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Community Reinvestment Act: Interagency Final Rulemaking to Implement the CRA

To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Summary

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) today released a final rule to strengthen and modernize their regulations implementing the Community Reinvestment Act (CRA). The final rule revises the CRA regulations to better achieve the CRA's core purpose of encouraging banks to help meet the credit needs of their local communities. It also adapts to changes in the banking industry, including the expanded role of mobile and online banking; provides greater clarity and consistency in the application of CRA

regulations; tailors performance standards, data collection, and reporting requirements to account for differences in bank size, business model, and local conditions; promotes transparency and public engagement; confirms that CRA and fair lending responsibilities are mutually reinforcing; and promotes a consistent regulatory approach that applies to banks regulated by all three agencies.

The final rule takes effect on April 1, 2024, with staggered compliance dates of January 1, 2026, and January 1, 2027.

Note for Community Banks

This bulletin applies to all banks¹ subject to the CRA.

Highlights

The final rule establishes a revised regulatory framework for the CRA that, like the current framework, is based on bank asset size and business model. Key elements of the final rule include the following:

- applying four new performance tests to evaluate the CRA performance of large banks (assets of \$2 billion or more): the Retail Lending Test, Retail Services and Products Test, Community Development Financing Test, and Community Development Services Test.
- evaluating intermediate banks (assets of \$600 million or more but less than \$2 billion) under the new Retail Lending Test, and either the current rule's community development test or, at the bank's option, the new Community Development Financing Test.
- evaluating small banks (assets less than \$600 million) under the current rule's small bank performance test unless the bank opts into the new Retail Lending Test.

- evaluating limited purpose banks (including banks designated as wholesale banks under the current rule) under the Community Development Financing Test for Limited Purpose Banks.
- retaining a strategic plan option, with modifications to reflect the new performance tests and updates to the approval standards.
- clarifying community development activities by updating the definition of community development, providing a process by which banks may request confirmation that an activity is eligible for community development consideration, and providing for a publicly available interagency illustrative list of qualifying community development activities.
- updating delineation requirements for facility-based assessment areas and establishing new retail lending assessment areas for certain large banks.
- updating data collection, maintenance, and reporting requirements for large banks, tailoring those requirements based on large bank asset size and leveraging existing data where possible, while not imposing new data collection and reporting requirements for small and intermediate banks.
- continuing public file and public notice disclosure requirements and creating a new public comment process to facilitate public engagement.

The April 1, 2024, effective date is applicable to provisions of the final rule that are similar to the current CRA regulations: facility-based assessment area delineations, effect of CRA on applications, public file, bank public notice, and CRA examination schedule public notice provisions, as well as the new public engagement provision. As of January 1, 2026, banks are required to comply with all other provisions of the final rule, except for certain reporting requirements, which will be applicable on January 1, 2027.

Background

The CRA is designed to encourage banks to help meet the credit needs of the communities in which they are chartered, consistent with the bank's safe and sound operations, by requiring the agencies to examine banks' records of meeting the credit needs of their entire community, including low- and moderate-income neighborhoods. The agencies must consider a bank's CRA performance when evaluating certain applications.

Since the CRA's enactment in 1977, the last major interagency revisions of the CRA regulations occurred in 1995. The agencies jointly published a notice of proposed rulemaking in the *Federal Register* on June 3, 2022. The agencies received approximately 950 unique comment letters on the proposal, and the final rule reflects consideration of those comments.

Further Information

Please contact Heidi Thomas, Senior Counsel, Chief Counsel's Office, at (202) 649-5490, or Vonda Eanes, Director for CRA and Fair Lending Policy, Bank Supervision Policy, at (202) 649-5470.

Additional information about the final rule is available at [Community Reinvestment Act \(CRA\) | OCC](#).

Benjamin W. McDonough
Senior Deputy Comptroller and Chief Counsel

Related Links

- [Federal Register Notice](#) (PDF)
- [Interagency Overview of the Community Reinvestment Act Final Rule](#) (PDF)
- [Fact Sheet](#) (PDF)

¹ "Banks" refers collectively to national banks, federal savings associations, and federal branches and agencies of foreign banking organizations.

Topic(s): ■ [COMMUNITY REINVESTMENT ACT \(CRA\)](#) ■ [COMPLIANCE](#)

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