

Explanation of the Community Reinvestment Act Asset Threshold Change

Applying the January 1, 2009 CRA Definitions:

"Small institution" means an institution that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.109 billion.

"Intermediate small institution" means a small institution with assets of at least \$277 million as of December 31 of both of the prior two calendar years, and less than \$1.109 billion as of December 31 of either of the prior two calendar years. Since there is no CRA loan data requirement for an intermediate small institution, its next examination is under the intermediate small institution test even if that examination comes due during the institution's first year as an intermediate small institution.

"Large institutions" have total assets of at least \$1.109 billion for December 31 of both of the prior two years. Large institutions are subject to CRA data collection. Thus they can not be examined under the large institution test until they have at least one full year of data collected. In addition, any size institution may opt to be examined as a large institution provided it has collected and reported the required CRA loan data.

History of threshold changes:

Effective Date	Small Institution Threshold	Intermediate Small Institution Threshold
January 1, 2009	\$1.109 billion	\$277 million
January 1, 2008	\$1.061 billion	\$265 million
January 1, 2007*	\$1.033 billion	\$258 million
September 1, 2005	\$1 billion	\$250 million
July 1, 1995	\$250 million	N/A

*The asset threshold for OTS regulated institutions has been the same as those shown above since July 1, 2007.

Examples of how to apply the new thresholds on 1/1/09:

Institution	Total Assets 12/31/08	Total Assets 12/31/07	CRA Type as of 1/1/09
Institution A	\$ 280 million	\$ 260 million	Small institution – lending test only
Institution B	\$1.025 billion	\$ 900 million	Intermediate small institution
Institution C	\$1.300 billion	\$1.025 billion	Intermediate small institution
Institution D	\$1.500 billion	\$1.300 billion	Large institution