

Community Reinvestment Act Regulations

AGENCIES: Office of the Comptroller of the Currency, Treasury (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); Office of Thrift Supervision, Treasury (OTS).

ACTION: Joint final rule.

SUMMARY: The OCC, Board, FDIC, and OTS, (collectively, the Federal financial supervisory agencies or agencies) are amending their regulations concerning the Community Reinvestment Act (CRA). The agencies published a joint notice of proposed rulemaking on this issue on December 21, 1993 (1993 proposal) and again on October 7, 1994 (1994 proposal). This final rule reflects comments received on both proposals and the agencies' further internal considerations.

The purpose of the CRA regulations is to establish the framework and criteria by which the agencies assess an institution's record of helping to meet the credit needs of its community, including low- and moderate-income neighborhoods, consistent with safe and sound operations, and to provide that the agencies' assessment shall be taken into account in reviewing certain applications.

The final rule seeks to emphasize performance rather than process, to promote consistency in evaluations, and to eliminate unnecessary burden. As compared to the 1993 and 1994 proposals, the final rule reduces recordkeeping and reporting requirements and makes other ^(A) ^(B) ^(C) modifications and clarifications.

EFFECTIVE DATES: This joint rule is effective July 1, 1995, except 12 CFR 25.3 through 25.7 and 25.51, 12 CFR 228.3 through 228.7 and 228.51, 12 CFR 345.3 through 345.7 and 345.51, and 12 CFR 563e.3 through 563e.7 and 563e.51 are removed effective July 1, 1997.

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Board: Glenn E. Loney, Associate Director, Division of Consumer and Community Affairs, (202) 452-3585; Robert deV. Frierson, Assistant General Counsel, Legal Division, (202) 452-3711; or Leonard N. Chanin, Managing Counsel, Division of Consumer and Community Affairs, (202) 452-3667, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

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SUPPLEMENTARY INFORMATION:

Introduction

The Federal financial supervisory agencies jointly are amending their regulations implementing the CRA (12 U.S.C. 2901 et seq.). The amended regulations will, when fully effective, replace the existing regulations in their entirety.

The CRA is designed to encourage regulated financial institutions to help meet the credit needs of their entire communities, including low- and moderate-income neighborhoods, consistent with safe and sound operations. Despite the CRA's notable successes in improving access to credit, banks and savings and loan institutions, as well as community and consumer groups, maintain that its full potential has not been