

**Community Reinvestment Act  
Joint Notice of Proposed Rulemaking**

The Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency (the agencies) have issued the attached joint notice of proposed rulemaking regarding the Community Reinvestment Act (CRA) regulations. The new proposal would raise the small bank asset-size threshold from less than \$250 million in assets to less than \$1 billion in assets, without consideration of any holding company affiliation, and adjust this threshold annually based on the Consumer Price Index. The proposal is in response to public comments received by the FDIC on its August 2004 CRA proposal and by all the agencies on the interagency CRA proposal in February 2004.

The agencies are seeking comment on this proposed rule, which would reduce regulatory burden for banks between \$250 million and \$1 billion in assets, while encouraging meaningful community development loans, investments and services by these banks in their communities. Comments must be received by May 10, 2005.

For banks between \$250 million and \$1 billion in assets (intermediate small banks), the proposal would:

- Eliminate CRA loan data collection and reporting of small business, small farm and community development loans; and
- Replace the separately rated lending, investment and service test requirements with two separately rated tests: (1) the existing streamlined small bank lending test and (2) a new community development test that permits more flexible levels of community development loans, investments and services depending on the business strategy and capacity of the bank and the opportunities and needs of its community.

For banks of any size, the proposal would:

- Expand the term "community development" to include certain community development activities in "underserved" rural areas and designated disaster areas; and
- Clarify the effect illegal credit activities may have on a bank's CRA performance.

Please send comments by May 10, 2005, by e-mail to [Comments@FDIC.gov](mailto:Comments@FDIC.gov); by Internet to [www.fdic.gov/regulations/laws/federal/propose.html](http://www.fdic.gov/regulations/laws/federal/propose.html); or by mail to Robert E. Feldman, Executive Secretary, Attention: Comments, FDIC, 550 17th Street, NW, Washington, DC 20429.

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