
Federal Reserve Board

Comptroller of the Currency

Federal Home Loan Bank Board

Federal Deposit Insurance Corporation

FOR IMMEDIATE RELEASE

PR-62-89 (3-21-89)

The Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Home Loan Bank Board, and the Federal Deposit Insurance Corporation ("the Agencies") today jointly issued a Community Reinvestment Act (CRA) Statement. This Joint Statement revises the 1980 CRA Information Statement issued by the Agencies and reflects the experience of the Agencies since 1977 in administering the CRA.

The Statement is designed to provide federally insured financial institutions and the public with guidance regarding the requirements of the CRA and the policies and procedures the Agencies will apply during the applications process.

The Statement discusses:

- the basic components of an effective CRA policy;
- the role of examination reports on CRA performance in reviewing applications;
- the need for periodic review and documentation by financial institutions of their CRA performance;
- and
- the role of commitments to the Agencies in the applications process.

(Over)

The Statement strongly encourages financial institutions to expand the CRA statements that are presently required to include information regarding the institution's past record of meeting its obligations under the CRA. The Statement indicates that these expanded statements could form the basis for useful comment by and discussions with community groups regarding the institution's record well before an application is filed, at a time when any issues or problems can be more effectively addressed.

The Statement also discusses the role of private meetings between financial institutions and community groups in the applications process, the policy of the Agencies regarding private CRA agreements, and the views of the Agencies regarding extensions of the public comment period for applications.

Examples are provided in the Statement of specific steps that have been taken by institutions with effective programs for meeting their CRA responsibilities.