

Press Releases

Joint Release

- Federal Deposit Insurance Corporation
- Office of the Comptroller of the Currency

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FDIC and OCC Propose to Modernize Community Reinvestment Act Regulations

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) today announced a proposal to modernize the agencies' regulations under the Community Reinvestment Act (CRA) that have not been substantively updated for nearly 25 years.

The proposed rules are intended to increase bank activity in low- and moderate-income communities where there is significant need for credit, more responsible lending, greater access to banking services, and improvements to critical infrastructure. The proposals will clarify what qualifies for credit under the CRA, enabling banks and their partners to better implement reinvestment and other activities that can benefit communities. The agencies will also create an additional definition of "assessment areas" tied to where deposits are located—ensuring that banks provide loans and other services to low- and moderate-income persons in those areas.

The CRA was enacted in 1977 to encourage insured depository institutions to help meet the credit needs in their local communities, including low- and moderate-income neighborhoods. Because the banking industry has changed dramatically since the law's enactment and its regulatory changes in 1995, the current CRA framework has not kept pace with such changes, which can adversely affect the very communities the CRA was intended to help. The proposed rules announced today are intended to address digital banking changes and to further encourage lending to low- and moderate-income borrowers living in underserved communities, such as rural areas and tribal lands far removed from urban centers where bank branches are concentrated.

The proposed CRA rules would apply to federally insured depository institutions supervised by the FDIC and OCC, which conduct approximately 85 percent of all CRA activity. Comments will be accepted for 60 days after publication in the *Federal Register*.

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