

VIRGINIA BANKERS ASSOCIATION

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Via Federal eRulemaking Portal: www.regulations.gov

Chief Counsel's Office
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, D.C. 20219

**Re: Permissible Interest on Loans That Are Sold, Assigned, or Otherwise
Transferred, Docket ID OCC-2019-0027**

Dear Madam or Sir:

The Virginia Bankers Association ("VBA") represents banks of all sizes and charters and has served as the organized voice for Virginia's \$615 billion banking industry and its 42 thousand employees since 1893. We appreciate the opportunity to comment on the Office of the Comptroller of the Currency's ("OCC") notice of proposed rulemaking.

The VBA supports the OCC's proposal to amend 12 CFR 7.4001 and 12 CFR 160.110 to reflect that interest on a permissible loan shall not be affected by the sale, assignment, or other transfer of the loan. We concur that the National Bank Act confers upon national banks enumerated powers that include the power to make loans, and that incidental to that power is the ability to assign those loans to third parties who step into the shoes of the originating bank and are bound by the terms of the loan. The National Bank Act also allows a national bank to originate loans with interest rates that are permissible in its home state, regardless of the borrower's state usury laws. It is imperative that loans that are valid when made by a national bank remain valid upon sale or assignment to a third-party. This certainty is necessary to encourage national bank lending and to support secondary markets for bank-originated loans.

Thank you for the opportunity to provide comments. If you have any questions, please feel free to contact me at 804-819-4701 or bwhitehurst@vabankers.org.

Sincerely,



Bruce T. Whitehurst
President & CEO