

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

June 13, 2006

**BANKING SUPERVISION AND REGULATION:
LIST OF DISTRESSED OR UNDERSERVED
GEOGRAPHIES**

To State Member Banks, Bank
Holding Companies, U.S. Branches
and Agencies of Foreign Banks,
and Others Concerned,
in the Twelfth Federal Reserve District

**2006 List of Distressed or Underserved Middle-Income Geographies Eligible for CRA
Consideration**

The federal bank and thrift regulatory agencies announced the availability of the 2006 list of distressed or underserved non-metropolitan middle-income geographies in which bank revitalization or stabilization activities will receive certain Community Reinvestment Act (CRA) consideration. The 2006 list is the first to incorporate a one-year lag period for geographies that were designated as distressed or underserved in 2005, but were not designated as such in the 2006 release. Geographies subject to the one-year lag period are eligible to receive consideration for community development activities for the twelve months following publication of the 2006 list.

In addition, the 2005 list of distressed or underserved non-metropolitan middle-income geographies was revised after discrepancies were identified in calculations that were used to qualify geographies as "distressed" or "underserved." Although the discrepancies were minor, the revised list includes several additional geographies that were not previously included, thus expanding the list of geographies eligible for CRA consideration.

"Distressed non-metropolitan middle-income geographies," and "underserved non-metropolitan middle-income geographies," are defined in CRA regulations. The criteria used to designate these areas are available on the Federal Financial Institutions Examination Council (FFIEC) web site (www.FFIEC.gov/cra). Both the 2006 list and the revised 2005 list can also be found on the FFIEC web site, along with the data source information used to generate the list of distressed or underserved geographies.

Additional Information

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

For additional information about the 2006 list of distressed or underserved geographies, please contact our Banking Supervision and Regulation Department at (415) 974-3028.

FEDERAL RESERVE BANK OF SAN FRANCISCO