



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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Statement by Comptroller of the Currency John D. Hawke, Jr. on CRA Issues

WASHINGTON -- Comptroller of the Currency John D. Hawke, Jr. issued the following statement following a vote by the Federal Deposit Insurance Corporation's Board of Directors on a proposed rule regarding the Community Reinvestment Act:

The OCC recognizes the substantial paperwork and regulatory burden on community banks from the Community Reinvestment Act regulations. The compliance costs associated with the CRA can be a significant drain on resources for those community banks that do not qualify for streamlined CRA examinations. Comment letters we have received on the issue, as well as industry studies on regulatory burden, argue in favor of this conclusion.

At the same time, the OCC also recognizes that simply making substantial numbers of additional banks eligible for streamlined CRA examinations, without due regard for the impact on community development capital needs at the local level, could have a detrimental impact on the goals of CRA. Comment letters we have received on the issue also argue in favor of this conclusion.

It is possible to achieve meaningful reductions in regulatory burdens on community banks arising from the CRA regulations *and* to preserve meaningful CRA activities by these banks. If the right balance is found, both these objectives can be achieved with changes to the CRA regulations and examination procedures.

The OCC remains committed to exploring means of relieving the regulatory burdens on community banks while supporting community reinvestment by these banks. We will continue to work on an interagency basis with the FDIC and the Federal Reserve Board to develop uniform standards for the banking industry consistent with these goals.

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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.