
Joint Release

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

For Immediate Release

June 24, 2009

Agencies Announce Notice of Proposed Rulemaking for Community Reinvestment Act

The federal bank and thrift regulatory agencies today proposed revisions to regulations implementing the Community Reinvestment Act (CRA) to require the agencies to consider low-cost education loans provided to low-income borrowers when assessing a financial institution's record of meeting community credit needs.

This proposal, which is being proposed jointly by the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of Thrift Supervision, incorporates provisions of the recently enacted Higher Education Opportunity Act, which revised the CRA.

The proposal also would incorporate into the CRA rules statutory language that allows the agencies, when assessing an institution's record, to consider, as a factor, capital investments, loan participations, and other ventures by nonminority- and nonwomen-owned financial institutions in cooperation with minority- and women-owned institutions and low-income credit unions. This language codifies guidance in the *Interagency Questions and Answers on Community Reinvestment*, published on January 6, 2009.

Although the agencies seek comment on all aspects of the proposal, they are focusing on the following questions:

- How "education loans" should be defined, including whether private loans not governmentally insured or guaranteed and loans for elementary and secondary education should be covered, as well as loans for education expenses associated with unaccredited institutions;
- Whether the proposed definition of "low-cost" is appropriate; and
- Whether "low-income" should be defined differently from the way it is currently defined in the CRA regulations, including how the agencies should treat the student's family income or expected contribution.

Public comments are due 30 days after the proposal is published in the *Federal Register*, which is expected shortly. The *Federal Register* notice is attached.

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Attachment:

[Community Reinvestment Act Regulations](#)

[Community Reinvestment Act Regulations - PDF \(PDF Help\)](#)

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