



PRESS RELEASE

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FDIC Approves Notice of Proposed Rulemaking Regarding the Community Reinvestment Act of 1977

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) today announced approval of a joint interagency notice of proposed rulemaking (NPR) regarding the Community Reinvestment Act (CRA). The CRA directs the federal bank and thrift regulatory agencies to assess a financial institution's record of meeting the credit needs of its entire community, and to consider that record when acting on certain applications for deposit facilities. The Federal Reserve Board, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision are expected to announce their approval shortly.

When the agencies adopted the current CRA regulations in 1995, they committed to review them by 2002. Accordingly, an Advance Notice of Proposed Rulemaking (ANPR) was issued on July 19, 2001. Today's NPR is the result of the interagency review and consideration of comments received in response to the ANPR.

The NPR proposes to amend the CRA regulations in two fundamental ways. First, the proposal would amend the definition of "small bank." Specifically, the definition of small bank would change from a bank with total assets of less than \$250 million that was independent or an affiliate of a holding company that had total assets of less than \$1 billion to a bank with total assets of less than \$500 million, with no consideration of holding companies.

Second, the NPR proposes to amend the agencies' CRA regulations to expand and clarify the provision that an institution's CRA evaluation is adversely affected when the institution has engaged in specified discriminatory, illegal, or abusive credit practices in connection with certain loans.



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.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-05-2004

The NPR also proposes to revise the regulations to provide that the CRA disclosure statement would contain the number and amount of the institution's small business and small farm loans by census tract. Currently, such loans are disclosed in the aggregate.

Comments from the public must be received no later than 60 days following publishing of the NPR in the Federal Register.