



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

## WHOLESALE OR LIMITED PURPOSE BANKS

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 wholesale or limited purpose (WLP) bank would be evaluated under a modified proposed community development (CD) financing test.

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



### ASSESSMENT AREAS (AAs)

A WLP bank would be required to have one or more FBAs. FBAA boundaries would be drawn to include a bank's main office, branches, and deposit-taking remote service facilities (e.g., ATM). FBAs would use whole counties or statistically equivalent entities and would not extend across a state or MSA boundary unless the FBAA was located in a multistate MSA or combined statistical area.

CD activities conducted outside a bank's FBAs would be considered.



### DATA COLLECTION, MAINTENANCE & REPORTING

- » A WLP bank would collect, maintain, and annually report data on
  - » small business loans and small farm loans,
  - » CD loans and CD investments, and
  - » automobile loans (only if bank assets exceed \$10 billion).
- » A WLP bank would collect and maintain location information for home loans outside metropolitan statistical areas (MSA) (only if bank is a Home Mortgage Disclosure Act reporter).
- » A WLP bank would annually report its facility-based assessment area(s) (FBAA).



### COMMUNITY DEVELOPMENT

The proposed CD definition and purposes would apply.



### RETAIL LENDING PRODUCT LINES

The proposed retail lending product line definitions would apply.

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>.

