



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

Financial Institution Letter
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Community Reinvestment Act Joint Final Rules

Summary: The FDIC, Federal Reserve Board and the Office of the Comptroller of the Currency have published joint final rules regarding the Community Reinvestment Act (CRA). The rules, which become effective September 1, 2005, provide regulatory relief for smaller community banks and preserve the importance of community development in the CRA evaluations of these banks.

Distribution:

FDIC-Supervised Banks (commercial and savings)

Suggested Routing:

CRA Officers, Compliance Officers and Chief Executive Officers

Related Topics:

Interagency CRA Examination Procedures for Intermediate Small Institutions at www.ffiec.gov

Attachment:

[Joint Final CRA Rules - PDF](#) 130k

Contact:

Robert Mooney, Assistant Director and Chief, CRA and Fair Lending Policy and Examinations, at rmoney@fdic.gov or (202) 898-3911

Note:

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Highlights:

For "intermediate small institutions," defined as banks with assets of at least \$250 million as of December 31 for both of the prior two calendar years and less than \$1 billion as of December 31 for either of the prior two calendar years, the rules:

- Eliminate CRA loan data collection and reporting requirements for these institutions.
- Replace the lending, investment and service tests with two separately rated tests: the existing lending tests for small banks and a new, flexible community development test for intermediate small banks

For banks of any size, the rules:

- Expand the definition of community development to include activities that revitalize and stabilize "underserved and distressed" rural areas, as well as designated disaster areas.
- Clarify when discrimination and other illegal credit practices by a bank or an affiliate will adversely affect CRA performance.