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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**Community Development Investment Letter #2002-4**

May 3, 2002

**June 2004  
12 CFR 2004**

Ms. Edna R. Martinez  
Branch President  
First National Bank  
301 S. Texas  
Mercedes, Texas 78570

Dear Ms. Martinez:

This communication is in response to your letter of self-certification received on January 29, 2002, and additional clarifications provided on March 28, 2002. First National Bank, Texas (the "Bank") made an equity investment of \$20,406 in its wholly-owned subsidiary, the First National Group Community Development Corporation (the "FNGCDC"). The Bank self-certifies that its investment in the FNGCDC is consistent with 12 U.S.C. § 24 (Eleventh) (the "statute") and 12 C.F.R. Part 24 (the "regulation") concerning national bank community development corporations, community development projects, and other public welfare investments.

The Bank's investment was used by the FNGCDC to provide financing to a medical student, whom the FNGCDC considers an emerging small business that will serve low- and moderate-income persons. Upon graduation, the student has contracted to work for four years for the Nuestras Clinica Del Valle (the "NCDV"), a medical facility that provides medical services to low- and moderate-income persons through several clinics located throughout Hidalgo County, Texas. Hidalgo County has an acute shortage of physicians, especially those who would work exclusively with low-income families and individuals. The NCDV will guarantee the payment of the loan to the FNGCDC.

The Bank formed the FNGCDC on July 30, 1999, after receiving the OCC's approval that the corporation meets the requirements of the statute and regulation. This new investment by the Bank in the FNGCDC is consistent with FNGCDC's purpose to primarily benefit low- and moderate-income persons, low- and moderate-income areas, or other areas targeted by federal, state, or local government. The investment also demonstrates nonbank community involvement, including by the FNGCDC's having a nonbank community representative on its board of directors.

The Bank's investment in the FNGCDC, and the aggregate amount of its outstanding investments under the regulation, do not exceed [ ] percent of its unimpaired capital and surplus.

The aggregate amount of the Bank's outstanding investments may not exceed [ ] percent of its capital and surplus without prior, written approval by the OCC. In no event shall the Bank's aggregate investments exceed 10 percent of its unimpaired capital and surplus.

The response set forth in this letter is based on information and representations provided to us by the Bank. Any change in the nature, amount, or purpose of the Bank's investment, or in the purpose and activities of the FNGCDC, could result in a different response being rendered concerning the conformance of the Bank's investment with the statute and the regulation.

If requested by the OCC, the Bank shall provide reports concerning its investment in the FNGCDC and the FNGCDC's financial status, activities and accomplishments. Copies of all reports submitted to the OCC shall also be provided to the Deputy Comptroller, Southwestern District.

This response regarding the Bank's Part 24 investment, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and does not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

If you have any questions regarding this letter, please contact Karen Bellesi, Manager, Community Development Investments, at (202) 874-4930.

Sincerely,

*/s/ Barry Wides*

Barry R. Wides  
Director  
Community Development Division

cc: Robert Gandy III, President, First National Bank, Texas