



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

## Financial Institution Letter

FIL-113-2005

November 16, 2005

# Community Reinvestment Act Proposed 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 proposed questions and answers (Q&As). The agencies are seeking public comment on the Q&As. Comments should be received by January 9, 2006.

**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  
Interagency CRA Examination Procedures for Intermediate Small Institutions at [www.ffiec.gov](http://www.ffiec.gov)

**Attachment:**  
[Proposed Interagency Questions and Answers Regarding Community Reinvestment - PDF 82k](#)

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**Note:**  
FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2005/index.html](http://www.fdic.gov/news/news/financial/2005/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, 801 17th Street, NW, Room 100, Washington, DC 20434 (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 have developed the attached new Interagency Questions and Answers (Q&As) to address the revisions and are seeking public comment on them. Thirteen Q&As concern the new changes; three revisions are proposed changes to two existing Q&As.

The 13 proposed 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 that were 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 three revisions to existing Q&As provide additional clarification and examples of community development services and qualified investments.