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## **Federal Regulators to Hold Meeting in Chicago for Ideas on CRA Reform**

The federal financial supervisory agencies today announced details of a public meeting on the Community Reinvestment Act (CRA) to be held in Chicago on Wednesday, September 22.

This, the last in a series of seven meetings, will be held in Chicago at the Dirksen Federal Building, 219 South Dearborn Street, Room 2341. The meeting, convened to elicit public suggestions for changes to the regulations and standards used to assess a financial institution's performance under the CRA, will run from 2 p.m. to 6 p.m. (C.D.T.).

Presiding at this meeting will be Federal Reserve Board Governor Lawrence Lindsey. Other panel members are: Comptroller of the Currency Eugene A. Ludwig; Acting Director of the Office of Thrift Supervision Jonathan Fiechter, and John Stone, Deputy to the Acting Chairman of the Federal Deposit Insurance Corporation.

The first CRA meeting was held on August 10 in Washington, D.C.; the second is being held today in San Antonio, Texas. Other meetings will be held in Los Angeles, California on September 8; in Albuquerque, New Mexico on September 9; in New York City on September 10, and in Henderson, North Carolina on September 15.

The meetings 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.

The 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?
- What objective factors should be incorporated into the new CRA standards to focus community reinvestment activities on:
  - lending to low- and moderate-income neighborhoods, small businesses, and small farms;
  - investments in low- and moderate-income neighborhoods; and
  - 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?

At the Washington, D.C. meeting, some participants described activities that certain financial institutions — often in conjunction with members of their community — undertook to help meet community credit needs. The meeting panel would like to know about specific examples of this type of successful collaboration. The panel is also interested in hearing views about the role the public could play in assessing CRA performance of banks and thrifts.

Persons wishing to participate in the Chicago meeting should send or fax a request to William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551 (fax: 202-728-5850) no later than September 13, 1993. Requests to speak at the meeting must include the following information: the name, address, and business telephone number and fax 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. We anticipate a high public demand for the chance to speak at this

CRA meeting; due to the limited time available, we ask that each interested group provide only one speaker.

To the extent available, translators will be provided to persons wishing to present their views in a language other than English, if they make such a request not later than September 13. Similarly, persons in need of other special arrangements (such as signers for the hearing-impaired) will be accommodated upon a timely request. Individuals interested in attending, but not speaking at, the meeting need not submit a written request to attend.

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, and will 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. Persons not scheduled may be allowed to speak at the meeting if time permits at the conclusion of the schedule of witnesses.

Participants are invited to submit written statements by September 22 (as noted above, brief summaries are to be included in the initial request to appear, due September 13). These written statements should incorporate the major points presented at the meeting. The public meeting will be transcribed and copies of the transcript will be made available to the public. Persons who wish to provide written statements but not testify should submit their statements to the Federal Reserve Board in Washington, D.C. by September 22.

Any questions about the hearing should be directed to Shawn McNulty, Assistant Director (telephone 202-452-3946) or Ann Marie Bray, Staff Assistant (telephone 202-452-5470), Division of Consumer and Community Affairs, Federal Reserve Board.