



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Community Development Investment Letter #2003-1
April 2004
12 CFR 24

September 26, 2003

Mr. Stephen P. Davey
Senior Vice President-Risk Management
Valley National Bank
1455 Valley Road
Wayne, New Jersey 07470

Dear Mr. Davey:

This letter responds to your request for prior approval from the Office of the Comptroller of the Currency (the "OCC") that we received on July 22, 2003, and additional information you provided. Valley National Bank (the "Bank") proposes to make an equity investment of \$1,400,000 in the Workforce Investment Fund-A LLC (the "Fund") under the requirements of 12 USC § 24 (Eleventh) (the "Statute") and 12 CFR Part 24 (the "Regulation") concerning national bank community and economic development entities, community development projects, and other public welfare investments.

Based on the Bank's proposal, we believe that the proposed investment by the Bank in the Fund primarily promotes the public welfare and is consistent with the Statute and Regulation. The investment, therefore, is approved.

The Bank's proposal indicates that the purpose of the investment in the Fund is to primarily benefit low- and moderate-income individuals, low- and moderate-income areas, and other areas targeted for redevelopment by the federal government as Renewal Communities, by providing community services and permanent jobs for low- and moderate-income individuals. The Fund will demonstrate nonbank community involvement because its managing member, the Workforce Investment Company, is a national nonprofit financial intermediary whose board appointments are controlled jointly by The Enterprise Foundation and the Local Initiatives Support Corporation.

The Bank's proposed investment in the Fund will be used by the Fund to invest in an operating company, the NCC LLC (the "LLC"). The LLC's managing member will be a wholly owned, nonprofit subsidiary of the New Community Corporation ("NCC"). NCC is located in a low- to moderate-income area in Newark, New Jersey, and is a community development corporation that serves low-and moderate-income neighborhoods in Newark and develops affordable housing and community revitalization projects. The LLC also will be located in a low- and moderate-income area of Newark.

The primary purpose of the LLC will be to employ individuals, which employment is expected to qualify the LLC for federal employment tax credits, including the Work Opportunity Credit, the Welfare-to-Work Credit, and the Renewal Community Employment Credit. The LLC will assign the individuals to provide labor hours at NCC and other Newark-area institutions on a temporary and permanent basis through contracts with those institutions, including many institutions located in low- and moderate-income areas and in areas of Newark that have been targeted for redevelopment by the federal government as Renewal Communities. The Bank indicates that most of these individuals will be low- and moderate-income individuals, and some may reside in low- and moderate-income areas and/or in Renewal Communities. The jobs will involve a range of work, including clerical, retail, security, and building maintenance. The LLC also will provide job training, medical insurance, and employee assistance programs, including counseling, for its employees. These services are intended to enable these individuals, who have limited job opportunities and experience, to overcome obstacles to continued employment and to advance in the workforce.

The Bank's aggregate outstanding investments and commitments under the Regulation, including the investment being proposed, is less than [] percent of its capital and surplus. The investment will not expose the Bank to unlimited liability and is consistent with the Bank's safe and sound operation. 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 under the Statute and the Regulation exceed 10 percent of its capital and surplus.

If requested by the OCC, the Bank will provide reports concerning its investment in the Fund and the Fund's financial status, activities, and accomplishments. Copies of all reports submitted to the OCC are to be forwarded to the Deputy Comptroller, Mid-Size and Credit Card Bank Supervision.

The opinion 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 purposes and activities of the Fund or the LLC could result in a different opinion 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 the OCC employees in connection with the filing, does 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 any officer or employee of the U.S., and does not effect 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 questions regarding this letter, please contact Karen Bellesi, Manager, Community Development Investments at (202) 874-4930. You may also access general information about the OCC's Community Development Corporation Investment Program (Part 24), including the CD-1 Form, at: www.occ.treas.gov/cdd/commfoc.htm.

Sincerely,

/s/ Barry R. Wides

Barry R. Wides
Director
Community Development Division

cc: Gerald Lipkin, Chairman, CEO and President, Valley National Bank