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Comptroller of the Currency  
Administer of National Banks

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Washington, DC 20219

March 20, 2000

Keith D. Turbett  
CRA Division Head  
National Bank of Commerce  
One Commerce Square  
Memphis, Tennessee 38150

Subject: Senior Crimestoppers Program

Dear Mr. Turbett:

Thank you for your letter describing the Senior Crimestoppers Program. As you know, we had some questions about the program and a meeting was held at the OCC with senior attorney Margaret Hesse, national bank examiner Karen Tucker, and Mr. Charles C. King, who represented the Senior Crimestoppers Program. We received a follow up letter from Mr. King with additional information.

Based on the information received in your original letter, the meeting, and the follow up letter, it appears that an investment or donation by a national bank to enable a nursing home, whose residents are primarily low- and moderate -income, to participate in the Senior Crimestoppers Program would result in positive Community Reinvestment Act (CRA) consideration under that investment test.

### **The Program**

As we understand it, the Senior Crimestoppers Program is administered by a wholly-owned subsidiary of the National Commerce Bancorporation, which is an affiliate of National Bank of Commerce (Bank). The program is offered primarily to nursing homes with low- and moderate-income residents. The program provides lock boxes to residents to enable them to store personal valuables; operates a 24 hour a day toll free telephone number to report crimes in the nursing home; offers and pays rewards for information that helps resolve crimes; and provides crime prevention counseling for residents and staff to help deter criminal activity against nursing home residents. According to the information you provided, there has been an 87% average decline in crime in nursing homes that participate in the program.

The Bank and its parent corporation believe that other banks could provide funding to nursing homes directly or, perhaps, to foundations established by these nursing homes, that would enable additional nursing homes throughout the country to participate in the program. Your letter asked whether examiners would consider such funding during a bank's CRA evaluation.

### **Community Reinvestment Act**

Under the new CRA regulations, regardless of the assessment method used by examiners, financial institutions can receive positive consideration making qualified investments. "Qualified investment" is defined in the new regulations as:

[A] lawful investment, deposit, membership share or grant that has its primary purpose community development.<sup>1</sup>

"Community development" is defined to include among other things, community services targeted to low- or moderate-income individuals.<sup>2</sup>

Example of community services that have previously been identified by the bank and thrift regulatory agencies include: community- or tribal-based childcare, educational, health, or social services targeted to low- or moderate-income persons;<sup>3</sup> financial education and career training activities targeted to low- and moderate-income students;<sup>4</sup> specialized education equipment to be used in low- moderate-income, handicapped students' education;<sup>5</sup> a Jobs Initiative program that would benefit low- and moderate-income individuals;<sup>6</sup> and housing referral and assistance to low- and moderate-income individuals.<sup>7</sup> The services provided by the Senior Crimestoppers Program are also community services, which are targeted primarily to low- and moderate-income persons.

Investing banks should consider that, in the case of a retail institution, a qualified investment must benefit the institution's assessment area(s) or a broader statewide or regional area that includes the assessment area(s).<sup>8</sup> In addition, wholesale and limited purpose institutions may receive consideration development needs in the assessment area(s).<sup>9</sup>

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<sup>1</sup> 12 C.F.R. 25.12(s).

<sup>2</sup> 12 C.F.R. 25.12(h).

<sup>3</sup> Intergency Questions and Answers Regarding Community Reinvestment, 64 Fed. Reg. 23,618, 23,628 (May 3, 1999) (Question and answer 1 addressing §§ 202(h) & 563e,12(g),

<sup>4</sup> Intergency CRA interpretive letter of September 17, 1997, available at <http://www.ffiec.gov/cra/letters/11997/>.

<sup>5</sup> Intergency CRA interpretive letter of August 14, 1997, available at <http://www.ffiec.gov/cra/letters/11997/>.

<sup>6</sup> Intergency CRA interpretive letter of January 8, 1997, available at <http://www.ffiec.gov/cra/letters/11997/>.

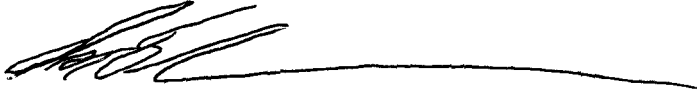
<sup>7</sup> Intergency CRA interpretive letter of September 23, 1996, available at <http://www.ffiec.gov/cra/letters/11997/>.

<sup>8</sup> 12 C.F.R. § 25.12(a).

<sup>9</sup> 12 C.F.R. § 25.12(e).

I trust this provides you guidance that will enable you to offer the Senior Crimestoppers Program to additional nursing homes through the United States, especially those homes that may need help in funding participation in the program. If you have additional questions or concerns, please contact Ms. Tucker at (202) 875-4428, or Ms. Hesse at (202) 874-5750.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Sharpe', followed by a long horizontal line extending to the right.

Ralph E. Sharpe  
Deputy Comptroller  
Community and Consumer Policy

cc. J.Blair  
J. Noonan