



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

September 4, 2001

Community Development Investment Letter #2001-4
July 2004
12 CFR 24

Mr. William R. Buckles,
President and Chief Executive Officer
The Central National Bank of Alva
P.O. Box 667
Alva, OK 73717

Dear Mr. Buckles:

This is in response to your letter that we received on March 14, 2001, and additional telephone clarifications provided to Karen Bellesi, Manager, Community Development Investments, and Jeffrey Larma, National Bank Examiner. The Central National Bank of Alva ("the Bank") self-certified an equity investment of \$5,000 for the purchase of common stock in Value Added Products ("VAP"), a nonprofit cooperative organized under the Cooperative Marketing Association Act of Oklahoma, Oklahoma Statutes Annotated, Title 2 § 361 *et. seq.* ("the Act").

Based on the content of the Bank's letter and the Bank's additional representations, the investment in the VAP promotes the public welfare consistent with 12 U.S.C. § 24(Eleventh) and 12 CFR Part 24, and is approved.

The Bank's representations indicate that its investment in VAP primarily benefits low- and moderate-income individuals. VAP was initiated by the Woods County Economic Development Authority and local farmers and businesses as a way to promote the economic development of Woods County and the region by marketing the area's natural resources and by creating new jobs. VAP employs approximately 100 individuals. The annualized salary of these employees indicates that they are primarily low- and moderate-income individuals.

The Bank's investment demonstrates non-bank community support through the composition of VAP's board of directors, which includes local farmers and businesspeople, including the Chairman of the Woods County Economic Development Authority. In addition, the Woods County Economic Development Authority has provided financial support to VAP, and the U.S. Department of Agriculture's Rural Development Division has previously committed to issuing a Business & Industry Guarantee Loan to benefit VAP.

The Bank represents that, as a member of VAP, it is limited in liability up to the amount of its equity investment. *See* § 361j(c) of the Act. The Bank's investment in VAP and its aggregate amount of outstanding investments under the regulation do not exceed [] percent of its capital and surplus. The OCC's decision to approve the Bank's investment in VAP is based on our determination that the Bank is [] capitalized and that the amount of the Bank's aggregate investments does not pose significant risk to the Federal Deposit Insurance Fund. The Bank's aggregate investments under the statute and the regulation may not exceed 5 percent of its capital and surplus without prior OCC approval. In no event shall the Bank's aggregate investments under the statute or regulation exceed 10 percent of its capital and surplus.

The Bank's letter indicates that it purchased general obligation bonds and participated in two loans that support VAP's operations. The Bank clarifies that it is undertaking these activities, which are expressly authorized under provisions of national banking law other than 12 USC § 24(Eleventh), without regard to the provisions of 12 CFR Part 24.

The OCC's opinion set forth in this letter is based on the 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 purposes and activities of VAP, could result in a different response being rendered concerning the conformance of the Bank's investment with the statute and the regulation.

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

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

Sincerely,

signed

Barry R. Wides
Director
Community Development Division