

2024 Current Fiscal Year Report: OCC Minority Depository Institutions Advisory Committee

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1. Department or Agency

Department of the Treasury

2. Fiscal Year

2024

3. Committee or Subcommittee

OCC Minority Depository Institutions
Advisory Committee

3b. GSA

Committee No.

34765

4. Is this New Fiscal Year?

No

5. Current Charter

06/23/2022

6. Expected Renewal Date

06/23/2024

7. Expected Term Date

8a. Was Terminated During Fiscal Year?

No

8b. Specific Termination Authority

8c. Actual Term Date

9. Agency Recommendation for Next Fiscal Year

Continue

10a. Legislation Req to Terminate?

No

10b. Legislation Pending?

Not Applicable

11. Establishment Authority

Agency Authority

12. Specific Establishment Authority

Agency Decision (approved
by Treasury Assistant
Secretary for Management)

13. Effective Date

07/16/2008

14. Committee Type

Continuing

14c. Presidential?

No

15. Description of Committee

Non Scientific Program Advisory Board

16a. Total

Number of Reports

No Reports for
this Fiscal Year

17a.

Open

0

17b. Closed

0

17c. Partially Closed

0

Other Activities

0

17d. Total

0

Meetings and Dates

No Meetings

	Current FY	Next FY
18a(1). Personnel Pmts to Non-Federal Members	\$0.00	\$0.00
18a(2). Personnel Pmts to Federal Members	\$0.00	\$0.00
18a(3). Personnel Pmts to Federal Staff	\$0.00	\$0.00
18a(4). Personnel Pmts to Non-Member Consultants	\$0.00	\$0.00
18b(1). Travel and Per Diem to Non-Federal Members	\$0.00	\$0.00
18b(2). Travel and Per Diem to Federal Members	\$0.00	\$0.00
18b(3). Travel and Per Diem to Federal Staff	\$0.00	\$0.00
18b(4). Travel and Per Diem to Non-member Consultants	\$0.00	\$0.00
18c. Other(rents,user charges, graphics, printing, mail, etc.)	\$0.00	\$0.00
18d. Total	\$0.00	\$0.00
19. Federal Staff Support Years (FTE)	0.00	0.00

20a. How does the Committee accomplish its purpose?

The Committee provides the Office of the Comptroller of the Currency(OCC) with advice and information on the current circumstances and future development of minority depository institutions, in accordance with the mandate in 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 U.S.C. § 1463 note. Section 308 requires OCC to preserve the present number of minority depository institutions, preserve the minority character of minority depository institutions in

cases involving mergers or acquisitions, provide technical assistance, and encourage the creation of new minority depository institutions.

20b. How does the Committee balance its membership?

Each member serves as a representative of his or her institution, industry, trade group, or other organization or group. The OCC ensures that diverse views are represented by assuring that the committee is composed of officers and directors of minority depository institutions and others with an interest in supporting minority depository institutions.

20c. How frequent and relevant are the Committee Meetings?

Estimated Number of Meetings per Year - at least 2 each calendar year. In fiscal year 2023 two meetings were held (April 25, 2023 and September 12, 2023). Two meetings have been held each fiscal year for this committee since 2016 with the exception of FY2018 when three meetings were held.

20d. Why can't the advice or information this committee provides be obtained elsewhere?

The OCC continues to seek the Committee's perspectives on challenges faced by MDIs. In FY2015 technical assistance (TA) was offered on topics such as cyber security, economic updates, interest rate risk. In addition, UST officials discussed CDFI/BEA information with the membership. In FY2016 TA was offered on BSA/AML, Cyber Security and Current Expected Credit Losses (CECL). In FY2017 TA included: updates on CECL, TARP, BSA/AML, and Social Media, Technology, and Community Banking. In addition, outside the MDIAC process OCC held 5

meetings to encourage MDI Collaboration with non-MDIs. MDIAC members asked for the additional information on BSA/AML, a debrief on the MDI Collaboration efforts, collaboration paper update, additional roundtables, and some items that would require legislative action not within OCC's authority and therefore not included in the performance measures i.e. changes to Dodd Frank re: mortgage lending requirements, changes to the FFIEC examination cycle requirements, etc. Some of the requirements were addressed in FY2018 and therefore not considered complete for FY2017. In FY2019 OCC provided TA on BSA/AML in three workshops around the country, additionally a representative from FASB participated in a MDIAC meeting to address members questions on CECL. In 2020 given the pandemic, meetings were conducted virtually. Once again in FY2021 technical assistance was provided in the areas of BSA/AML and Cyber Security and Ransomware. These two areas were areas MDIs expressed interest in OCC providing Technical assistance. In FY23, the OCC focused on providing technical assistance in assisting banks with developing Fintech partnerships and things to consider from a third-party relationship standpoint. Additionally, the committee wanted to improve collaborative relationships with larger institutions and the OCC held an MDI Collaboration Forum where attendees could gain information on opportunities to collaborate with larger banks as well as information on various government programs designed to support MDIs. These efforts were consistent with the requests from MDI representatives.

20e. Why is it necessary to close and/or partially closed committee meetings?

It is envisioned that most meetings of this committee are open. To date no committee meetings have been closed. That continued to be applicable for FY2022 meetings.

21. Remarks

This Committee was formerly an OTS committee. Pursuant to the Dodd-Frank Act, the OTS was abolished on 7/21/11, and the OTS's authorities transferred to the OCC. OCC determined to retain the MDIAC. But, it had to amend the charter, which occurred as of 10/20/11. New members were selected as well, and the charter renewed (08/12). The OCC went through the member solicitation and vetting process (began in 11/11), and the OCC received UST's concurrence on 11/26/12. The OCC's first meeting of the MDIAC was held on 3/5/13. The OCC MDIAC charter was renewed 07/16/14 and every two years since usually in June. In 2017 three new members were added and a fourth resigned from both his institution and the committee. In 2019 4 new members were appointed to the committee - one has since resigned from both the committee and his institution. An additional five members are continuing their membership on the committee. Several members resigned from the MDIAC in 2020 due to employment changes or personal reasons. During FY 2021 7 prior members returned to the committee from prior years and three new members were added. In 2022, two members reported they would not seek 2023 nominations for personal reasons, i.e. retirement or a change in personal responsibilities. In FY2023, 6 members returned to fulfill their MDIAC commitments while 4 new members were added to the committee. In August 2023, we were informed by a committee member the need to vacate their membership as they obtained new

employment at another institution. We will attempt to fill the vacated seat prior to the April 2024 MDIAC meeting.

Designated Federal Officer

Andre King Assistant Deputy Comptroller

Committee Members	Start	End	Occupation	Member Designation
Aller, Jamie	02/15/2015	12/31/2024	Banker	Representative Member
Hou, John	01/25/2013	12/31/2024	Banker	Representative Member
Hurley, William	01/01/2023	12/31/2024	Banker	Representative Member
Jacob, Jonathan	01/01/2023	12/31/2024	Banker	Representative Member
Lee, Jody	03/18/2021	12/31/2024	Banker	Representative Member
Meek, Beverly	03/18/2021	12/31/2024	Banker	Representative Member
Naudon, Carlos	01/01/2023	12/31/2024	Banker	Representative Member
Pugh, Michael	01/01/2023	12/31/2024	Banker	Representative Member
Quiroga, Joe	03/18/2021	12/31/2024	Banker	Representative Member
Skalicky, Kelly	03/18/2021	12/31/2024	Banker	Representative Member

Number of Committee Members Listed: 10

Narrative Description

The Committee provides advice to the Office of the Comptroller of the Currency(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 U.S.C. § 1463 note, to preserve the present number of minority 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 Committee assesses the current condition of minority depository institutions, what regulatory changes or other steps OCC may be able to take to fulfill the mandate of section 308, and other issues of concern to OCC-supervised minority depository institutions.

What are the most significant program outcomes associated with this committee?

Checked if
Applies

- | | |
|---|-------------------------------------|
| Improvements to health or safety | <input type="checkbox"/> |
| Trust in government | <input type="checkbox"/> |
| Major policy changes | <input type="checkbox"/> |
| Advance in scientific research | <input type="checkbox"/> |
| Effective grant making | <input type="checkbox"/> |
| Improved service delivery | <input type="checkbox"/> |
| Increased customer satisfaction | <input type="checkbox"/> |
| Implementation of laws or regulatory requirements | <input checked="" type="checkbox"/> |
| Other | <input type="checkbox"/> |

Outcome Comments

Possible outcomes associated with the work of this committee include the review and revision of supervisory guidance in operational and governance areas as the guidance applies to minority depository institutions supervised by the OCC.

What are the cost savings associated with this committee?

Checked if Applies

- | | |
|----------------------------|-------------------------------------|
| None | <input checked="" type="checkbox"/> |
| Unable to Determine | <input type="checkbox"/> |
| Under \$100,000 | <input type="checkbox"/> |
| \$100,000 - \$500,000 | <input type="checkbox"/> |
| \$500,001 - \$1,000,000 | <input type="checkbox"/> |
| \$1,000,001 - \$5,000,000 | <input type="checkbox"/> |
| \$5,000,001 - \$10,000,000 | <input type="checkbox"/> |
| Over \$10,000,000 | <input type="checkbox"/> |
| Cost Savings Other | <input type="checkbox"/> |

Cost Savings Comments

It is not expected that there will be cost savings associated with the committee's recommendations.

What is the approximate Number of recommendations produced by this committee

for the life of the committee?

19

Number of Recommendations Comments

The committee continues to serve as an effective vehicle for the OCC to gain insight into the role and challenges faced by MDIs. The discussion of MDI issues at committee meetings, as well as committee members' advice and suggestions, contributed to the OCC's consideration of a number of initiatives. Recommendations included: spend time with CDFI banks on amount of monies allocated to CDFI banks, offer training to bankers with OCC examiners, include cyber security in an education program for bank directors and employees and form a partnership on various training opportunities, and include a discussion of new charter and failed bank bid processes. In addition in 2017 members inquired about BSA/AML; CECL; TARP, MDI collaboration efforts, including the collaboration paper; examination cycle including offsite examinations, and additional roundtables. In FY2023, the committee members requested additional information on government programs designed to support MDIs, continued collaboration with midsize and large banks, technical assistance on third-party/Fintech relationships and commercial real estate, and potential collaboration/discussions with federal savings associations.

What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?

97%

% of Recommendations Fully Implemented Comments

In 2023, the OCC continued to provide technical assistance and guidance for MDIs. We delivered several technical assistance outreach events focused on commercial real estate and assisted with industry guidance on third-party relationships. Additionally, we hosted an MDI collaboration event that included midsize and large banks focused on highlighting their initiatives supporting MDIs as well as providing a platform for all parties to engage in person at OCC HQ. We also invited representatives from the CDFI and Treasury to share information on their MDI/CDFI programs during each 2023 MDIAC meeting. Lastly, we've had preliminary discussions with representatives from the mutual savings association advisory committee to potential engage/convene in the future to discuss both challenges and opportunities to establish potential collaboration efforts. In 2022 OCC continued to provide technical assistance to MDIs on a variety of topics that MDIs expressed a need. In 2019 OCC delivered three technical assistance workshops on BSA/AML to OCC supervised MDIs. In 2018 OCC sponsored several MDI Collaboration forums, provided technical assistance or updates on BSA/AML, CRA, Innovation, Military Lending Act, and Small Dollar Lending, In 2017 OCC provided technical assistance on BSA/AML, CECL,

TARP, Collaboration and Social Media, Technology and its relevance in Community Banking. Due to timing some roundtables were not held in 2017 as well as a full de-brief on the MDI Collaboration activities. In FY2016 one member requested additional technical assistance on BSA/AML. BSA/AML technical assistance was provided at the individual institution level as well as in various workshops hosted by OCC and conducted by OCC staff. Department of Treasury officials discussed the CDFI allocation of funds process to CDFI institutions at the September 2015 meeting. Treasury officials also attended the July 2015 Interagency MDI and CDFI Conference sponsored by OCC, FDIC and FRB and presented information on the CDFI and BEA programs including application and award processes. In addition sessions were conducted for MDIs & CBs to educate on cyber security and in FY2015 FFIEC agencies developed a cyber security assessment tool to assist bankers in identifying their cyber security risk. In addition, OCC continues to conduct webinars for bankers as well as develop and offer training sessions on current and hot topics such as cyber security, operational risk, credit, compliance issues, BSA/AML, etc.

What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?

3%

% of Recommendations Partially Implemented Comments

For 2023, the dialogue between midsize and large banks on future collaboration efforts have and will continue going forward. Additionally, the OCC will continue to provide technical assistance and provide a platform to discuss and explore government programs designed to support MDIs. OCC continues to offer training workshops for OCC supervised institutions but does not plan to conduct joint examiner/banker training courses. In 2021, OCC adopted course content from BSA/AML and Cybersecurity/Ransomware internal training sessions and provided them as technical assistance to MDIs. However, in 2020 we began working to explore converting some examiner courses to those to offer OCC supervised bankers. The new charter and failed bank bid processes were addressed in other venues - outside the MDIAC meeting process. Bank bid processes were addressed by FDIC officials at the National Bankers Association meeting.

Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?

Yes ☒ No ☐ Not Applicable ☐

Agency Feedback Comments

OCC discussed the recommendations with the committee before, during and after

development. Overall feedback from both the committee and the MDI industry was positive.

What other actions has the agency taken as a result of the committee's advice or recommendation?

Checked if Applies

Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input type="checkbox"/>

Action Comments

Not applicable.

Is the Committee engaged in the review of applications for grants?

No

Grant Review Comments

This committee does not review applications for grants.

How is access provided to the information for the Committee's documentation?

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input checked="" type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input type="checkbox"/>

Access Comments

Information and documentation regarding this Committee is on the OCC website, by contacting the DFO and included in this FACA Database.