

Banking and Finance Law Daily Wrap Up, TOP STORY—Community Reinvestment Act is top FDIC priority for 2022, Gruenberg says, (Feb. 7, 2022)

Banking and Finance Law Daily Wrap Up

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By Nora Macaluso

The agency will also address bank mergers, climate change, cryptocurrencies, and the Basel III international framework this year, according to the acting chairman.

Strengthening the Community Reinvestment Act (CRA) will be the Federal Deposit Insurance Corporation's "top priority" in 2022, FDIC Acting Chairman Martin J. Gruenberg [stated](#). The Federal Reserve, the Comptroller of the Currency, and the FDIC have been working on revising the rule implementing the CRA, and the agencies plan to issue a notice of proposed rulemaking that would strengthen the rule "in the near future," Gruenberg said. "CRA requires banks to meet the credit needs of all the communities they serve, including low- and moderate-income communities."

Other key priorities for the FDIC this year are climate change, the Bank Merger Act, crypto-assets, and the Basel III capital rule, said Gruenberg. "All of these priorities will require close collaboration among the federal banking agencies," he added.

The FDIC plans to seek public comment on guidance to help banks manage financial risks posed by climate change, Gruenberg stated. Other climate-related priorities are establishing an FDIC interdivisional, interdisciplinary working group on climate-related financial risks, and joining the international Network of Central Banks and Supervisors for Greening the Financial System.

Bank mergers have "significant implications" for competition, safety and soundness, financial stability, and serving communities, and it's time for a "careful interagency review of the bank merger process," Gruenberg said. That process has not had a comprehensive review in 25 years, he added.

As for digital assets, the FDIC and other banking agencies will need to evaluate the risks they pose and "determine the extent to which banking organizations can safely engage in crypto-asset-related activities," Gruenberg said. "To the extent such activities can be conducted in a safe and sound manner, the agencies will need to provide robust guidance to the banking industry on the management of prudential and consumer protection risks raised by crypto-asset activities."

Implementation of the final agreement on modifications to the Basel III international regulatory framework is another priority for federal banking agencies in 2022, Gruenberg said. The agreement reached by the Basel Committee on Banking Supervision would "strengthen the regulatory framework for large banking institutions," beefing up capital requirements related to market risk, operational risk, and risks associated with financial derivatives, he asserted.

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