



Office of Thrift Supervision
Department of the Treasury

Montrice Godard Yakimov
Managing Director Compliance and Consumer Protection

1700 G Street, N.W., Washington, DC 20552 • (202) 906-6590

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MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS

FROM:

Montrice Godard Yakimov *Montrice Godard Yakimov*
Managing Director
Compliance and Consumer Protection

SUBJECT:

Extension of Community Reinvestment Act Consideration for
Disaster Recovery Activities in Areas Affected by Hurricanes
Katrina and Rita

Savings associations may receive positive Community Reinvestment Act (CRA) consideration for activities that help to revitalize or stabilize a disaster area.¹ Generally, this opportunity is available for 36 months after a community has been designated as a disaster area by the federal government.² However, this period may be extended where there is a demonstrable need for additional time to assist with long-term recovery efforts.³

In 2005, Gulf Coast communities damaged by Hurricanes Katrina and Rita were designated as disaster areas by the Federal Emergency Management Agency. Thereafter, the agencies responsible for assessing CRA performance began to provide positive CRA consideration for activities that revitalized or stabilized these communities.⁴ As the damage to housing, business, and public infrastructure in the Gulf Coast reached historic proportions, these communities continue to be designated as active disaster areas. Moreover, the Gulf Coast area continues to require assistance in the form of loans, investments, and services. To encourage institutions to help address these needs, the agencies responsible for assessing CRA performance will continue to provide positive CRA consideration for disaster recovery activities that help to revitalize or stabilize these areas for an additional 36 months.

¹ 12 CFR §563e.12(g)(4)(ii) (CRA rules applicable to savings associations).

² See OTS Questions and Answers (Q&As) Regarding Community Reinvestment, 71 FR 52375, 52377 (Q&A 563e.12(g)(4)(ii)-1) (published September 5, 2006).

³ *Id.*

⁴ See OTS [CEO Memo #232](#), dated December 20, 2005.

Additionally, savings associations may receive favorable CRA consideration for community development activities that help to revitalize or stabilize the designated disaster areas related to Hurricanes Katrina and Rita, even if these activities are outside their assessment area, or the broader statewide or regional areas.⁵ Savings associations are eligible for such consideration if they have adequately met the CRA-related needs of their local communities.

Should you have any questions regarding the above, please contact Celeste Anderson at (202) 906-7990, or at celeste.anderson@ots.treas.gov.

⁵ 71 FR at 52376-52377. OTS has previously indicated that savings associations should not overlook local neighborhoods and needy individuals. [OTS CEO Memo #232](#), dated December 20, 2005.