

[Banking and Finance Law Daily Wrap Up, COMMUNITY DEVELOPMENT —Financial regulators expand CRA activities for coronavirus-affected communities, \(Mar. 20, 2020\)](#)

Banking and Finance Law Daily Wrap Up

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By Jacob Bielanski

The joint statement expands consideration beyond banks' CRA assessment areas, helps make qualifying loan modifications easier, and suggests qualifying retail banking changes that can help ease burdens for low- and moderate-income customers affected by the coronavirus outbreak.

Federal financial regulators continue to offer assurances to financial institutions responding to the COVID-19 (coronavirus) pandemic, issuing a [joint statement](#) on March 19 regarding adjusted Community Reinvestment Act (CRA) considerations that encouraged banks to help affected customers, "particularly those that are low- and moderate-income. The agencies recognize that such efforts—when consistent with safe and sound banking practices and applicable laws, including consumer protection laws—serve the long-term interests of these communities and the financial system," the joint statement from the [Federal Reserve Board](#), [Federal Deposit Insurance Corporation](#), and [Office of the Comptroller of the Currency](#) said. Regulators said the joint statement would remain relevant for at least six months following the end of the national emergency declaration issued on the coronavirus outbreak in the U.S.

The joint statement promised favorable recognition of Community Development (CD) investments in a "broader statewide or regional area" that includes a bank's CRA investment area, provided those investments help stabilize low- and moderate-income communities affected by coronavirus, and that the bank continues to be receptive to CD needs in their own assessment areas. Federal regulators offered a number of CRA-qualifying activities, including investments affecting low- and moderate-income access to digital services, health care, and food supplies.

The joint statement said CRA consideration would also apply to modifications "consistent with prudent banking practices" on new or existing loan terms that ease burdens for coronavirus-affected low- and moderate-income customers, small businesses and small farms. Modifications would not face "examiner criticism," according to the statement. "Such practices may help customers to recover or maintain their financial capacity and enhance their ability to service their debt," the statement said.

The joint statement listed a number of adjustments to retail banking options that would also receive CRA consideration. These included various fee waivers, increased and expanded credit card access, and eased restrictions on deposits of out-of-state or non-customer checks.

Response. The Consumer Bankers Association responded with a [statement](#) supporting the temporary CRA adjustments. "Many ongoing programs have been halted as schools and public meetings are canceled," CBA President and CEO Richard Hunt said in the statement. "This announcement will help banks alter course as they continue working to meet the financial needs of the communities they serve."

Companies: Consumer Bankers Association

Regulatory Activity: Community Development Federal Reserve System Financial Stability