Community Reinvestment Act Fact Sheet

**“FACTS”**

Almost Everything counts for CRA!

Community Reinvestment Act (CRA) regulations haven’t been updated since 1995, but consumers bank differently today, and the banking industry has changed a lot.

- The OCC’s goal is to strengthen the CRA by updating its rules. The proposed CRA rules would encourage more investment, lending, and services in the communities that need it most.
- The CRA proposal would increase the CRA regulation by:
  1. Clarifying goals
  2. Updating what counts
  3. Evaluating CRA performance more objectively
  4. Making CRA reporting more transparent and timely

The proposed rules would expand the types of activities that count toward CRA credit. This expansion will encourage more capital, investment, lending, and services in LMI, rural, and distressed communities.

The CRA proposal would provide clear standards for banks regarding what counts for CRA credit, removing the guesswork. Community advocates and banks will be able to plan activities without the risk of not receiving credit.

The proposal creates a fair system for evaluating the way banks distribute retail loans in their assessment areas, and the impact CRA activities have on the community.

The CRA proposed rule would encourage banks to better serve areas like rural communities, areas identified for aid, distressed areas, and Indian Country.

**No analysis of helpful or harmful products; less analysis of equitable lending; no penalties for harmful multifamily lending that displaces families**

**No requirement in these areas to focus on local needs or on LMI people**
New CRA rules would support small businesses. The proposed CRA rules would increase the eligible size for small business loans and encourage more economic development and job creation.

Proposed CRA rules would compare each bank’s results with a new standard. The rule considers the quality and quantity of a bank’s CRA performance and avoids judging banks on a single metric.

New CRA rules would support America’s farmers. The proposed CRA rules would increase the eligible size for small farm loans, which encourages economic opportunity and helps U.S. agriculture survive.

The proposed CRA rules would encourage banks to make long-term investments to support community development by evaluating on-book activities versus just new activity. This provides greater stability for community development.

The new CRA rules would fight displacement and harmful gentrification by focusing lending, investment, and services to LMI individuals and communities.

Bank branches are still important! The proposed CRA rules would help preserve branches, particularly in LMI areas, by providing more credit for branches and evaluating CRA activity around branches.

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Yes, but no more analysis of smaller loans and no incentives to reach very small businesses

OCC equates “quality” or “impact” with dollars. There is NOTHING on actual impact in the regs - even less than before

OCC gathered and ignored feedback

To update the CRA, the OCC gathered feedback from stakeholders and held interagency discussions. The proposal reflects the years of feedback and months of agency discussions.

The proposed CRA rules would preserve community voices and maintain a way for citizens to provide comments on their banks to regulators. Communities will always have a place to share concerns with bank examiners.

- Stakeholders are encouraged to read the proposal and submit their comments. The OCC hopes to issue the final rule in the first half of 2020.
- Visit [www.occ.gov/cra](http://www.occ.gov/cra) for more information.

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Tiny boost for % in LMI areas; nothing on branches opened/closed or banking costs and products

SO many new activities that don’t have to benefit LMI people/neighborhoods

We can provide feedback, but no clarity as to how it’s incorporated into bank rating or community needs