

2021

ANNUAL REPORT

Preservation and Promotion of Minority-Owned
National Banks and Federal Savings Associations

*In accordance with section 308 of the Financial Institutions Reform,
Recovery, and Enforcement Act of 1989*

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1 Executive Summary

As of December 31, 2021, the Office of the Comptroller of the Currency (OCC) supervised 53 minority-owned national banks and federal savings associations (collectively, minority depository institutions or MDI), accounting for 5.4 percent of the 983 national banks and federal savings associations (banks) in the OCC's Midsize and Community Bank Supervision (MCBS) line of business.

As amended by section 367 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd–Frank Act), section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) directs the Comptroller of the Currency to submit an annual report on actions taken to carry out section 308. Section 308 describes goals for preserving existing MDIs and promoting the creation of new MDIs and directs the Secretary of the Treasury to consult with the Comptroller and chairpersons of the Board of Governors of the Federal Reserve System (Board), the National Credit Union Administration, and the Federal Deposit Insurance Corporation (FDIC) on methods for best achieving these goals.

Pursuant to section 367, this report details the OCC's actions taken in 2021 in support of the preservation and promotion of MDIs—such as providing technical assistance and support for MDIs, and training for MDIs and OCC examiners supervising MDIs—in the following sections of the report: Condition of OCC-Supervised MDIs; the OCC's National Minority Depository Institutions Program; and OCC Outreach to MDIs.

In 2021, the OCC took numerous actions to achieve the goals of section 308, including the following:

- The OCC continued to support the Roundtable for Economic Access and Change (Project REACH), an initiative to bring together stakeholders to address barriers to economic inclusion.
 - A significant objective of Project REACH is the revitalization of MDIs, including through facilitating collaboration between larger financial institutions and MDIs. Many of the collaborations have resulted in operational technical assistance and investments from larger banks to MDIs.
 - Through Project REACH, the OCC and participating organizations have provided webinars, executive secondments, and one-on-one bank-specific technical assistance on a variety of topics, such as cybersecurity and Bank Secrecy Act and anti-money laundering (BSA/AML) compliance.
- Additionally, 25 financial institutions have adopted the Pledge to Strengthen MDIs and are pursuing a variety of collaboration partnerships.
- OCC subject matter experts provided regulatory technical assistance to MDIs on various topics, including safety and soundness, cybersecurity, legal, accounting, and compliance issues. This technical assistance included compliance with BSA/AML requirements, the current expected credit loss (CECL) accounting methodology, asset quality and loan administration, liquidity and interest rate risk management, and capital formation through earnings retention.
- In October, as part of the Los Angeles REACH initiative through the MDI Revitalization and Technical Assistance workstream, the OCC and other participants hosted a hybrid Lunch and Learn workshop on enterprise risk management.

- The OCC’s MCBS line of business virtually hosted two Minority Depository Institutions Advisory Committee (MDIAC) meetings in April and September.
- The OCC held virtual bank director workshops that addressed risk governance, credit risk, compliance risk, operational risk, and other important banking issues. The OCC encouraged MDI directors to attend these workshops.
- The OCC’s District Community Affairs Officers conducted consultations and responded to questions from and provided resources to MDIs on community development, the Community Reinvestment Act (CRA), and related topics.
- OCC staff virtually participated in the National Bankers Association’s (NBA) virtual conference.
- The OCC hosted a webinar for MDIs on the CRA in October.
- The OCC’s External Outreach and Minority Affairs staff consulted with MDIs on relevant topics and informed them of other federal resources available to support their missions.

In addition, the federal banking regulators (OCC, FDIC, and Federal Reserve System (FRS)) host a biannual interagency conference for MDIs to help preserve minority ownership of MDIs and promote their mission. In 2021, the OCC hosted a virtual interagency conference titled “Navigating the Economy with Resilience and Reinvention,” held September 27–30, 2021. Conference attendees included chief executive officers (CEO) and board members of MDI and Community Development Financial Institution (CDFI) banks and representatives from the banking agencies. Altogether, 126 MDI and CDFI bankers represented 80 banks at this conference. The 2021 conference workshops offered by the OCC presented topics covering innovation and collaboration.

2 Condition of OCC-Supervised MDIs

In 2021, the financial health of OCC-supervised MDIs remained satisfactory. MDIs experienced some adverse effects from the coronavirus pandemic and the low interest rate environment. Despite margin compression, MDI net income rose sharply in 2021 due to higher net interest income, strong growth in fee income, and lower provision expenses. The median return on average assets increased 18 basis points in 2021 to 0.94 percent, while the net interest margin fell 11 basis points from 3.41 percent to 3.30 percent over the same time period. MDI capital levels were also affected by the pandemic, with the median leverage ratio declining 41 basis points since last year to 11.00 percent due in part to the Paycheck Protection Program (PPP) lending and an inflow of deposits, both of which inflated bank balance sheets. Asset quality remained satisfactory and improved despite the disruptions caused by the pandemic. Non-current loans and other real estate owned decreased from 0.45 percent to 0.37 percent. MDI liquidity levels benefited from an inflow of pandemic-related deposits and a higher consumer savings rate, which pushed the on-hand liquidity ratio 126 basis points higher to 31.50 percent as of December 31, 2021.

3 OCC's National Minority Depository Institutions Program

The OCC's National Minority Depository Institutions Program provides technical assistance and other support to OCC-supervised MDIs¹ to promote and preserve these banks, consistent with the requirements of section 308 of the FIRREA.

3.1 Preserving the Present Number of MDIs

Table 1 indicates that 43 percent of OCC-supervised MDIs have assets totaling \$250 million or less, and 66 percent have assets of \$500 million or less.

Table 1: Asset Distribution for OCC-Supervised MDIs (as of December 31, 2021)

Asset size	National banks	Federal savings associations	Total MDIs	Percentage of total OCC MDIs
Less than \$50 million	1	0	1	1.9%
\$51 million to \$100 million	8	2	10	18.9%
\$101 million to \$250 million	11	1	12	22.6%
\$251 million to \$500 million	9	3	12	22.6%
\$501 million to \$1 billion	10	1	11	20.8%
Greater than \$1 billion	6	1	7	13.2%
Total	45	8	53	100%

OCC-supervised MDIs are located in 23 states and have combined assets of \$32,720.8 billion. The heaviest concentrations of MDIs are in Texas (14) and California (9), while Georgia, New York, and Oklahoma have four MDIs located in each state.

MDI ownership remained similar to previous years with the exception of MDIs owned by women, which increased by five in 2021. The largest group of minority owners are Asian or Pacific Islander American (40 percent), followed by women (34 percent), Hispanic American (9 percent), African American (9 percent), and Native American or Alaskan Native (8 percent).

3.2 Preserving the Minority Character of MDIs

When considering potential merger and acquisition partners for MDIs, the OCC, in coordination with the FDIC, uses the "general preference guidelines" outlined in section 308 of the FIRREA to establish preferences for the types of institutions for which a merger or acquisition would be most appropriate. Consistent with section 308, the OCC applies the order of preference as follows:

¹ The OCC considers minority-owned and women-owned institutions as MDIs.

1. Same type of MDI in the same city
2. Same type of MDI in the same state
3. Same type of MDI nationwide
4. Any type of MDI in the same city
5. Any type of MDI in the same state
6. Any type of MDI nationwide
7. Any other bidders

3.3 Providing Technical Assistance to Prevent the Insolvency of Institutions Not Now Insolvent

In 2021, MDIs—like other institutions—faced challenges due to some adverse impacts from the coronavirus pandemic and the low interest rate environment. The OCC regularly provided technical assistance during examinations and quarterly management discussions. In addition, the OCC provided various training and educational programs focused on helping MDIs improve overall asset quality, strengthen capital levels, and improve compliance efforts. OCC experts provided technical assistance to MDIs via in-person meetings or workshops on BSA/AML requirements, CECL accounting methodology, CRA and community development, and technology innovations.

3.4 Supporting and Preserving MDIs

MDIs play, and have played for many years, a critical role in their local communities. Typically, MDIs serve economically challenged communities traditionally underserved by the banking industry and other businesses. The OCC understands that MDIs are uniquely positioned to create positive change in these communities and supports the mission of MDIs through many actions.

The OCC supports and preserves MDIs and their missions by conducting outreach, hosting educational conferences, and providing training, advice, and technical assistance to OCC-supervised MDIs and to new MDIs seeking to obtain national bank or federal savings association charters. For example, every two years, the OCC, in conjunction with the FDIC and the FRS, hosts an interagency conference for MDI and CDFI banks to help promote and preserve the MDI mission.

As of December 31, 2021, the OCC supervised 53 MDIs² of the 161 MDIs operating in the United States. Of the OCC-supervised MDIs, 45 have national bank charters and 8 have federal savings association charters.

On an annual basis, the OCC develops a supervisory strategy for each MDI. The supervisory strategy is designed to support the MDI's financial vitality and its safe and sound operation and to address any unique risks facing the MDI and specific supervisory issues the agency identifies. As needed, the OCC supports MDIs by providing training, technical assistance, and educational programs in such areas as compliance, risk management, and operations.

² This includes 18 women-owned institutions, which are included in the definition of MDIs supervised by the OCC.

Additionally, the OCC provides advice and technical assistance to persons interested in forming an MDI who first need to obtain a national bank or federal savings association charter. The agency provides organizing groups with materials that help facilitate the charter application and MDI designation process. The OCC assists organizing groups through pre-filing meetings and by commenting on draft applications. In 2021, the OCC received one application for a national bank charter from a woman-owned bank. The bank was granted preliminary conditional approval but has yet to receive final approval to open and commence business.

More information on the technical assistance the OCC provides to bank charter applications and MDI designation requests is available in appendix 2 of this report, the OCC's "Policy Statement on Minority National Banks and Federal Savings Associations."

3.5 Providing Training, Technical Assistance, and Educational Programs

OCC bank director workshops are among the many training opportunities available for MDI directors to help them fulfill their fiduciary responsibilities. Directors are integral to the long-term health and viability of community-based banks, and the OCC is committed to providing a support structure that recognizes and builds on the importance of the directors' responsibilities.

In 2021, the OCC held 35 virtual workshops focusing on five subjects (see table 2).

Table 2: MDI Participation in 2021 Virtual Workshops

Virtual Workshops	Sessions in 2021	Number of MDIs represented	Total number of MDIs	Percentage of MDIs participating	Number of MDI directors participating	Total number of MDI directors	Percentage of MDI directors participating
Risk Governance	8	3	87	3.45%	8	142	5.63%
Credit Risk	8	5	93	5.38%	13	138	9.42%
Compliance Risk	3	4	59	6.78%	8	83	9.64%
Operational Risk	8	6	92	6.52%	12	148	8.12%
Building Blocks for Directors	8	6	107	5.61%	15	181	8.29%

In addition, the OCC's District Community Affairs Officers supported MDIs by

- facilitating collaborative relationships between MDIs and larger institutions, primarily around deposit relationships, loan participations, and technical assistance.
- providing customized consultations with MDIs to help them develop and implement effective CRA compliance and community development programs.

- offering technical assistance and responding to questions on the CRA from MDIs on the direct request of the financial institutions and/or their supervisory teams.
- organizing and conducting, often in concert with other government agencies, community outreach events and listening sessions to exchange ideas about best practices, existing and innovative community development opportunities, and promoting partnerships between banks and MDIs.

Additionally, the OCC's Community Affairs Division conducts "best practice" research and produces publications that encourage economic development actions by national banks and federal savings associations consistent with safe and sound banking practices.

OCC publications relevant to MDIs include the following newsletters, fact sheets, and reports:

- *Profitable Partnerships: Collaborating with Minority Depository Institutions*, published in May 2018, highlights how MDI partnerships with large and midsize banks can be profitable for all parties involved and help MDIs fulfill their missions and serve customers in a rapidly evolving industry.
- *Housing Financing in Indian Country: Spotlight on HUD's Title VI Program* focuses on the U.S. Department of Housing and Urban Development's Title VI Loan Guarantee Program, which provides an additional source of funding for Indian tribes receiving federal Indian Housing Block Grants for affordable housing activities.
- *Extending Credit in Indian Country: How Banks Use Federal Programs to Promote Economic Development* highlights best practices, challenges, and CRA treatment of the investments, services, and credit extensions that banks make in Indian Country.
- *A Guide to Tribal Ownership of a National Bank*, a companion to the OCC's Comptroller's Licensing Manual, helps federally recognized Native American tribes explore entry into the national banking system by establishing or acquiring control of a national bank.
- *Commercial Lending in Indian Country: Potential Opportunities in an Untapped Market* discusses the specific approaches that bankers active in this market have used to meet some of the unique business and legal challenges, including the use of several federal programs that are available to manage the risks in tribal commercial and business development.
- *Partnerships with Minority- and Women-Owned Financial Institutions and Low-Income Credit Unions* describes how banks can receive CRA consideration for investments in and partnerships with MDIs.

These publications are available on the OCC Community Affairs pages on the agency's website at www.occ.gov. Additionally, the publications are promoted at conferences and events that OCC staff members attend.

4 OCC Outreach Supporting MDIs

4.1 Outreach

The OCC holds regional outreach meetings for bank executive officers typically once a year. CEOs generally attend these meetings, which cover a variety of topics including compliance, accounting, economics, and safety and soundness. Every year since 2016, the OCC has held MDI collaboration roundtables. In 2021, the OCC held three roundtables, which were held virtually because of COVID-19 restrictions and other pandemic-related priorities.

The OCC distributes quarterly newsletters to the CEOs of OCC-supervised banks to provide updates on recent OCC issuances and guidance on current trending topics pertaining to safety and soundness or compliance matters. The format of agency bulletins, which announce new regulations, guidance, and other issuances, includes an easily identifiable and readable box summarizing the applicability of the guidance to community banks titled “Note for Community Banks.”

Other publications and resources applicable to MDI and community banks include the following:

- *A Common Sense Approach to Community Banking* describes fundamental banking best practices that have proven useful to boards of directors and management in successfully guiding community institutions through economic cycles and environmental changes.
- *New Capital Rule Quick Reference Guide for Community Banks* is a high-level summary of the aspects of the capital rule that are generally relevant for small, non-complex banks and savings associations that are not subject to the market risk rule or the advanced approaches capital rule. Community banking organizations became subject to the new rule on January 1, 2015.

The OCC participates in a number of national and state banking conventions via an exhibit booth program of the agency’s Banking Relations and External Outreach and Minority Affairs units. In addition, OCC staff members participate in events sponsored by minority trade associations and typically attended by a significant number of MDI representatives. Outreach efforts specifically targeted to MDIs in 2021 included the following:

- In March, the OCC organized a community tour of Memphis, Tennessee, led by the Acting Comptroller to highlight successful examples of, and opportunities for, financing community reinvestment, economic revitalization, and financial empowerment. The community tour brought together more than 60 bankers and community leaders, including officers of regional MDIs.
- The OCC held two virtual MDIAC meetings, in April and September, to identify and discuss supervisory matters affecting MDIs.
- The OCC met with the National Bankers Association (NBA) Chairman and President to discuss concerns that minority bankers have with regulatory requirements and other challenges in serving the needs of their communities.

- External Outreach and Minority Affairs staff participated in virtual meetings with representatives from the NBA, FDIC, Board, Small Business Administration, and Minority Business Development Agency to discuss partnership opportunities with non-minority financial institutions and private sector entities.

These meetings gave the OCC the opportunity to hear suggestions from MDI bankers about issues affecting their banks and the banking industry and provided MDI bankers with information on banking trends and issues. Agency staff highlighted OCC-developed resources (e.g., a commercial real estate stress test model and comparative analysis reports on the OCC's BankNet website, a secure site only for OCC-supervised banks).

4.2 Educational Activities with OCC Bank Examiners

In 2021, the OCC conducted diversity-awareness training sessions for newly hired examiners as part of their orientation to the agency. The sessions provided information about cultural and generational diversity to enhance examiners' interactions with the diverse workforces of the OCC and the institutions they supervise. The training helped employees understand how their own attributes, traits, and experiences influence their perceptions of and interactions with others.

4.3 OCC Minority Depository Institutions Advisory Committee

The MDIAC advises the OCC on issues and opportunities facing minority depository institutions. It is designed to provide advice to help meet the goals of section 308 of the FIRREA. The committee provides an invaluable perspective on the business environment affecting MDIs, their customers, and the communities they serve. The MDIAC also provides advice and insight regarding the condition of MDIs, potential regulatory changes or steps that may promote the health and viability of MDIs, and other issues affecting these institutions. The committee includes officers and directors of MDIs and other depository institutions committed to supporting MDIs of all types, sizes, operating strategies, and geographic areas. MDIs frequently provide financial services to low- or moderate-income and minority communities.

The MDIAC met virtually on April 13, 2021, and on September 21, 2021. These meetings were informative for both the OCC and the committee members. Minutes of the meetings are posted on the agency's website at www.occ.gov.

5 Conclusion

The OCC enthusiastically supports the MDI goals of the FIRREA. During 2021, the tenth year in which the Dodd-Frank Act amendments to the MDI provision in the FIRREA applied to the OCC, the agency demonstrated its commitment to MDIs by planning, implementing, and participating in many outreach, training, educational, and examination actions supporting MDIs. OCC participants included senior agency management and other agency representatives, including representatives from MCBS, Bank Supervision Policy, Banking Relations, Community Affairs, External Outreach and Minority Affairs, the Chief Counsel's Office, and the Office of the Ombudsman.

Recognizing the importance of MDIs to the community bank sector and the local communities they serve, the OCC continues to support MDI banks through proactive and coordinated programs and through ongoing and new partnerships with other agencies and community groups. The OCC's national and regional Project REACH initiatives further support MDIs, including providing investment and capital, along with training, exchange programs, and mentorship, to MDI executives and board members.

6 Appendixes

6.1 Appendix 1: OCC-Supervised MDIs (as of December 31, 2021)

Name	Address	City	State	Zip	Phone	Charter	Total assets (\$000)	Owner code
First National Bank Alaska	101 West 36th Avenue	Anchorage	AK	99503-0000	(907) 777-4362	12072	5,581,340	6
Commonwealth National Bank	2214 St. Stephens Rd.	Mobile	AL	36617-0000	(251) 476-5938	16553	56,890	1
The First National Bank of Izard County	2184 AR Highway 56	Calico Rock	AR	72519-0000	(870) 297-3711	21165	202,685	6
Canyon Community Bank, NA	7981 North Oracle Road	Tucson	AZ	85704-0000	(520) 529-5500	24049	160,310	3
New Omni Bank, NA	1235 South Garfield Ave.	Alhambra	CA	91801-5037	(626) 284-5555	16840	559,016	3
American Plus Bank, NA	630 West Duarte Rd.	Arcadia	CA	91007-0000	(626) 821-9188	24716	591,059	3
Gateway Bank, FSB	360 8th St.	Oakland	CA	94607-0000	(510) 268-8108	708857	175,343	3
Beacon Business Bank, NA	88 Kearny St., Suite 1750	San Francisco	CA	94108-5520	(415) 543-3377	18358	161,753	6
Mission National Bank	3060 16th St.	San Francisco	CA	94103-0000	(415) 826-3627	17176	220,687	3
Asian Pacific National Bank	333 West Valley Blvd.	San Gabriel	CA	91776-0000	(626) 457-4888	23006	59,523	3
Universal Bank	3455 Nogales Street-2nd Floor	West Covina	CA	91792-0000	(626) 854-2818	705801	377,350	3
California International Bank, NA	15606 Brookhurst St., Suite C	Westminster	CA	92683-7582	(626) 872-0562	24577	89,932	3
Bank of Whittier, NA	15141 East Whittier Blvd.	Whittier	CA	90603-0000	(562) 945-7553	17548	164,678	3
Native American Bank, NA	201 North Broadway	Denver	CO	80203-0000	(303) 988-2727	21158	192,848	4
City First Bank, NA	1432 U Street, N.W.	Washington	DC	20009-0000	(202) 243-7100	22968	1,092,804	1
Interamerican Bank, A FSB	9190 Coral Way	Miami	FL	33165-2049	(305) 223-1434	707506	270,351	2
Touchmark National Bank	3651 Old Milton Pkwy.	Alpharetta	GA	30005-0000	(770) 407-6700	24789	421,736	3
Embassy National Bank	1817 North Brown Rd.	Lawrenceville	GA	30043-0000	(770) 822-9111	24679	117,791	3
Southeast First National Bank	10144 Commerce St.	Summerville	GA	30747-0000	(706) 857-3473	15651	62,189	6
Quantum National Bank	505 Peachtree Industrial Blvd.	Suwanee	GA	30024-0000	(770) 945-8300	22905	642,022	3
Hawaii National Bank	45 North King St.	Honolulu	HI	96817-0000	(808) 528-7711	14911	891,460	3
The First National Bank of Manning	401 Main St.	Manning	IA	51455-0000	(712) 655-3557	3455	90,142	6

Appendixes

Name	Address	City	State	Zip	Phone	Charter	Total assets (\$000)	Owner code
GN Bank	4619 S King Dr	Chicago	IL	60653-4107	(773) 624-2000	703395	84,657	1
First National Bank in Fredonia	730 Madison St.	Fredonia	KS	66736-1339	(620) 378-2151	14370	106,117	6
Leader Bank, NA	141 Massachusetts Ave.	Arlington	MA	02474-0000	(781) 646-3900	24131	3,077,235	3
Woodlands National Bank	122 Main St.	Hinckley	MN	55037-0000	(888) 532-4142	23926	350,967	4
Grand Bank For Savings, FSB	204 Westover Drive	Hattiesburg	MS	39402-0000	(601) 264-1467	707547	96,556	6
The First National Bank of Gordon	134 N. Main St.	Gordon	NE	69343-0000	(308) 282-0050	8521	300,302	6
KEB Hana Bank USA, NA	201 Main St.	Fort Lee	NJ	07024-0000	(212) 689-5292	20622	293,014	3
Ponce Bank	2244 Westchester Ave.	Bronx	NY	10462-0000	(718) 931-9000	706509	1,642,212	2
Abacus Federal Savings Bank	6 Bowery	New York	NY	10013-5101	(212) 285-4770	708059	336,780	3
Carver Federal Savings Bank	75 W. 125th St.	New York	NY	10027-4512	(212) 360-8810	705273	723,256	1
Eastbank, NA	183 Centre St.	New York	NY	10013-0000	(212) 219-9000	18431	160,262	3
Banccentral, NA	604 Flynn St.	Alva	OK	73717-0000	(580) 327-1122	12152	549,575	6
First National Bank in Okeene	124 N. Main Street	Okeene	OK	73763-0000	(580) 822-3300	10913	82,820	6
The Pauls Valley National Bank	101 W. Paul Avenue	Pauls Valley	OK	73075-3218	(405) 238-9321	7892	317,781	4
First National Bank and Trust Company	130 East MacArthur	Shawnee	OK	74804-0000	(405) 275-8830	18430	718,073	4
The National Bank of Malvern	King and Warren Streets	Malvern	PA	19355-0000	(610) 647-0100	3147	196,162	6
American Bank NA	2707 West Northwest Highway	Dallas	TX	75220-0000	(214) 358-3111	16320	204,203	3
American First National Bank	9999 Bellaire Blvd.	Houston	TX	77036-0000	(713) 596-2888	23521	2,287,371	3
Golden Bank, NA	9315 Bellaire Blvd.	Houston	TX	77036-0000	(713) 777-3838	18558	1,293,564	3
Southwestern National Bank	6901 Corporate Dr.	Houston	TX	77036-0000	(713) 771-9700	23081	856,490	3
Unity National Bank of Houston	2602 Blodgett St.	Houston	TX	77004-0000	(713) 387-7400	21008	253,823	1
Texas National Bank of Jacksonville	300 Neches Street	Jacksonville	TX	75766-0000	(903) 586-0931	18594	708,217	6
The First Liberty National Bank	1900 Sam Houston Avenue	Liberty	TX	77575-0000	(936) 336-6471	12850	415,860	6
First-Lockhart National Bank	111 South Main Street	Lockhart	TX	78644-0000	(512) 398-3416	13934	390,960	6

Name	Address	City	State	Zip	Phone	Charter	Total assets (\$000)	Owner code
Texas National Bank	201 S. Texas Ave.	Mercedes	TX	78570-0000	(956) 565-2485	11879	593,232	2
Lone Star National Bank	206 West Ferguson	Pharr	TX	78577-0000	(956) 781-4321	17611	3,063,266	2
The Santa Anna National Bank	610 Wallis Ave.	Santa Anna	TX	76878-0000	(325) 348-3108	13854	59,724	6
Commercial National Bank of Texarkana	5515 Summerhill Rd.	Texarkana	TX	75505-0000	(870) 773-4561	15257	297,697	6
First National Bank and Trust Company of Weatherford	220 Palo Pinto Street	Weatherford	TX	76086-0000	(817) 596-0345	2477	938,417	6
Zapata National Bank	703 Hidalgo Blvd	Zapata	TX	78076-0000	(956) 765-4302	14955	97,932	2
First National Bank in Tigerton	140 Cedar St.	Tigerton	WI	54486-9527	(715) 535-2291	14150	29,359	6

Owner codes

1=African American

2=Hispanic American

3=Asian or Pacific Islander American

4=Native American or Alaskan Native

5=Multiracial Minorities

6=Women

6.2 Appendix 2: Policy Statement on Minority National Banks and Federal Savings Associations

The Office of the Comptroller of the Currency (OCC) recognizes the vital role that minority national banks and federal savings associations (herein referred to as minority depository institutions or MDIs), play in promoting the economic viability of the communities they serve. The OCC reaffirms its commitment to further the regulatory and legislative mandates designed to support the creation and preservation of these institutions.

Statutory Framework

Consistent with its mission of ensuring a safe and sound federal banking system, the OCC promotes the preservation of robust and healthy MDIs and seeks to advance the goals of section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), where applicable. In meeting these goals, the OCC will seek to:

- preserve the number of MDIs.
- preserve their minority character in cases of merger or acquisition.
- provide technical assistance to help MDIs remain healthy.
- promote and encourage the creation of new MDIs.
- provide training, technical assistance, and educational programs.

Definition of MDIs

The OCC defines MDI as any national bank or federal savings association that (1) is not a U.S. subsidiary of a foreign-owned bank; and (2) is at least 51 percent owned by minorities (African Americans, Asian Americans, Hispanic Americans, and Native Americans), women, or socially and economically disadvantaged individuals.

The OCC may consider additional factors when evaluating mutual institutions. First, the OCC may consider a mutual federal savings association an MDI if the majority of the Board of Directors is minority and the communities that it serves are predominantly minority. Second, the OCC may consider a mutual institution an MDI if women comprise a majority of the Board of Directors and hold a significant percentage of senior management positions.

The OCC, at its discretion, may continue to treat a national bank or federal savings association previously designated as an MDI as covered by this policy statement, even if that institution no longer meets the ownership criteria outlined above, provided that the institution primarily serves the credit and other economic needs of the community in which it is chartered, and that community is predominantly minority.

Identification of MDIs

The OCC maintains a list of MDIs on its website at www.occ.gov.

Formation of MDIs

The OCC provides advice and technical assistance to MDI applicants interested in obtaining a national bank or federal savings association charter. The agency makes available materials useful to organizing groups that help facilitate MDI applications. The OCC assists organizing groups through pre-filing meetings and by commenting on draft applications. Requests for such assistance should be directed to the licensing director in the OCC district office that serves the area where the MDI will be headquartered.

An MDI may be eligible for designation as a community development bank if its activities primarily support (1) low- and moderate-income individuals or areas; (2) government-targeted revitalization areas; or (3) activities that would be considered “qualified investments” under the Community Reinvestment Act (CRA) regulations. An MDI’s designation as a community development bank may facilitate investments in that community development bank by other depository institutions.

Examination Support for MDIs

The OCC develops a supervisory strategy annually for each MDI. The supervisory strategy is based on the risks facing each MDI and addresses specific supervisory issues identified by the OCC as requiring attention. As part of the supervisory strategy, OCC examiners also consider the MDI’s need for technical assistance, training, and education in such areas as compliance, risk management, and operational issues.

The OCC assigns assistant deputy comptrollers (ADCs) and portfolio managers to MDIs who are familiar with the issues and needs of MDIs. Assignment of examiners to MDIs takes into account the expertise and background needed to properly evaluate the products and services offered by those MDIs and the markets and environments in which they operate.

Each OCC district has experts who provide institutions with information on credit, asset management, consumer compliance, capital markets, licensing, bank information systems, legal issues, economic conditions, and other concerns.

The OCC periodically convenes meetings and discussions among ADCs with responsibility for supervising MDIs. The purpose of the meetings is to exchange information and best practices for supervising MDIs. ADCs also meet with minority bank trade associations to keep abreast of important topics and emerging concerns.

Capital for MDIs

The OCC supports investments by national banks and federal savings associations in MDIs pursuant to their respective public welfare investment authority (12 CFR 24 and 560.36). National banks and federal savings associations that invest in MDIs may receive positive consideration under CRA.

Resolution of Supervisory Cases

In the course of its ongoing supervision, the OCC provides advice and technical assistance to help prevent the failure of MDIs. In resolving supervisory cases involving MDIs, the OCC encourages remedies—including mergers and acquisitions—that are consistent with the MDIs’ safety and soundness and the goal of maintaining their minority ownership.

Supporting MDIs through the Community Reinvestment Act

The OCC recognizes that majority-owned institutions are often key partners with MDIs. As such, in assessing the record of a majority-owned, non-women-owned institution under CRA, the OCC considers capital investment, loan participation, and other ventures undertaken in cooperation with MDIs if such activities help meet the credit needs of local communities in which the MDIs are chartered.

MDI Advisory Committee and Working Group Roles and Responsibilities

The OCC seeks advice from a Minority Depository Institution Advisory Committee (MDIAC) and the MDI Working Group to meet the goals outlined in section 308 of FIRREA and in this policy statement. The Senior Advisor for Midsize and Community Bank Supervision is the OCC's primary point of contact regarding MDI Advisory Committee matters.

The Director for Minority Outreach serves as chairperson of the MDI Working Group and as the agency's focal point for MDI matters. The OCC's efforts in support of MDIs are coordinated through the MDI Working Group, which is comprised of representatives from several OCC departments, including Public Affairs (which includes External Outreach and Minority Affairs), Midsize and Community Bank Supervision, Office of Minority and Women Inclusion, and Community Affairs.

Information, Education, and Outreach for MDIs

The OCC provides relevant information to MDIs through news blasts and on the Minority Bankers page on the agency's website at www.occ.gov.

A series of workshops are available to directors of national banks and federal savings associations. The workshops cover a variety of topics relevant to all community banks, including those with minority ownership. The OCC actively promotes these workshops to MDIs, encourages their directors to participate, and waives their registration fees.

The OCC, in collaboration with other financial regulatory agencies, periodically co-sponsors an interagency national conference for MDIs. The conference highlights current regulatory developments and provides the OCC's executive leadership and managers opportunities to understand and identify strategies to address issues facing MDIs. The OCC provides staff resources to serve as speakers, moderators, and instructors.

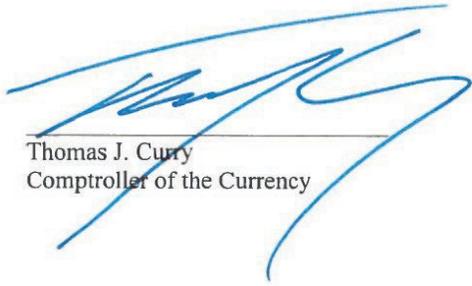
OCC District Community Affairs Officers provide advice and technical assistance to MDIs interested in structuring community development investments. District Community Affairs Officers also provide information to MDIs on designing community development initiatives.

Annual Report

Pursuant to section 367 of the Dodd–Frank Wall Street Reform and Consumer Protection Act and section 308 of FIRREA, the Comptroller of the Currency (1) consults with the Secretary of the Treasury on methods for best achieving the aforementioned policy goals and (2) submits an annual report to the Congress on actions taken to carry out the goals of section 308 of FIRREA.

Conclusion

The OCC recognizes the important role of MDIs in their communities and the federal banking system. The agency is committed to employing measures and providing resources that preserve minority ownership of national banks and federal savings associations and to helping MDIs remain safe, sound, and capable of meeting the financial needs of their communities.



Thomas J. Curry
Comptroller of the Currency

6-7-13
Date

6.3 Appendix 3: Charter

CHARTER

OFFICE OF THE COMPTROLLER OF THE CURRENCY

MINORITY DEPOSITORY INSTITUTIONS ADVISORY COMMITTEE

1. Committee's Official Title. Office of the Comptroller of the Currency's (OCC) Minority Depository Institutions Advisory Committee (MDIAC).
2. Authority. This charter is prepared and filed in accordance with the provisions of the Federal Advisory Committee Act (FACA), as amended, 5 USC, App. 2.
3. Objective and Scope of Activities.

The MDIAC will provide advice to the Department of the Treasury, OCC on meeting the goals established by section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Pub. L. No. 101-73, Title III, 103 Stat. 353, 12 USC 1463 note, to preserve the present number of minority depository institutions, preserve the minority character of minority-owned institutions in cases involving mergers or acquisitions, provide technical assistance, and encourage the creation of new minority depository institutions.

The scope of the MDIAC's work will include an assessment of the current condition of minority depository institutions, what regulatory changes or other steps the OCC may be able to take to fulfill the mandate of section 308, and other issues of concern to OCC-supervised minority depository institutions.

4. Description of Duties. The MDIAC shall meet to discuss issues of importance to minority depository institutions and provide advice and recommendations to the OCC. No non-advisory functions shall be performed.
5. Official to Whom Committee Reports. The MDIAC reports to the Comptroller of the Currency, who shall be solely responsible for any action taken with respect to the MDIAC's advice and recommendations.
6. Support Services. The OCC shall provide all necessary support to the MDIAC.
7. Estimated Annual Operating Costs and Staffing. The estimated annual cost to operate the MDIAC is approximately \$125,000 (includes approximately .50 full-time equivalent). While MDIAC members are not compensated for their services, they are reimbursed for travel-related expenses to attend meetings and outreach and orientation sessions in accordance with 5 USC 5703.
8. Designated Federal Officer (DFO). The DFO (or designee) is a full-time federal employee who will be appointed by the Comptroller of the Currency and shall ensure compliance with the requirements of FACA and its implementing regulations. The DFO will approve or call all of the advisory committee and subcommittee meetings, prepare and approve all meeting agendas, attend all committee and subcommittee meetings, and adjourn any meeting when determined to be in the public interest.

9. Estimated Number and Frequency of Meetings. The MDIAC generally meets two to three times each calendar year. Advance notice of the meetings will be published in the *Federal Register*.
10. Duration. The MDIAC is a continuing advisory committee.
11. Termination Date. The authority to utilize the MDIAC expires two years from the original charter filing as indicated in paragraph 15.
12. Membership and Designation. The MDIAC shall consist of no more than 10 members serving for one two-year term. Each member shall serve as a representative of his or her institution.

A structured application process shall be used to provide a balanced membership and ensure that diverse views are represented, including the views of officers and directors of minority depository institutions and other depository institutions with a commitment to supporting minority depository institutions.

13. Subcommittees. The OCC has the authority to create subcommittees that must report back to the MDIAC. The subcommittees may not provide advice or recommendations directly to the OCC.
14. Recordkeeping. The records of the MDIAC and its subcommittee(s) will be handled in accordance with the General Records Schedule 6.2, or other approved OCC records disposition schedule. The records will be available for public inspection and copying, subject to the Freedom of Information Act, 5 USC 552.
15. Filing Date. The filing date of this charter is 6/23/2020.

Approved:



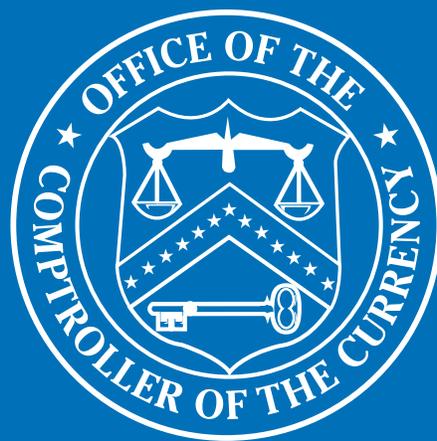
Brian P. Brooks
Acting Comptroller of the Currency
Office of the Comptroller of the Currency

Date: 6/11/2020



David F. Eisner
Assistant Secretary for Management

Date: 6/17/2020



OCC HEADQUARTERS

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