenders to improve underwriting standards for third parties. [View the remarks now.](#)

Statement on Loss Mitigation Strategies

The federal financial regulatory agencies and the Conference of State Banking Supervisors (CSBS) issued a statement encouraging the design of appropriate loss mitigation strategies to preserve homeownership. [View the joint release now.](#)

Mortgage Product Illustrations

The federal banking agencies on August 14, 2007 released jointly the proposed illustrations of consumer information for certain adjustable-rate mortgage (ARM) products. [View the release now.](#)

Employer-Assisted Mortgage Programs

The August 28, 2007 *Community Developments Insights* report, entitled "Understanding Employer Assisted Mortgage Programs: A Primer for National Banks," highlights key features of employer assisted mortgage programs and opportunities for bank involvement with these initiatives. [View the report now.](#)

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4. Information and Privacy Protection

The federal financial regulatory agencies and the Federal Trade Commission approved proposed regulations and guidelines that would allow consumers to dispute inaccuracies in information provided to consumer reporting agencies. [View the joint release now.](#)

Affiliate Marketing

The federal financial regulatory agencies issued final rules October 25, 2007 allowing consumers to "opt out" before a financial institution uses information provided by an affiliated company to market its products and services to the consumer. [View the joint release now.](#)

Also see OCC Bulletin 2007-44 "[Fair Credit Reporting Affiliate Marketing Regulations: Final Rule](#)," November 7, 2007.

OCC Bulletin 2007-48 "[Fair Credit Reporting: Accuracy and Integrity of Consumer Report Information and Direct Consumer Dispute Regulations and Guidelines: Notice of Proposed Rulemaking](#)," December 13, 2007, proposed guidelines and rules on the accuracy and integrity of consumer information and requested comments by February 11, 2008.

Also see Comptroller Dugan's November 6, 2007 [statement](#) on Section 312 of the FACT Act.

Identity Theft Red Flags and Notices of Address Discrepancy

The federal financial institution regulatory agencies and the Federal Trade Commission issued final rules, effective January 1, 2008, implementing sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003. [View the release now.](#)

Debt Elimination Schemes

The OCC issued an alert dated September 5, 2007 warning that fraudulent schemes supposedly designed to "eliminate" debt are being promoted increasingly on the Internet and in seminars throughout the United States. [View the alert now.](#)

5. Bank Supervision

Safety and Soundness of National Banking System

Comptroller Dugan told a House Committee on September 5, 2007 that the national banking system remains safe and sound. [View the testimony now.](#)

Risk Management

Comptroller Dugan urged stronger risk management for commercial real estate loans and discussed money laundering supervision in a speech to the Independent Bankers Association of Texas on October 2, 2007. [View the text now.](#)

The Comptroller also expressed concerns about community bank commercial real estate concentrations in a January 31, 2008 speech to the Florida Bankers Association. [View the text now.](#)

Unified Complaint Handling

In an October 15, 2007 speech to an Interagency Consumer Complaint Conference sponsored by the OCC, Comptroller Dugan said that agency coordination and the use of technology should make customer complaint handling easier and more effective. [View the remarks now.](#) See the October 2, 2007 [announcement](#) of the OCC's Texas complaint-sharing agreement.

Also see OCC Chief of Staff and Public Affairs John Walsh's December 12, 2007 [testimony](#) before the House Financial Services subcommittee on the OCC's efforts to support bank customers seeking to register questions and concerns with the right financial regulator.

New OCC Customer Help Website

The Comptroller announced on July 16, 2007 the OCC's new Web site [helpwithmybank.gov](#) to help national bank customers. [View the announcement now.](#)

Preemption

Chief Counsel and First Senior Deputy Comptroller Julie L. Williams discussed the Supreme Court's decision in *Watters v. Wachovia Bank* in a July 10, 2007 speech to the New York Bankers Association. [View the text now.](#)

Prudential Supervision

OCC Chief of Staff and Public Affairs John Walsh discussed the OCC's approach to prudential supervision in a speech to the Kennedy School of Government. [View the text now.](#)

Statement on Bank Secrecy Act/Anti-Money Laundering Requirements

The federal financial regulatory agencies issued a statement on July 19, 2007 on the enforcement of Bank Secrecy Act/Anti-Money Laundering requirements. [View the statement now.](#)

Regulatory Burden

The OCC released a proposed rule on July 3, 2007 to reduce regulatory burdens and to update and change various OCC regulations, including measures involving community development investments and adjustable rate mortgages. [View the release now.](#)

Extended Examination Cycle

The federal bank and thrift agencies issued a final rule on September 21, 2007 expanding the range of small institutions eligible for an extended 18-month examination cycle. [View the joint release now.](#)

Lending Limits

[OCC Bulletin 2007-22](#) details the interim final rule issued by the OCC to amend bank lending limits. Among its other provisions, the interim rule allows a national bank to use a higher lending limit if the state in which the bank is located allows its state-chartered banks to use a higher lending limit for the same types of loans.

Basel II

The federal bank regulatory agencies reached agreement on outstanding Basel II implementation issues, which will lead to finalization of a rule on advanced approaches for computing large bank risk-based capital requirements. [View the joint release now.](#)

Also see Comptroller Dugan's October 23, 2007 [remarks](#) on the progress made in establishing the supervisory and regulatory framework for implementing Basel II in the United States.

Regulation of Consumer Credit

Chief Counsel and First Senior Deputy Comptroller Julie L. Williams discussed different approaches to consumer protection in a November 28, 2007 speech to Harvard University's Joint Center for Housing Studies. [View the text now.](#)

Interpretations and Decisions

The OCC released two publications that provide the latest OCC interpretations and decisions authorizing activities for national banks and their operating subsidiaries: [Significant Legal, Licensing, and Community Development Precedents for National Banks: 2006 \(annual\)](#) and [Activities Permissible for a National Bank, Cumulative: 2006.](#)

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Enforcement Actions

The OCC maintains a searchable database of all public enforcement actions taken since August 1989 on its Internet Web site. Recent enforcement actions include:

- [News Release 2008-3](#) announces 4 enforcement actions and one termination of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AL, KA, KY, MN, NY) WI).
- [News Release 2007-136](#) announces 14 enforcement actions and one termination of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (CA, CO, MI, MN, NC, NE, OH, TN, WI).
- [News Release 2007-126](#) announces 12 enforcement actions and three terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AL, CA, IL, KY, NE, NJ, OH).
- [News Release 2007-112](#) announces eight enforcement actions and three terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AL, CO, FL, MI, MN, TX, WY).
- [News Release 2007-96](#) announces 24 enforcement actions and three terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (CA, CO, GA, IL, KS, MI, NE, NY, OH).

- [News Release 2007-86](#) announces seven enforcement actions and 11 terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (AR, CA, CO, IA, IL, MN, NC, NJ, OK, RI, TX, VA).
- [News Release 2007-74](#) announces 13 enforcement actions and four terminations of existing enforcement actions taken against national banks and individuals currently and formerly affiliated with national banks (CA, FL, IL, KS, MI, MO, NC, NH, OH, PA, TX, UT, WI).

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Electronic *Interpretations and Actions*, July - January 2008

- [View July](#) electronic *Interpretations and Actions*.
- [View August](#) electronic *Interpretations and Actions*.
- [View September](#) electronic *Interpretations and Actions*.
- [View October](#) electronic *Interpretations and Actions*.
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- [View December](#) electronic *Interpretations and Actions*.
- [View January](#) electronic *Interpretations and Actions*.

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6. Web Resources

OCC Web Links

The OCC's new Web page <http://www.helpwithmybank.gov> has added questions and answers designed to help national bank customers.

Also see the OCC's [Consumer Protection News](#) and [Anti-fraud Resources](#) links.

External Web Links

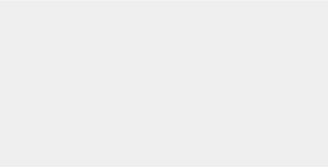
The following Web resources are related to the above OCC news topics, but are not produced by the OCC and do not appear on the OCC's public Web site. Note that the privacy policies of these sites may differ from the OCC's privacy policy.

The U.S. government's Web site is dedicated to teaching all Americans about financial education, <http://www.mymoney.gov/>. The site provides financial education resources and on-line financial tools and calculators.

[MyMoneyManagement.net](#) is a unique industry-wide effort to provide consumers with comprehensive financial education resources to help guide the personal finance decision-making process. The Web site provides information and encouragement to consumers in financial distress to contact their lenders or a Department of Justice-certified credit counselor.

A National Ad Council campaign promoting the [888-995-HOPE](#) foreclosure prevention counseling service was unveiled on June 25, 2007. The campaign's television and radio advertisements urge homeowners in financial difficulty to call the hotline to find solutions that can prevent foreclosures.

[The Financial Services Roundtable's Housing Policy Council](#) is partnering with [NeighborWorks America](#), the [Homeownership Preservation Foundation](#), and



other lenders to support the 888-995-HOPE hotline and its foreclosure prevention counseling.

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