



# OCC BULLETIN

---

Comptroller of the Currency  
Administrator of National Banks

---

Subject: Community Reinvestment Act      Description: Notice of Proposed Rulemaking

---

**TO:** Chief Executive Officers and Compliance Officers of All National Banks,  
Department and Division Heads, and All Examining Personnel

On March 11, 2005, the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Board of Governors of the Federal Reserve System (Board) (collectively, the agencies) jointly published in the *Federal Register* a Notice of Proposed Rulemaking (NPRM) proposing revisions to their Community Reinvestment Act (CRA) regulations. The agencies are taking this action in response to public comments received by the agencies and the Office of Thrift Supervision (OTS) on a February 2004 interagency CRA proposal (69 FR 5789) and by the FDIC on its August 2004 CRA proposal (69 FR 51611).

This NPRM would make four key changes to our regulation. It would:

- Provide regulatory relief for community banks by increasing the threshold for a “small bank” to banks with assets of less than \$1 billion. (The current threshold is \$250 million, and the February 2004 interagency (OCC, Board, FDIC, OTS) NPRM proposed a threshold of \$500,000.) A bank that is categorized as a small bank need not collect and report small business, small farm, and community development loan data. These banks are eligible for evaluation under the streamlined small bank lending test. This proposed change is complementary to the OCC’s efforts to reduce regulatory burden on national banks through the process required by the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA).
- Add a new community development test that would be rated separately in CRA examinations for banks with at least \$250 million and less than \$1 billion in assets (intermediate small banks). Overall ratings for intermediate small banks would be based on the rating from this community development test and the streamlined small bank lending test. (The February 2004 NPRM did not contain a similar community development test.)
- Expand the definition of “community development” to include affordable housing and revitalization and stabilization in underserved rural areas and designated disaster areas. The current definition of community development focuses on low- and moderate-income individuals and areas. Although many rural areas and designated disaster areas do not have low- or moderate-income census tracts, a need continues to exist for community development loans, investments, and affordable housing in these areas. (The February 2004 NPRM did not contain a similar revision.)

- Revise the regulation to address the impact on a bank's CRA rating of evidence of discrimination or other illegal credit practices. This expands on guidance that is already in interagency guidance on CRA. (A similar revision was proposed in the February 2004 NPRM; however, based on comments received, this proposed revision does not include the provision addressing the effect of collateral-based lending that was in the February 2004 NPRM.)

The OCC invites your comment on this NPRM. The comment period ends May 10, 2005.

If you have questions about the NPRM, please contact Margaret Hesse, special counsel, Community and Consumer Law Division at (202) 874-5750, or Karen Tucker, national bank examiner, Compliance Policy at (202) 874-4428.

---

Daniel P. Stipano  
Acting Chief Counsel

Attachment – [70 FR 12148](#)  
[<http://www.occ.treas.gov/fr/fedregister/70fr12148.pdf>]