

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

November 21, 2013

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

CA 13-18 Final Revisions to Interagency Questions and Answers Regarding Community Reinvestment

On November 15, 2013, the Federal Reserve issued [CA 13-18 "Final Revisions to Interagency Questions and Answers Regarding Community Reinvestment"](#). The Federal Reserve, along with the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, published [final revisions](#) to "Interagency Questions and Answers Regarding Community Reinvestment" (Interagency Q&A's), which provide additional guidance to financial institutions and the public on the agencies' Community Reinvestment Act (CRA) regulations.

These revisions focus primarily on community development. Community development activities are considered as part of the CRA performance tests for large, intermediate small, and wholesale and limited purpose institutions. Small institutions may use community development activity to receive consideration toward an outstanding CRA rating. Among other things, the amendments:

- Clarify how the agencies consider community development activities that benefit a broader statewide or regional area that includes an institution's assessment area.
- Provide guidance related to CRA consideration of, and documentation associated with, investments in nationwide funds.
- Clarify the consideration of certain community development services, such as service on a community development organization's Board of Directors.
- Address the treatment of loans or investments to organizations that, in turn, invest those funds and use only a portion of the income from their investment to support a community development purpose.
- Clarify that community development lending performance is always a factor considered in a large institution's lending test rating.

This guidance, which will be published shortly in the *Federal Register*, supplements the 2010 *Interagency Questions and Answers Regarding Community Reinvestment*, which was issued through [CA 10-2 "Revised Interagency Questions and Answers on Community Reinvestment"](#). The agencies also are revising the relevant interagency CRA examination procedures, which will be released soon.

For more information on the CRA, including the agencies' CRA regulations, please visit the Federal Financial Institutions Examination Council website at: <http://www.ffiec.gov/cra>.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>.

For additional information, please contact:

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