



## *Fact Sheet*

Compliance Policy  
Division

## Community Reinvestment Act

### **Purpose**

The Community Reinvestment Act (CRA) of 1977 and its implementing regulations require federal regulators of banks and thrifts to encourage those institutions to help meet the credit needs of the local communities in which they are chartered. The CRA directs the agencies to assess each institution's record in meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations and to take these records into account in evaluating the institutions' applications for deposit facilities, such as a merger with another bank.

Neither the CRA nor its implementing regulations inject hard and fast rules or ratios into the examination or application processes. Rather, the law contemplates an evaluation of each lender's record that can accommodate individual circumstances. Additionally, the CRA regulations do not require financial institutions to make high risk loans that jeopardize their safety. Rebuilding and revitalizing communities through sound lending and good business judgment benefits both the communities and financial institutions.

The regulations also address related matters, including the collection, maintenance, and reporting of data about an institution's performance in meeting the credit needs of its community and the institution's public disclosure of materials evaluating or commenting on its performance.

### **Consumer Benefits**

Depository institutions maintain a public file containing specified information, including all written comments received from the public for the current year and each of the previous two calendar years that specifically relate to the bank's performance in helping to meet community credit needs. Consumers may request that their written CRA performance complaints be added to the bank's public file.

Depository institutions must provide in the public lobby of its main office and each of its branches an appropriate public notice that states where the public can obtain CRA public file information, and provide copies of public-file information upon request, but may charge a reasonable fee not exceeding the cost of copying and mailing.

The CRA requires the agencies to publish, at least 30 days in advance of the beginning of each calendar quarter, a list of banks scheduled for CRA examinations in that quarter.

## **Where to Get Additional Information**

Information about the CRA - <http://www.ffiec.gov/cra/default.htm>

CRA Ratings - <http://www.ffiec.gov/craratings/default.aspx>

Publicly Available Data - <http://www.ffiec.gov/cra/publicdata.htm>

Public Evaluations - <http://www.ffiec.gov/cra/examinations.htm>

Copy of Disclosure Reports - <http://www.ffiec.gov/craadweb/DisRptMain.aspx>

Copy of Aggregate Reports - <http://www.ffiec.gov/craadweb/aggregate.aspx>