

Submitting National Bank Public Welfare Investment Filings Using CATS

This *Community Developments Fact Sheet* explains the processes that national banks should follow when submitting public welfare investment applications and notices (collectively, filings) to the Community Affairs Division of the Office of the Comptroller of the Currency (OCC) through the OCC's web-based Central Application Tracking System (CATS).¹ Currently, only national banks may submit filings in CATS using these processes.²

Background

National banks may make investments that are designed primarily to promote the public welfare, as specified in [12 USC 24\(Eleventh\)](#) and its implementing regulation, [12 CFR 24](#). Such investments must, for example, be designed primarily to provide housing, services, jobs, or other public welfare needs.

Under 12 CFR 24.3, a national bank or national bank subsidiary may make an investment directly or indirectly if the investment primarily benefits low- and moderate-income individuals, low- and moderate areas, other areas targeted by a

governmental entity for redevelopment, or the investment would receive consideration as a qualified investment under 12 CFR 25.23.

National banks may make community and economic development investments, including investments in an entity that develops or operates affordable housing and other commercial and industrial real estate developments that primarily benefit low- and moderate-income individuals or areas and other areas targeted by a governmental entity for redevelopment; provide equity for small business start-ups and expansions; and revitalize or stabilize government-designated development areas under 12 CFR 24. The aggregate amount of a national bank's outstanding public welfare investments is limited to 5 percent of its capital and surplus, unless the bank is at least adequately capitalized and obtains written approval from the OCC to invest a higher amount, which cannot, in aggregate, exceed 15 percent of its capital and surplus.³ A national bank is prohibited from making an investment that would expose the bank to unlimited liability.⁴

¹ See OCC Bulletin 2016-37, "Central Application Tracking System: OCC's New System for Licensing and Public Welfare Investment Filings."

² This fact sheet addresses processes for national banks. Federal savings associations may access CATS but cannot submit filings in CATS. Federal

savings associations making public welfare investments should refer to the OCC's Public Welfare Investments Resource Directory under [Federal Savings Association Investment Authorities](#).

³ 12 CFR 24.4(a).

⁴ 12 CFR 24.4(b).

12 CFR 24 Filings

Under 12 CFR 24.5, national banks are required to notify the OCC of public welfare investments through one of these processes:

- After-the-fact notice
- Prior approval request

A national bank must notify the OCC of each of its proposed or previously made public welfare investments in accordance with the applicable requirements in 12 CFR 24.5. A national bank can satisfy the notification requirement by submitting a completed [CD-1–National Bank Community Development \(Part 24\) Investments form \(CD-1 form\)](#) to the Community Affairs Division. The OCC encourages national banks to use the CD-1 form.

After-the-Fact Notice

National banks eligible⁵ to provide after-the-fact notices⁶ may make public welfare investments without prior OCC approval but must notify the OCC within 10 working days of making the investment, delivered via CATS, email, fax, or mail.

For the after-the-fact notification process, an eligible bank’s investment must satisfy the public welfare investment criteria (12 CFR 24.3) and regulatory investment limits (12 CFR 24.4). Unless provided with written approval from the OCC, a national bank’s aggregate public welfare investments cannot exceed 5 percent of capital and surplus using the after-the fact notice process.

The activities undertaken by the bank’s investment should be consistent with examples of qualifying public welfare investments found at 12 CFR 24.6. The

⁵ See 12 CFR 24.2(e).

⁶ See 12 CFR 24.5(a).

requirements for after-the-fact notices are described in 12 CFR 24.5(a).

Prior Approval Request

Generally, a bank must seek prior OCC approval,⁷ delivered via CATS, email, fax, or mail, if the bank does not meet the “eligible bank” criteria at 12 CFR 24.2(e) or does not meet the requirements for providing an after-the-fact notice. Further, 12 CFR 24 subjects a national bank to the prior approval process if:

- the bank’s aggregate public welfare investments and outstanding commitments, including the proposed investment, exceed 5 percent of its capital and surplus (unless written approval has been granted by the OCC to use the after-the-fact notification process with aggregate investments greater than 5 percent up to 15 percent);
- the investment will involve properties carried on the bank’s books as “other real estate owned;” or
- the OCC determines in published guidance that the investment is inappropriate for submission through the after-the-fact notice process. This guidance is maintained on the [OCC’s website](#).

The OCC generally notifies a bank of the agency’s decision with a letter delivered by email and parcel delivery service within 30 days after receiving the prior approval request. The OCC may extend the review period by notifying the bank.

Request to File After-the-Fact Notices

If a national bank does not meet the eligible bank criteria at 12 CFR 24.2(e), it may seek

⁷ See 12 CFR 24.5(b).

authorization from the OCC to submit after-the-fact notices if the bank is at least adequately capitalized⁸ and has a composite rating of at least 3 with improving trends.⁹

The request to file after-the-fact notices is available to a national bank that meets the criteria of an eligible bank, but its aggregate public welfare investments will likely exceed 5 percent of its capital and surplus with additional investments or currently exceeds 5 percent of its capital and surplus. Under these scenarios, the bank could seek the OCC's permission to provide after-the-fact notices up to a designated dollar amount or percentage, which does not exceed the statutory limit of 15 percent of capital and surplus, delivered via CATS, email, fax, or mail.

After receiving the OCC's written approval from the Deputy Comptroller for Community Affairs, delivered by email and parcel delivery service, the national bank may make future public welfare investments and provide after-the-fact notices to the OCC within 10 working days after making each investment. The bank must continue to be at least adequately capitalized and a higher amount of investments must not pose a significant risk to the deposit insurance fund. In no event may a bank's aggregate Part 24 investments exceed 15 percent of its capital and surplus.

To request authorization to file after-the-fact notices, a national bank typically submits a letter to the Community Affairs Division that outlines the nature and rationale for the bank's request and that generally explains how the bank will use the public welfare investment authority. The OCC considers these requests on a case-by-case basis. A national bank may submit its letter seeking permission to file after-the-fact

notices to the Community Affairs Division using the "Request to File After-the-Fact Notices" filing type in CATS. A bank also may submit its letter to the OCC by email, mail, or fax, as discussed in the "Frequent Asked Questions" section of this fact sheet.

Related Correspondence or Other Requests

National banks may seek guidance from the OCC about a public welfare investment transaction or pose a policy question not described under the regulation or in existing guidance. National banks may notify the OCC about a change to their public welfare investments (such as in the dollar amount of the investment, structure of the investment, investment name, or geographic area targeted by the investment) or changes to an OCC-imposed condition in connection with the OCC's approval of a public welfare investment.

If a national bank would like to send a letter about a public welfare investment transaction to the OCC, the bank can submit the letter by using the "Other Requests" filing type in CATS. The bank also may submit a letter to the OCC by email, fax, or mail, as discussed in the *Frequent Asked Questions* section of this fact sheet.

Using BankNet–CATS

The OCC strongly encourages national banks to use the CATS application on BankNet to submit their public welfare investment filings to the Community Affairs Division.

BankNet is a secure, limited-access website for OCC-regulated banks. BankNet provides special OCC communications about "hot banking topics," banking tools, forms and applications, and banking resources. The site

⁸ See 12 CFR 6.4.

⁹ See 12 CFR 24.5(a)(5).

provides a vehicle for banks to deliver accurate, timely, confidential data to the OCC on a secure platform that meets federal government standards for both information security and data integrity.

CATS is one of the applications available on BankNet. A banker or bank representative must register with BankNet to use CATS. If the banker or a bank representative does not have BankNet access, he or she should go to the [BankNet entrance page](#) and choose “Register” in the left-hand side of the page. The banker can register for both BankNet and CATS at the same time by following the on-screen instructions.

After accessing BankNet, the banker should select the “Forms and Applications” tab on the top bar.

On the “Forms and Applications” page, the banker can select “CATS” to obtain information about the system, operational status, resource tools (e.g., Webinar, Quick Start Cards, Applicant User Manual, and Online Training), and to launch CATS. See the “Obtaining Access to CATS” section of this fact sheet.

While some Licensing filing types require forms to be downloaded and completed outside of CATS and then uploaded into CATS, the public welfare investments filing types allow a bank to complete the forms directly in CATS. CATS allows a bank to partially start and save its filing, and then at a later time, complete and submit it to the OCC. After the bank submits the entire filing, including attachments, the authorized bank representative may then sign and submit the filing electronically to the OCC.

After the OCC receives the filing through CATS, the system emails a confirmation

receipt to the bank representative. Once the bank representative submits the application through CATS, OCC staff can access the bank’s application in CATS for processing.

Community Affairs Division staff analyzes and processes the filing and coordinates with other OCC offices. Community Affairs Division staff might contact the bank representative for more information. Once the OCC’s review process is complete, the OCC sends the bank a letter from the Deputy Comptroller for Community Affairs delivered by email and parcel delivery service, explaining the agency’s decision.

For prior approval requests, the OCC generally notifies a bank of the agency’s decision in writing, delivered by email and parcel delivery service, within 30 days after receiving the request, although the OCC may extend the review period by notifying the bank.¹⁰

Obtaining Access to CATS

There are three types of user roles in CATS, with each having a different level of access. The assignment of those roles is determined by the protocol established by each bank. Each higher role allows a user to perform tasks within that role as well as lower roles. The following are the three user roles in CATS:

- **Drafter:** May initiate a filing, fill out filing forms, and upload supporting documents but cannot submit filings to the OCC. When initiating a filing, the drafter must choose a designated submitter from his or her bank who may submit the filing to the OCC.
- **Submitter:** Performs all of the duties of a drafter and electronically signs and submits filings to the OCC. The

¹⁰ See 12 CFR 24.5(b)(4)–(5).

submitter must attest to the filing's completeness and accuracy.

- **Super user:** Performs all of the duties of a submitter and sees all filings drafted and submitted on behalf of the super user's bank. As with the submitter role, a super user must attest to the filing's completeness and accuracy. (The super user role is available to the banker but not to the bank's third-party representative.)

After registering for BankNet, a banker or a bank representative must register for CATS using the following steps:

1. Go to BankNet.gov and log in.
2. Select "Change Permissions (Access Privileges)" on the left-hand side of the BankNet entrance page.
3. On the next screen, type in the bank's name and then select it from the first drop-down menu, and select CATS from the "Application" drop-down menu.
4. Select the appropriate role the banker or bank representative will be using in CATS—that is, as drafter, submitter, or super user. Click "Add" at the end of the "Roles" drop-down and then click "Submit Changes" to submit the registration request.
5. The request is sent to the bank's BankNet agent for approval of both the user and the role in CATS. Once the request has been approved by the bank's BankNet agent, the banker or bank representative receives an email stating that CATS permission has been granted.

Initiating Filing in CATS

After launching CATS, the banker or bank representative lands on the "Actions" page. Select "Initiate a Filing" and follow the instructions on the screen to draft the filing:

1. Select bank name. Select "Continue."
2. Select "Public Welfare Investment filings."
3. Select "Filing Type" from the drop-down list:
 - After-the-Fact Notification
 - Prior Approval Request
 - Request to File After-the-Fact Notifications
 - Other Request
4. Click "Continue."
5. Select the bank's point of contact from the drop-down list. The individual selected receives and replies to questions from the OCC. Select "Continue."
6. If applicable, select the bank's secondary point of contact from the drop-down list. Click "Continue." If there is no secondary contact for the filing, select "No Secondary Contact."
7. Enter appropriate information for each question on the CD-1 or other filing form.
8. Move through the drafting process by choosing the appropriate navigation buttons at the bottom of the screen.
9. Upload any supporting documents anytime during the drafting process by selecting "Manage Supporting Documentation."
10. Review previously uploaded documents by clicking the "View/Print" button. (The ability to see uploaded documents is not available to drafters.)

Depending on the assigned role, the banker or bank representative performs one of the following two steps:

- 1) If the banker is a **drafter** who is completing the filing but not submitting the filing, assign the filing to a **submitter** for the bank by choosing "Submitter" from the drop-down box on the "Application Submission" page and selecting "Continue."

The filing appears in the **submitter's** Tasks list.

2) If the banker or bank representative is a **submitter** or **super user (banker-only role)**, go to the next section, "Submit a Filing to the OCC."

Note that the banker or bank representative may start a filing and save it for future activity by selecting the "Save & Close" button at the bottom of the page. To access saved filings, go to the "Records" tab and select the "Unsubmitted Filings" link.

Submitting a Filing in CATS

This section outlines the steps for submitting the public welfare investment filing to the Community Affairs Division. (If the banker or bank representative received the filing from a drafter in CATS, start with step number 1. If the banker drafted the filing, start with step number 6.)

1. Go to the "Tasks" tab or the "Submitted Filings" dashboard under the "Records" tab and select the appropriate filing.
2. Click "Accept" at the top of the page to accept the task.
3. Review and finalize the data on the filing form.
4. Review previously uploaded documents by selecting the "View/Print" button. Add or delete documents using the "Manage Supporting Documentation" button.
5. Click "Continue."
6. Select the "Submission Type"; the default value is "Submit to OCC as Final Filing." (The banker may reassign the filing to another submitter or, in some cases, return the filing to the drafter for further attention using this option.)
7. Select the OCC "Processing Office"; the default value is Community Affairs, DC.

8. Click uploaded document to review it.
9. Electronically sign the filing by checking the "Signature" box. Click "Submit" and confirm in the popup that the banker wants to submit the filing to the OCC.
10. The banker or bank representative is then given the option to view, print, and download the electronically signed filing. (The banker has 30 minutes after submission to access the filing. This is the only opportunity for the bank to access the signed filing.)

Frequently Asked Questions

If my bank uses CATS to submit a CD-1 form, does the bank also send the CD-1 form through the mail for the same public welfare investment?

A bank that submits its CD-1 form on CATS is not required to mail a printed copy of the same application to the OCC.

Are there alternative mechanisms for submitting the CD-1 form?

Although CATS provides an efficient, user-friendly process for banks, the OCC does not require that banks use the CD-1 form on CATS. A bank may submit its after-the-fact notice or prior approval request, consistent with 12 CFR 24.5; CD-1 form; or other correspondence to the OCC by email, mail, or fax.

Bank representatives can access and download a PDF version of the CD-1 form from the [OCC's website](#). The completed CD-1 form or correspondence should be sent to:

Community Affairs Division
Office of the Comptroller of the Currency
Washington, DC 20219
Fax: (202) 649-5726
Email: CommunityAffairs@occ.treas.gov

What advantages does CATS provide?

There are several advantages to using CATS for public welfare investments and other corporate applications. Bank representatives can use the help function in CATS to find applicable statutory, regulatory, and OCC policies.

The draft function enables bank representatives to develop and save unfinished filings. Bank representatives can return to the unfinished filings to fill in more specifics as investment deals are finalized.

Banks that submit more than one application at a time to the OCC, especially for investments that are similar in nature, can copy and paste information and upload attachments.

Bank representatives can track submitted filings in CATS, and automatically receive an emailed confirmation receipt.

May the bank save a draft of the electronic application before submitting it as “final”?

Bank representatives can save a draft of the CD-1 form or letter in CATS before submitting it to the Community Affairs Division for review. The OCC reviews a bank’s filing only after the bank submits it.

How does a bank track the progress of its filing after it has been submitted?

The bank representative should make note of the filing control number (also called the filing ID) assigned to his or her submitted

filings. This unique number identifies the bank’s filings and is used for future reference to the specific filing. To track a filing after it has been submitted,

- select the “Records” tab and click “Submitted Filings” or “Unsubmitted Filings.”
- select a filing to view its dashboard, which includes the current filing status.

Are third-party representatives permitted to file on behalf of banks?

The bank’s BankNet agent may authorize the bank’s external representatives (third-party attorneys, consultants, and other contractors) to draft and submit filings in CATS. These representatives need to register for both BankNet and CATS.

Where may a bank obtain additional information about CATS?

There are four primary resource tools. To access these materials, visit the CATS application page on BankNet.

When getting started with CATS, first-time users should view the CATS Webinar. The webinar is an hour-long presentation with questions and answers and explains how to register for and use CATS.

The CATS Quick Start Card covers the highlights, including a system overview, user roles, obtaining access to CATS, drafting and submitting filings to the OCC. This card is useful as a refresher for infrequent users.

The CATS Applicant User Manual contains more details about CATS. The manual delves into the user roles, how users may obtain access to CATS, and the process for drafting and submitting filings to the OCC.

The manual contains step-by-step instructions for using CATS to draft and submit branch establishment applications, branch closing notices, and public welfare investment notices.

The CATS Online Training tutorial, which is about two hours long, provides a visual demonstration through slides and simulations. The tutorial is divided into subtopics on the left-hand side of the screen.

What should the bank do if it has questions or issues involving BankNet or CATS?

The OCC provides a help desk for questions about BankNet and CATS.

Phone: (800) 641-5925

Email: BankNet@occ.treas.gov

Help desk hours: Monday–Friday,
7:00 a.m.–11:00 p.m. Eastern Time

For More Information

[Contact information for the OCC’s District Community Affairs Officers](#). District Community Affairs Officers provide

community development training and technical assistance and offer customized consultations to help banks identify community development finance opportunities and resources.

[General Information About Public Welfare Investments](#). The web page lists several *Community Developments Investments* newsletters, *Community Developments Fact Sheets*, *Community Developments Fact Sheets*, and *Community Developments Insights* reports.

National Bank [Public Welfare Investments Fact Sheet](#). This *Community Developments Fact Sheet* describes the requirements, processes, and related regulatory considerations for banks using the OCC’s public welfare investment authority, as specified in [12 USC 24\(Eleventh\)](#) and its implementing regulation, [12 CFR 24](#).

[Public Welfare Investments Resource Directory](#). The web page assists national banks and federal savings associations that make investments designed primarily to promote the public welfare.

Disclaimer

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