



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

NR 2004-60

FOR IMMEDIATE RELEASE
July 16, 2004

Contact: Robert M. Garsson
(202) 874-5770

OCC Will Withdraw CRA Regulatory Proposal

WASHINGTON -- The Office of the Comptroller of the Currency (OCC) announced today its intention to withdraw proposed amendments to its Community Reinvestment Act (CRA) regulations. The OCC, together with the other federal banking regulators, proposed in February to raise the asset threshold for banks that are treated as “small banks” from \$250 million to \$500 million and to specify types of abusive lending practices that would adversely affect a bank’s CRA evaluation. The OCC has been carefully reviewing these and other CRA-related issues since the agencies initiated a formal review of the CRA regulations in late 2001.

The OCC is very sensitive to the impact and potential burden on small banks from the CRA and other regulations, and recognizes the strong interest among community banks in raising the small bank asset threshold to address their concerns about regulatory burden. The OCC also recognizes and is very sensitive to the fact that many community organizations and others believe strongly that an increase in the small bank asset threshold would have a very significant, and detrimental, impact on CRA activities nationwide, including in rural communities. Resolution of these deeply divided views involves a balancing of political and economic considerations that can best be addressed in a legislative forum.

After giving all of the comments very careful consideration, the OCC has decided to withdraw its regulatory proposal and to submit a report to Congress that summarizes the comments received and provides an analysis of the issues considered in connection with its review of the CRA regulations.

###

The OCC charters, regulates and examines approximately 2,000 national banks and 51 federal branches of foreign banks in the U.S., accounting for more than 56 percent of the nation’s banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.