

## [Banking and Finance Law Daily Wrap Up, TOP STORY—OCC takes first step toward revising Community Reinvestment Act regulation, \(Aug. 28, 2018\)](#)

Banking and Finance Law Daily Wrap Up

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An advanced notice of proposed rulemaking published by the Office of the Comptroller of the Currency is intended to gather ideas on how to create "a new framework to transform or modernize" the regulations that implement the Community Reinvestment Act. According to the [ANPR notice](#), the changes would:

- encourage more lending, investment, and other activity where the assistance is most needed;
- evaluate banks' CRA activities more consistently;
- clarify what activities qualify for CRA consideration; and
- promote more timely and transparent CRA evaluations.

The notice also makes clear that reducing regulatory reporting burden is a crucial consideration.

**Changing environment.** The OCC says that CRA regulation changes are needed due to changes in the banking environment. Not only has the law been amended several times since it was enacted in 1977, including the removal of restrictions on interstate branching, but technological improvements have changed how financial products and services are delivered to consumers. Many stakeholders have concluded that the current CRA regulation might now be adequate only for "locally focused and less complex banks," according to the agency.

**Specific queries.** The [OCC's press release](#) lists seven issues on which the agency wants comments:

1. increasing lending and services in areas where there is the most need, including low- and moderate-income areas;
2. clarifying and expanding the activities that are eligible for CRA consideration;
3. reviewing how assessment areas are defined;
4. creating measurable CRA rating metrics;
5. making bank performance more transparent;
6. making regulatory decisions more timely; and
7. reducing the cost and regulatory burden associated with evaluating a bank's CRA performance.

Comments on the ANPR will be accepted for 75 days after it is published in the *Federal Register*.

**ABA response.** The American Bankers Association is happy with the ANPR. [According to President and CEO Rob Nichols](#), "For years, outdated rules, a lack of transparency, and inconsistent examinations have limited the effectiveness of the CRA," and the problems are interfering with needed investment.

The group also approves of the OCC's plan to share the information it gathers with the other regulatory agencies in order to encourage a future joint rulemaking.

Companies: American Bankers Association

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