

PART 1000—[AMENDED]

■ 2. Section 1000.52 is amended by adding “Broomfield, CO” immediately

following “Boulder, CO” in the table to read as follows:

\$ 1000.52 Adjusted Class I differentials.

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County/parish/city	State	FIPS code	Class I differential adjusted for location
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BROOMFIELD	CO	08014	2.45
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PART 1032—[AMENDED]

■ 3. In § 1032.2, the county “Broomfield” is added immediately following “Boulder”.

Dated: August 11, 2003.

A.J. Yates,

Administrator, Agricultural Marketing Service.

[FR Doc. 03–20817 Filed 8–14–03; 8:45 am]

BILLING CODE 3410–02–U

DEPARTMENT OF THE TREASURY**Office of the Comptroller of the Currency****12 CFR Part 24**

[Docket No. 03–20]

RIN 1557–AC09

Community and Economic Development Entities, Community Development Projects, and Other Public Welfare Investments

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Final rule.

SUMMARY: The Office of the Comptroller of the Currency (OCC) is amending 12 CFR part 24, the regulation governing national bank investments that are designed primarily to promote the public welfare. This final rule updates 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. It also clarifies the statutory standard that applies to the activities of those entities; simplifies the standards for making public welfare investments; clarifies how a national bank calculates the value of its public welfare investments for purposes of complying with the rule’s investment limits; simplifies the regulation’s investment self-certification and prior approval

processes; and expands the list of examples of qualifying public welfare investments that satisfy the rule’s requirements. The final rule also appends the form national banks may use to inform the OCC about an investment made under part 24. These changes are intended to encourage additional public welfare investments by national banks by simplifying the regulation and further reducing unnecessary burden associated with part 24 investments.

EFFECTIVE DATE: September 15, 2003.

FOR FURTHER INFORMATION CONTACT:

Michele Meyer, Counsel, Legislative and Regulatory Activities Division, (202) 874–5090; Stephen Van Meter, Assistant Director, Community and Consumer Law Division, (202) 874–5750; or Barry Wides, Director, or Karen Bellesi, Investments Manager, Community Development Division, (202) 874–4930.

SUPPLEMENTARY INFORMATION:

The Proposal

On January 10, 2003, the OCC published a notice of proposed rulemaking (NPRM) to amend 12 CFR part 24.¹ Part 24 implements 12 U.S.C. 24 (Eleventh), which authorizes national banks to make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities and families, subject to certain percentage-of-capital limitations. The NPRM sought to eliminate unnecessary regulatory requirements associated with these investments and thus make it easier for national banks to use the public welfare investment authority that the statute and regulation provide, consistent with statutory requirements and safety and soundness considerations.

Description of Comments Received and Final Rule

The NPRM comment period closed March 11, 2003, and we received 10 comments. Commenters included banks,

a banking trade association, community groups, and individuals. The majority of the commenters supported the proposed changes. A summary of the comments and a description of the final rule follows.

Definitions (§ 24.2)

The NPRM proposed adding a new definition of “community and economic development entity” to replace the current definition of “community development corporation.” A community development corporation was defined in the former regulation as a corporation established by one or more insured financial institutions (with or without other investors) “to make one or more investments that meet the requirements of § 24.3.”² The proposal defined a community and economic development entity (CDE) as an entity—such as a national bank community development subsidiary, community development financial institution, limited liability company, or limited partnership—that makes investments or conducts activities that primarily benefit low- and moderate-income individuals or areas or other areas targeted for redevelopment. In our view, this proposed definition better reflected the scope of the statute and its legislative history, neither of which restricts the entities in which a national bank may invest to a particular form of organization, provided the bank is not exposed to unlimited liability.

None of the commenters objected to the substance of this proposed definition. Several, however, pointed out that the abbreviation “CDE” could cause confusion because that term is used in the context of the New Markets Tax Credit to refer to an entity that may have similar activities but must meet additional qualifications. To avoid this

² The prior rule set forth the criteria for a public welfare investment, including that the investment primarily benefits low- and moderate-income individuals or areas or other areas targeted for redevelopment, and that the bank demonstrates non-bank community support for the investment.

¹ 68 FR 1394 (January 10, 2003).