



PRESS RELEASE

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September 16, 2004

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FDIC Extends Comment Period for CRA Proposal

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) has extended the public comment period on its proposed changes to the Community Reinvestment Act (CRA) from September 20 to October 20 in order to ensure that as many interested parties as possible have time to comment.

On August 20, the FDIC published a proposed rule to seek additional comments on changes to its CRA regulations that would increase the threshold of a small bank from \$250 million to \$1 billion; add a community development criterion to performance standards for institutions between \$250 million and \$1 billion in size that would evaluate a choice or combination of community development lending, investment and service activities, depending on community needs; and provide greater choices of lending activity for banks in rural areas.

Commenters are encouraged to review the proposal before submitting letters. The notice specifically asks for comments on whether the small bank definition threshold of less than \$1 billion is appropriate; whether a community development criterion be included that offers choices to banks; and whether other approaches would improve the effectiveness of CRA evaluations for small institutions, while reducing unwarranted burden.

The notice was submitted to the Federal Register today and is expected to be published shortly.

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Attachment: August 20, 2004, CRA proposal



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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