
Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency**

For immediate release

March 2, 2006

Banking Agencies Issue Final Community Reinvestment Guidance

The federal banking agencies today announced final guidance implementing the recent changes to their Community Reinvestment Act (CRA) regulations. The guidance clarifies, among other things, the availability of CRA consideration for bank activities that revitalize or stabilize designated disaster areas.

The guidance indicates that a bank's loans, investments, and services in support of disaster recovery that help to attract new, or retain existing, businesses or residents to a designated disaster area will receive CRA "community development" consideration for a 36-month period following designation of the area. The guidance allows for extensions of this period in unusual cases, and the agencies plan to substantially extend the time periods in the Gulf Coast areas hit by hurricanes Rita and Katrina.

The guidance also addresses the availability of CRA "community development" consideration for bank activities that revitalize or stabilize underserved or distressed middle-income rural areas. The other major issue it addresses is implementation of the new community development test for banks with assets between \$250 million and \$1 billion.

The guidance, which takes the form of questions and answers, was proposed for public comment on November 10, 2005. Some of the questions and answers have been revised from the proposal to reflect suggestions from commenters.

The guidance is being issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. The guidance implements changes to the agencies' CRA regulations that took effect on September 1, 2005. The guidance will be effective upon publication in the Federal Register, which is expected shortly. The Federal Register notice is attached.

CRA directs the agencies to assess an insured depository institution's record of meeting the credit needs of its entire community, and to consider that record when acting on certain applications for branches, office relocations, mergers, consolidations and other corporate activities.

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Attachments:

[Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Notice](#)
[Community Reinvestment Act; Interagency Questions and Answers Regarding](#)

[Community Reinvestment; Notice - PDF 88k \(PDF Help\)](#)

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