

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 9410

January 23, 2007

**BANKING SUPERVISION AND REGULATION:
ANNUAL CRA ASSET-SIZE THRESHOLD
ADJUSTMENTS**

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

Annual CRA Asset-Size Threshold Adjustments for Small and Intermediate Small Banks

The federal bank regulatory agencies announced the annual adjustment to the asset-size thresholds used to define “small bank” and “intermediate small bank” under the Community Reinvestment Act (CRA) regulations. The annual adjustments are required by the 2005 CRA regulatory amendments.

Annual increases to these asset-size thresholds are based on the year-to-year change in the average of the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each twelve-month period ending in November, with rounding to the nearest million.

As a result of the 3.32% increase in the CPI index for the period ending in November 2006, the definitions of small and intermediate small banks for CRA examinations will change as follows:

- “Small bank” means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.033 billion
- “Intermediate small bank” means a small bank with assets of at least \$258 million as of December 31 of both of the prior two calendar years, and less than \$1.033 billion as of December 31 of either of the prior two calendar years

These asset-size threshold adjustments are effective as of January 1, 2007. In addition, the agencies will post a list of the current and historical asset size thresholds on the web site of the Federal Financial Institutions Examination Council (<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/letters>

For additional information, please contact our Banking Supervision and Regulation Department at (415) 974-3028.

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