



**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  
\(PDF Help\)](#)

#### **Contact:**

Pamela Freeman, Policy Analyst, Compliance Policy  
and Examination Support, [pfreeman@fdic.gov](mailto:pfreeman@fdic.gov) or (202)  
898-6568.

#### **Note:**

FDIC financial institution letters (FILs) may be  
accessed from the FDIC's Web site at  
[www.fdic.gov/news/news/financial/2006/index.html](http://www.fdic.gov/news/news/financial/2006/index.html).

To receive FILs electronically, please visit  
<http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters  
may be obtained through the FDIC's Public  
Information Center (1-877-275-3342 or 703-562-  
2200).

#### **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.