

Press Releases

March 19, 2007

OTS 07-016 - OTS Publishes Final CRA Rule

Office of Thrift Supervision

FOR RELEASE at 11:00 A.M. EDT

For further information

Monday, March 19, 2007

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OTS 07-016

202/906-6677

OTS Publishes Final CRA Rule

WASHINGTON, D.C. -The Office of Thrift Supervision (OTS) announced that it is publishing a final rule revising four areas of its Community Reinvestment Act (CRA) regulations to reestablish uniformity between its rules and those of the other federal banking agencies.

OTS Director John Reich announced the change at the National Community Reinvestment Coalition's (NCRC) annual conference. Explaining the basis for the revised rules, Reich stated, "OTS is making these revisions to promote consistency and facilitate objective evaluations of CRA performance across the banking and thrift industries. Consistent standards will allow the public to make more effective comparisons of bank and thrift CRA performance." He noted that the changes reinforce CRA objectives consistent with thrifts' performance in meeting the financial services needs of their communities.

The OTS rule aligns with that of the other agencies by:

1. eliminating the option of alternative weights for lending, investment, and service under the large, retail savings association test;
2. defining institutions with assets between \$250 million and \$1 billion as "intermediate small savings associations" subject to a new community development test;
3. indexing the asset threshold for "small" and "intermediate small" savings associations annually based on changes to the Consumer Price Index (CPI); and
4. clarifying the adverse impact on a savings association's CRA rating where the OTS finds evidence of discrimination or other illegal credit practices.

The new rule will be effective July 1, 2007, with rule changes applicable to examinations beginning in the third quarter of 2007. The agency noted, however, that latitude will be provided to institutions in the context of examinations conducted after the effective date in order to implement program changes under the new rule.

A copy of the Final Rule (<http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-16a.pdf>) and Director's remarks (<http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-16b.pdf>) to NCRC are attached. The documents are also available at www.ots.treas.gov.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.
