



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-81-2019
December 13, 2019

Notice of Proposed Rulemaking on Revisions to the Community Reinvestment Act Regulations

Summary: The FDIC and the Office of the Comptroller of the Currency (OCC) are issuing a joint Notice of Proposed Rulemaking (NPR) to comprehensively amend the Community Reinvestment Act's (CRA) implementing regulations. The rules were last substantially updated nearly 25 years ago. The proposed revisions would seek to modernize and update CRA regulations to better achieve the law's underlying purpose of encouraging banks to serve their communities. The NPR is intended to make the regulatory framework more objective, transparent, consistent, and easy to understand.

Statement of Applicability to Institutions with Total Assets under \$1 Billion: This Financial Institution Letter applies to all FDIC-supervised financial institutions. The proposed rule would allow banks with \$500 million or less in total assets to opt in to the performance standards included in the proposal.

Suggested Distribution:
FDIC-Supervised Institutions

Suggested Routing:
Chief Executive Officer
Chief Lending Officer
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Attachment:
[Notice of Proposed Rulemaking on Revisions to the Community Reinvestment Act Regulations](#)

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Highlights:

- The FDIC and the OCC are jointly issuing an NPR to comprehensively amend the CRA regulations.
- The proposed rules are intended to increase bank activity in underserved communities where there is significant need for credit, more responsible lending, and improvements to critical infrastructure.
- Examples of underserved communities include distressed metropolitan areas as well as certain rural areas and tribal lands far removed from urban centers where bank branches are concentrated.
- Specifically, the NPR would seek to modernize the CRA regulations by:
 - Clarifying and expanding what qualifies for CRA credit;
 - Expanding where CRA activity counts by creating additional "assessment areas" tied to where deposits originate;
 - Providing a more objective method to measure CRA performance by establishing activity thresholds as a percentage of domestic deposits; and
 - Revising data collection, recordkeeping, and reporting requirements.
- The proposal would allow small banks, defined as banks with \$500 million or less in total assets, to continue to be evaluated under the current CRA small bank test or opt in to the new general performance standards.
- Comments on the NPR need to be received by the FDIC on or before 60 days after publication in the *Federal Register*.