

Remarks of
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Deputy Comptroller for Community Affairs
before the
2014 State Small Business Credit Initiative Conference
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Good morning. Thank you very much Cliff for that kind introduction. I'm very pleased to join Cliff, Deputy Secretary Raskin, and my other Treasury Department colleagues in welcoming you to the Office of the Comptroller of the Currency.

For those of you who are not familiar with the OCC, we are the regulator and supervisor of national banks and federal savings associations. We supervise almost 1,800 financial institutions with collective assets of \$10.4 trillion, which represents nearly 70 percent of all banking assets in the United States.

The OCC is an independent bureau of the U.S. Treasury Department and we often work closely together to achieve common policy objectives. The subject of today's conference—implementation of the SSBCI program—is just one example of this collaboration.

It goes without saying that businesses must have access to credit to prosper and grow. During the financial crisis, when bank credit substantially dried up, it was particularly important to find new ways to meet the financing needs of small businesses, and to do so in a safe and sound manner. The OCC encourages prudent small business

lending, and, in 2010 we issued a statement reminding the banks and thrifts we supervise that prudent small business lending remained a vital part of their mission.

Nonetheless, some banks voiced concern about how regulators would view loans made under programs, such as SSBCI, that otherwise might not qualify under the bank's standard underwriting guidelines. In a 2012 letter to the Governor of Illinois, the OCC's Senior Deputy Comptroller for Bank Supervision Policy emphasized that as long as banks engaged in prudent small business lending after performing a comprehensive review of a borrower's financial condition the bank would not be subject to supervisory criticism for participating in an SSBCI program. The OCC also expects that banks will ensure that their participation in the SSBCI program is consistent with, and supports their institution's overall strategic goals and objectives.

In fact, the OCC has taken a number of steps to encourage banks to participate in this dynamic program. In February 2013, we issued a publication explaining how banks could participate in the SSBCI Program and provided case studies of banks that are successfully partnering with your agencies to make loans to small businesses.

The OCC has also endeavored to address some of the industry's regulatory concerns about the program. The OCC and the FDIC developed a set a "Frequently Asked Questions," which are posted on the Small Business Resource Directory of our Web site at occ.gov. We included a discussion there about how SSBCI loans might qualify for consideration under the Community Reinvestment Act. We will continue to provide regulatory guidance as additional questions are raised. I encourage you to let us know what questions you and your bank partners have and we will channel those questions to the appropriate experts for a response.

We have also been working with the Treasury Department to encourage participation in the SSBCI program by partnering in banker outreach and training with state SSBCI program administrators. The OCC deploys a team of 14 community affairs officers to work with banks to familiarize their staff with new programs and initiatives related to small business and community development finance.

This past February and March, one of our community affairs officers, Scarlett Duplechain, who you will meet at one of today's breakout sessions, participated in a series of Regional Lenders Orientation Workshops in Louisiana. The workshops gave these bankers a chance to discuss lending opportunities, target lending markets, and address compliance issues and questions. Other community affairs officers, and our national lead on this initiative, David Black, have participated in many outreach or training sessions for bankers.

As I said, we are very open to your suggestions about ways that we can contribute to the success of this important program. I encourage you to please share your thoughts with either Scarlett, David, or myself at the conference today or tomorrow.

The SSBCI program was designed to encourage states to take action to meet the financing needs and opportunities of the small business community in their respective markets. What makes SSBCI particularly constructive is that it provides you with a range of products that can help you best address your state's small business credit needs. I would like to recognize the importance of your agencies' continuing support of small businesses and the millions of Americans who depend on them. The banking industry has been successful over the decades by standing with American businesses, large and

small, and I believe that this collaboration will be even more rewarding in the years ahead.

I wish everyone success in their discussions over the next two days. If there is anything we can do, please let me or any of the OCC staff who are attending here today know. Thank you for inviting me to join you today, and have a great conference.