- 7.2009 Quorum of board of directors; proxies not permissible.
- 7.2010 Delegation of directors' duties.

7.2011 Compensation plans.

- 7.2012 President as director; chief executive officer.
- 7.2013 Fidelity bonds covering officers and employees.
- 7.2014 Indemnification of directors, officers, and employees.

7.2015 Cashier.

- 7.2016 Restricting transfer of stock and record dates.
- 7.2017 Facsimile signatures on bank stock certificates.
- 7.2018 Lost stock certificates.
- 7.2019 Loan secured by own shares.
- 7.2020 Acquisition and holding of shares as treasury stock.
- 7.2021 Preemptive rights.
- 7.2022 Voting trusts.

#### Subpart C—Bank Operations

7.3000 Bank hours and closings.7.3001 Sharing space and employees.

#### Subpart D—Preemption

7.4000 Books and records of national banks.7.4001 Charging interest at rates permitted competing institutions; charging interest to corporate borrowers.

7.4002 National bank charges.

Appendix A to Part 7—Corporate Governance Procedures; OCC Approved Model Business Corporation Act Provisions Authority: 12 U.S.C. 1 *et seq.*, 93a.

### Subpart A—Bank Powers

### §7.1000 Bank ownership of property.

- (a) Bank premises—(1) General. Under 12 U.S.C. 29, a national bank may invest in real estate that is necessary for the transaction of its business.
- (2) *Type of real estate.* This real estate includes, but is not limited to:
- (i) Bank buildings and parking facilities, including the underlying real estate;
- (ii) Real estate held for future bank expansion, where the bank in good faith expects to utilize the property as bank premises (property acquired for this purpose should normally be used within five years. See § 34.83(c) of this chapter);
- (iii) Residential property for the use of bank officers or employees who are:
- (A) Located in remote areas where suitable housing at a reasonable price is not readily available; or
- (B) Temporarily assigned to a foreign country, including foreign nationals temporarily assigned to the United States; and
- (iv) Property for the use of bank officers, employees, or customers, or for the temporary lodging of such persons in areas where suitable commercial lodging is not readily available, provided that the purchase and operation of the property qualifies as a

deductible business expense for Federal tax purposes.

(b) Fixed assets. In addition to real estate, a national bank may own fixed assets necessary for the transaction of its business, such as fixtures, furniture, and data processing equipment.

(c) Permissible means of holding. A national bank may acquire and hold bank premises real estate by any reasonable and prudent means, including ownership in fee, a leasehold estate, or an interest in a cooperative. Property described in this paragraph may be held directly by the bank, or by one or more subsidiaries. A bank premises subsidiary may be organized as a corporation, a partnership, or similar entity.

(d) Investment in bank premises—(1) Investment limitation; approval. A national bank's aggregate investment in bank premises generally is limited by 12 U.S.C. 371d to the amount of the bank's capital stock, except where the bank receives approval from the OCC in accordance with § 5.37 of this chapter.

(2) Options to purchase. An unexercised option to purchase bank premises or stock in a corporation holding bank premises is not an investment in bank premises. A national bank must receive OCC approval in accordance with § 5.37 of this chapter to exercise the option if the price of the option and the bank's other investments in bank premises/real property, exceed the amount of the bank's capital stock.

(e) Other real property—(1) Lease financing of public facilities. A national bank may purchase or construct a municipal building, school building, or other similar public facility and, as holder of legal title, lease the facility to a municipality or other public authority having resources sufficient to make all rental payments as they become due. The lease agreement must provide that the lessee will become the owner of the building or facility upon the expiration of the lease.

(2) Purchase of employee's residence. To facilitate the efficient use of bank personnel, a national bank may purchase the residence of an employee who has been transferred to another area, in order to spare the employee a loss in the prevailing real estate market. The bank must arrange for early divestment of title to such property.

# §7.1001 National bank acting as general insurance agent.

Pursuant to 12 U.S.C. 92 a national bank may act as an agent for any fire, life, or other insurance company in any place the population of which does not exceed 5,000 inhabitants. This provision is applicable to any office of a national bank when the office is located in a community having a population of less than 5,000, even though the principal office of such bank is located in a community whose population exceeds 5,000.

### §7.1002 National bank acting as finder.

- (a) *General.* A national bank may act as a finder in bringing together a buyer and seller.
- (b) *Qualification*. Acting as a finder includes, without limitation, identifying potential parties, making inquiries as to interest, introducing or arranging meetings of interested parties, and otherwise bringing parties together for a transaction that the parties themselves negotiate and consummate. Acting as a finder does not include activities that would characterize the bank as a broker under applicable Federal law.
- (c) Advertisement and fee. Unless otherwise prohibited, a national bank may advertise the availability of, and accept a fee for, the services provided pursuant to this section.

### § 7.1003 Loans made at banking offices, or at other than banking offices.

(a) *General*. For purposes of 12 U.S.C. 36, a loan generally is deemed to be made at the location where the borrower receives funds. If funds are disbursed to a borrower in person by the lending bank or a subsidiary corporation, or if funds are disbursed to a borrower in person at a facility that is owned or rented by the bank or subsidiary corporation, branching limitations apply and OCC approval is required.

(b) Disbursed funds. Funds may be disbursed to a borrower at a location that is not licensed as a branch without violating 12 U.S.C. 36 and 81, provided that a third party is used to deliver the loan proceeds and the location is not owned or rented by the lending bank or subsidiary corporation. A third party includes a person who satisfies the requirements of § 7.1012(c)(2), or one who customarily delivers loan proceeds under accepted industry practice, such as an attorney or escrow agent at a real estate closing.

# §7.1004 Loans originating at other than banking offices.

(a) *General*. A national bank may use the services of and compensate persons not employed by the bank for originating loans.

(b) Approval. An employee or agent of a national bank or of a subsidiary corporation may originate a loan at locations other than the main office or a branch office of the bank. This action does not violate 12 U.S.C. 36 and 81 if the loan is approved and made at the