
Joint Release

Office of the Comptroller of the Currency
Federal Deposit Insurance Corporation
Federal Reserve Board
Office of Thrift Supervision

PR-91-93

Public Asked for Ideas on CRA Reform

August 2, 1993

The federal financial supervisory agencies today announced the first of several public hearings on the Community Reinvestment Act (CRA). The hearing will be held August 10, 1993, in Washington, D.C., from 1 p.m. to 7 p.m. at the Office of Thrift Supervision, Second Floor Amphitheater, 1700 G Street, N.W., Washington, D.C. The agencies will hold other CRA public hearings in August and September in cities throughout the country.

The hearings are intended to help the agencies develop new regulations and standards for assessing a financial institution's performance under the CRA. On July 15, President Clinton asked the regulators to work together and consult with the public, community groups, and the banking and thrift industries to make CRA implementation more effective. The agencies' goal is to reform CRA regulations and supervision in order to improve performance, clarify the regulations, and make CRA performance assessments more objective.

Presiding at the hearing will be Comptroller of the Currency Eugene A. Ludwig; Federal Reserve Board Governor Lawrence Lindsey; Acting Chairman of the Federal Deposit Insurance Corporation Andrew Hove; and Acting Director of the Office of Thrift Supervision Jonathan Fiechter.

The four agencies are particularly interested in receiving comments on the following questions:

- In what specific ways can the CRA regulations be improved to provide increased performance, clarity and objectivity?
- In what specific ways, if any, have the existing 12 CRA assessment factors forced banks and thrifts to maintain unnecessary and unproductive CRA documentation? How would you suggest they be changed?

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- What objective factors should be incorporated into the new CRA standards to focus community reinvestment activities on:
 - lending to low- and moderate-income individuals and neighborhoods, small businesses, and small farms;
 - investments in low- and moderate-income neighborhoods;
 - provision of banking services to residents of low- and moderate-income neighborhoods?
- In developing new CRA performance standards, should differences among banks and thrifts (location, corporate structure, product lines, etc.) be explicitly taken into account? If yes, how should these situations be incorporated into the new standards?

Persons wishing to participate in this hearing should notify by fax Pamela Mount, Compliance Management Division at the Office of the Comptroller of the Currency, no later than noon on Friday, August 6, 1993 (fax 202 874-5221, telephone 202 874-4446). Requests to participate in the hearing must include the following information: the name, address, and business telephone number of the participant; the entity or entities that the participant will be representing; and a brief summary of the participant's remarks, identifying any specific issues to be addressed.

Only participants who respond in advance will be allowed to participate. Depending on the number of requests received, participants may be limited in the length of their oral presentations. Participants will be notified of the time scheduled for their presentation. The agencies anticipate establishing panels of participants for presentations and reserve the right to limit the number of participants and to select at their discretion those persons who may make oral presentations if they receive more requests for participation than may be accommodated in the time available.

Participants are invited to submit written statements by 5 p.m. on August 9 (note: summaries are due by noon on Friday, August 6). These written statements should incorporate the major points presented at the hearing.

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