



A PROPOSAL TO STRENGTHEN AND MODERNIZE THE COMMUNITY REINVESTMENT ACT (CRA)

SMALL BANKS

(assets of less than \$600 million)

The OCC, Federal Reserve Board, and FDIC issued a joint CRA proposal intended to promote increased lending and investment in low- and moderate-income communities; reflect changes in the banking industry; provide greater clarity and consistency; tailor requirements to bank size, business model, and local conditions; and promote transparency and public engagement.



PERFORMANCE STANDARDS

A small bank would continue to be evaluated under the same small bank lending test that applies under the current rules.

A small bank would have the option to request evaluation under the proposed retail lending test instead of the same test that now applies.

A small bank would still have the option to request evaluation under an approved strategic plan.



ASSESSMENT AREAS (AAs)

A small bank is required to have one or more facility-based AA(s) (FBAA). FBAA boundaries would be drawn to include a bank's main office, branches, and deposit-taking remote service facilities (e.g., ATM).

A small bank could continue to adjust the boundaries of an FBAA to include whole census tracts of a county or statistically equivalent entity that the bank could reasonably be expected to serve. FBAA's could not extend across a state or metropolitan statistical area (MSA) boundary unless the FBAA was located in multistate MSA or combined statistical area.

Note: Retail and community development (CD) activities conducted outside a bank's FBAA's would not be considered.



COMMUNITY DEVELOPMENT

If a small bank conducts CD activities, the proposed CD definition and purposes would apply.



DATA COLLECTION, MAINTENANCE & REPORTING

A small bank would not be required to collect, maintain, or report data.

For more detailed requirements of the interagency Notice of Proposed Rulemaking for the CRA regulations, see 87 Fed. Reg. 33,884 (June 3, 2022). Submit comments through **August 5, 2022**, at <https://go.usa.gov/xJ944>.

