

Minority Depository Institution Advisory Committee Minutes
June 12, 2019

The Minority Depository Institution Advisory Committee (MDIAC) convened for a meeting at 1:00 p.m. on Wednesday, June 12, 2019, at the Office of the Comptroller of the Currency (the OCC), Southern District Office, Dallas, TX. In accordance with the provisions of Public Law 92-463, the meeting was open to the public from 1:00 p.m. to 3:00 p.m.

Advisory Committee Members Present

Natalie Abatemarco, Managing Director, Citi Community Development and Inclusive Finance; Jamie Bartholomew Aller, Director and General Counsel, The National Bank of Malvern, Malvern, PA; Jerome Brown, Senior Vice President and Director of Community Development, The First, A National Bank Association, Hattiesburg, MS; Guillermo Diaz-Rousselot, President, Continental National Bank of Miami, Miami FL; Jesse Jackson, Senior Vice President, Texas Capital Bank, N.A., Dallas TX; Robert Klamp, Chief Executive Officer, GN Bank, USA, Chicago, IL; Valerie Mann, Senior Vice President, The First National Bank of Gordon, Gordon, NE.

OCC Participants Attending

Toney M. Bland, Senior Deputy Comptroller for Midsize and Community Bank Supervision; Beverly F. Cole, Deputy Comptroller for Compliance Supervision Management and Designated Federal Officer; David Black, Community Development Expert, Compliance and Community Affairs; Andrew Moss, Outreach and External Relations Program Manager; Monique Parkmon, National Bank Examiner and Analyst to Deputy Comptroller, Compliance Supervision Management.

External Speakers

None

Public Observers

Amin A. Mohamed, Financial Accounting Standards Board (FASB), Norwalk, CT
Generra Booser, Associate National Bank Examiner, Dallas Field Office, OCC
Jasmin Talton, District Counsel, Southern District, OCC

Meeting Opening

Beverly Cole opened the meeting at 1:00 p.m. and welcomed all in attendance, specifically newly appointed MDIAC members. The meeting agenda was also reviewed. Attendees were reminded the meeting is open to the public and meeting minutes will be published on the Treasury Federal Advisory Committee Act (FACA) website.

Ms. Cole noted this meeting, originally scheduled for April 2019, was rescheduled as a result of delays caused by the government-wide shut down and acknowledged MDIAC members that were unable to attend this rescheduled meeting: John Hou, Chairman, President and Chief Executive Officer, Asian Pacific National Bank, San Gabriel, CA and Lucilio (Louie) M. Couto, President and Chief Executive Officer, American Plus Bank, N.A., Arcadia, CA.

Ms. Cole briefly commented on other MDI events occurring this week in Dallas: MDI Collaboration Roundtable (June 13, 2019) and the MDI BSA/AML Technical Training (June 14, 2019) and acknowledged MDIAC member Guillermo Diaz-Rousselot as a major proponent for the OCC conducting the BSA/AML technical training for MDIs.

The MDIAC members introduced themselves and provided a brief overview of their institutions. Attendees were reminded that this meeting is their opportunity to discuss whatever issues are on their mind, and to share with OCC senior management their needs and how the OCC can assist. Ms. Cole noted that the MDIAC is very active and has influenced the OCC's efforts in the MDI space.

SDC Toney Bland spoke of the OCC's commitment to the preservation and promotion of all MDIs as illustrated by the OCC sponsored MDI collaboration and BSA/AML technical training events and discussed the value MDIs bring to communities. SDC Bland also noted that although it is important for the OCC to know and understand what to act on, it is also important that the MDIs are thoughtful and proactive in their actions.

MDIAC Roundtable

Topics covered during the MDIAC Roundtable portion of the meeting include:

- Regulatory Burden
 - Beneficial Ownership / BSA/AML SAR and CTR Thresholds
 - State Legislation impact on National/Thrift institutions
 - BSA/AML Modernization
 - CRA Modernization
 - Current Expected Credit Losses (CECL)
- Serving unbanked customers
- Competitive challenges when competing with non-banks
- Challenges raising capital in current environment
- Challenges engaging in collaborative partnerships
- Challenges with bringing more revenues into small banks

SDC Bland referenced Comptroller Otting's testimony regarding regulatory burden and efforts to modernize BSA/AML supervision and CRA, which are publicly available. Specifically, to CECL, SDC Bland discussed the challenges of smaller banks and referenced OCC supervisory offices as a resource to answer bank-specific questions, citing small training sessions and agency-wide seminars as examples of assistance provided.

Ms. Cole transitioned the discussion to how to move forward the OCC's MDI Collaboration Events to next steps, citing successes with the event that came about based on direct feedback from the MDIAC members. Ms. Cole noted that in response to MDIAC members wanting large banks at the table MDIAC members Jesse Jackson of Texas Capital Bank, N.A. (Dallas, TX) remains on the committee and Natalie Abatemarco of Citibank, N.A. (New York, NY) was added to the committee.

Texas Capital Bank, N.A. and Citibank, N.A. are very active in creating collaborative solutions for MDIs and serve as a model to other institutions on how collaborative relationships with MDIs can work. Citing the OCC's MDI Collaboration Events, Ms. Abatemarco and Mr. Jackson stressed the importance of networking and building relationships with benefits for both parties, as well as the importance of thorough due diligence by both parties of a potential collaborative partnership.

Ms. Cole challenged the committee to give thought on how best to improve this program going forward, referencing the active technical assistance program, and available one on one sessions through a bank's supervisory office. Participants also discussed leveraging relationships with the OCC's District Community Affair Officers. The OCC will continue to recognize collaborative partnership efforts, as well

as continue technical training via webinars. Participants discussed additional action items to address challenges and continue the momentum of the OCC MDI Collaboration Event's purpose.

Public Observer Comments

None.

Adjournment

The meeting was adjourned at 3:00 p.m.

The minutes are an accurate representation of the meeting.