



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter

FIL-23-2006

March 10, 2006

Community Reinvestment Act

New Interagency Questions and Answers

Summary:

The FDIC, the Federal Reserve Board, and the Office of the Comptroller of the Currency (the agencies) have published the attached informal staff guidance on community reinvestment in the form of questions and answers (Q&As). The agencies proposed the guidance for comment on November 10, 2005. After considering the comments, the agencies have adopted all of the proposed Q&As as they were proposed or with revisions in response to the comments.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

CRA Officers, Compliance Officers, and Chief Executive Officers

Related Topics:

Community Reinvestment Act Joint Final Rules

Attachment:

[New Interagency Questions and Answers](#)
[Regarding Community Reinvestment - PDF 94k](#)
[\(PDF Help\)](#)

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Note:

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Highlights:

Several significant revisions to the Community Reinvestment Act (CRA) regulations took effect on September 1, 2005. The agencies developed the attached Interagency Questions and Answers to address the revisions. Fourteen Q&As concern the new changes, and two represent revisions to existing Q&As.

The 14 new questions and answers:

- Address the revised definition of "community development," which includes activities that revitalize or stabilize a distressed or underserved nonmetropolitan middle-income geography or a designated disaster area.
- Address the community development test applicable to intermediate small banks and how these banks will be evaluated under it.
- Explain how examiners evaluate outstanding qualified investments made during the prior evaluation period.
- Clarify that any small bank (including an intermediate small bank) may request that activities of an affiliate in the bank's assessment area(s) be considered in its evaluation.
- Explain that the asset size thresholds for "small bank" and "intermediate small bank" will be adjusted annually based on changes to the Consumer Price Index.

The revisions to two existing Q&As provide additional clarification and examples of community development services and qualified investments.