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Via email to by electronic mail to regs.comments@occ.treas.gov

Communications Division
Public Information Room, Mailstop 1-5
Office of the Comptroller of the Currency
250 E Street, S. W.
Washington, DC 20219.

Re: Docket No. 03-01; 12 CFR Part 24: Community and Economic Development Entities, Community Development Projects, and Other Public Welfare Investments; 68 Federal Register 1394; January 10, 2003

Dear Sir or Madam:

The Office of the Comptroller of the Currency (OCC) is proposing amendments to its public welfare investment regulation. The OCC intends that these changes will encourage additional public welfare investments by national banks by simplifying the regulation and further reducing unnecessary burden associated with 12 CFR Part 24 investments. These regulations will apply to all national banks. The American Bankers Association (ABA) brings together all categories of banking institutions to best represent the interests of this rapidly changing industry. Its membership - which includes community, regional and money center banks and holding companies, as well as savings associations, trust companies and savings banks - makes ABA the largest banking trade association in the country.

The OCC has proposed a number of changes to the public investment regulation. After consulting with the ABA's Steering Committee for the Center for Community Development, ABA concludes that it supports these proposals.

First, the proposal updates the definition section of the regulation to reflect the additional types of public welfare investment structures that have become more common in recent years and that are permissible under the governing statute. For example, the OCC will now authorize investments in qualifying limited partnerships or limited liability companies, instead of just corporations. ABA believes this is a significant improvement in the regulations.

The proposal simplifies the standards for making public welfare investments by deleting the requirement that a bank demonstrate non-bank community support for, or participation in, the investment. The OCC notes that there is no statutory requirement for this restriction in its regulation and believes that its elimination will increase national bank public welfare investments. While banks strive for community support, having found that support to be a necessary ingredient for

success of any community development project, banks find that “demonstrating” that support adds an unnecessary burden on the process. ABA welcomes the removal of this unnecessary “demonstration.” Additionally the proposal deletes the four specifically enumerated public welfare activities and instead enlarges the examples of permissible investments in another section of the regulation. ABA believes that this approach adds valuable flexibility to the regulations.

Further, the OCC reduces the information required of a national bank when filing a self-certification investment notice under the regulation. OCC believes that this will reduce unnecessary regulatory burden, since the information is not required by statute. While not a terribly significant burden reduction, any reduction in regulatory burden is welcome. ABA supports this change.

In conclusion, ABA believes that all of the OCC’s proposed changes either reduce burden or enlarge public welfare investment authority, or both. Therefore, ABA supports the adoption of the proposed changes and applauds the OCC’s initiative in improving its public welfare regulations..

Sincerely,

A handwritten signature in black ink that reads "Paul Alan Smith". The signature is written in a cursive, flowing style with a large initial 'P'.

Paul Smith
Senior Counsel