



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Community Development Investment Letter #2000-1
August 2004
12 CFR 24

February 14, 2000

Mr. James F. Powers
Senior Vice President and Assistant
General Counselor
First Union Corporation
Legal Division
One First Union Center (0630)
Charlotte, North Carolina 28288

Dear Mr. Powers:

This letter responds to your letter dated February 2, 2000. First Union National Bank (the “Bank”) seeks to consolidate its public welfare investment activity under 12 U.S.C. § 24 (Eleventh) and 12 C.F.R. § Part 24 (“Part 24”) in the First Union Affordable Housing Community Development Corporation (the “CDC”).

The OCC approved the Bank’s initial investment in the CDC on August 13, 1998. The Bank’s initial proposal stated that the purpose of the CDC would be to serve as a limited partner or investor member in operating limited partnerships and limited liability companies that would be formed for the purpose of acquiring, developing, constructing, owning and operating affordable housing projects for persons of low- and moderate income throughout the United States.

On June 30, 1999, the OCC approved the Bank’s request to increase its investment in the CDC to an amount not exceed 10% of unimpaired capital and surplus. The OCC also concurred in the Bank’s request to expand the CDC’s activities to include other passive investments, including investments in companies in and out of targeted reinvestment areas and operating limited partnerships, limited liability companies and similar vehicles that own property eligible for federal or state historic tax credits.

Your February 2, 2000 letter asks that the OCC’s approval of the Bank’s investment proposal be modified to permit the OCC “(a) to make any investment, including any [low-income housing tax credit] investment, that qualifies as an investment designed to ‘primarily promote the public welfare’ within the meaning of Part 24, as the same may be amended from time to time, and (b) to treat any such investment, whether it be a [low-income housing tax credit] investment or other public welfare investment under Part 24” as an investment that satisfies the requirements of Part 24.

The OCC has already approved the Bank's funding of the CDC to invest in affordable housing projects and to engage in certain other passive investments, in an amount not to exceed 10% of unimpaired capital and surplus. Permitting the existing CDC to make additional "public welfare investments" within the meaning of 12 C.F.R. § 24.3 and within the previously-approved "public welfare investment limit is consistent with Part 24. The Bank represents that the CDC will manage its portfolio so that the majority of its investments qualify as public welfare investments under Part 24 (See OCC Interpretive Letter No. 837)(enclosed). The OCC therefore approves the Banks' request that its investment proposal be expanded to permit the OCC to engage in additional public welfare investment.

This letter supplements the OCC's opinion letter dated August 13, 1998 and June 30, 1999. Additional public welfare investments described in 12 C.F.R. § 24.6 within the previously-approved 10% investment limit that are not authorized in this letter, the August 13, 1998 letter, or June 30, 1999 letter will be subject to the self-certification procedures of 12 C.F.R. § 14.5(a).

If requested by the Community Development Division (the "Office"), the Bank will provide reports concerning its investment in the CDC and the CDC's financial status, activities, and accomplishments. Copies of all reports submitted to the Office are to be forwarded to the Deputy Comptroller, Large Bank Supervision.

Should you have any questions or comments regarding this letter, please contact me or Jacquelyn C. Allen, Community Development Specialist at (202) 874-4930.

Sincerely,

signed

Barry Wides
Director
Community Development Division

Enclosure