



# OCC BULLETIN

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Comptroller of the Currency  
Administrator of National Banks

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Subject: Community Reinvestment Act      Description: Final Rule

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**TO:** Chief Executive Officers and Compliance Officers of All National Banks, Federal Branches and Agencies, Department and Division Heads, All Examining Personnel, and Other Interested Parties

On August 2, 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) (together, “the agencies”) jointly published in the *Federal Register* a final rule revising their Community Reinvestment Act (CRA) regulations. The final rule is substantially similar to the revisions to the CRA rule that the agencies published in their notice of proposed rulemaking in March 2005.<sup>1</sup>

This joint final rule will make key changes to the OCC’s regulation. It will

- Increase the asset-size threshold for a “small bank” to \$1 billion. Small banks are not subject to certain data collection and reporting requirements and are eligible for evaluation under the small bank lending test.
- Create a new category of “intermediate small banks” for purposes of evaluation under the CRA. Intermediate small banks are those with at least \$250 million but less than \$1 billion in assets. The overall CRA rating for an intermediate small bank will be based both on the rating from the small bank lending test and the rating from a new community development test. Under the new community development test, the number and amount of community development loans, the number and amount of qualified investments, and the provision of community development services, as well as the bank’s responsiveness through such activities to community development lending, qualified investment, and community development services needs, will be evaluated in the context of the bank’s capacity, business strategy, the needs of the relevant assessment area, and the number and types of opportunities for community development activities.
- Revise the definition of “community development” to increase the number and kinds of rural tracts in which bank activities are eligible for community development consideration. This final rule revises the “revitalize or stabilize” category of the definition of “community development” to provide that activities that revitalize or stabilize designated disaster areas or areas designated by the agencies as “distressed or

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<sup>1</sup> 70 FR 12148 (March 11, 2005)

underserved nonmetropolitan middle-income geographies” qualify as community development activities.

- Revise the regulation to address the impact on a bank’s CRA rating of evidence of discrimination or other illegal credit practices. This final rule expands upon a provision in the current rule, as explained in previously issued interagency CRA guidance.

The effective date of this joint final rule is September 1, 2005. The agencies are revising their CRA examination procedures to reflect these revisions to the CRA rule.

If you have questions about this final rule, please contact your supervisory office; Karen Tucker, national bank examiner, Compliance Policy Department, at 202-874-4428; or Margaret Hesse, special counsel, Community and Consumer Law Division, at 202-874-5750.

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Attachment – [70 FR 44256](#)  
[<http://www.occ.treas.gov/fr/fedregister/70fr44256.pdf>]