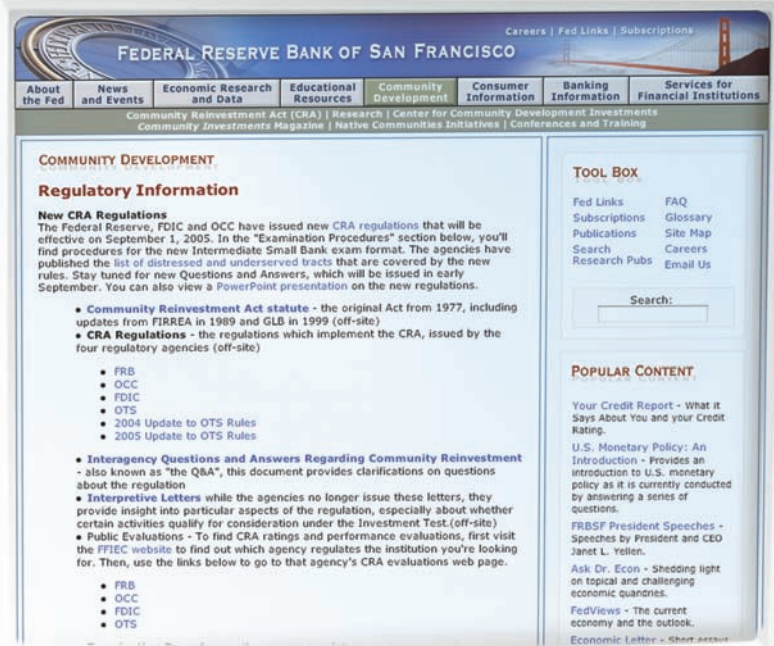


New CRA Regulations

The Federal Reserve, FDIC, and OCC have issued new CRA regulations that will be effective on September 1, 2005.

The new rules:

- Create a new category of banks, Intermediate Small Banks, for institutions with between \$250 million and \$1 billion in assets.
- Relieve Intermediate Small Banks from data reporting requirements.
- Establish a new CRA exam format for Intermediate Small Banks that includes two equally weighted tests: a Lending Test, modeled on the small bank exam, and a new, flexible Community Development Test.
- Expand the definition of Community Development for all banks to include disaster areas and distressed or under-served rural areas.
- Lists the violations of fair lending laws that could impact a bank's CRA evaluation.



Visit <http://www.frbsf.org/community/craresources/info.html> for links to:

- The new regulations
- The new Intermediate Small Bank exam procedures
- The new *Questions and Answers*
- A short powerpoint overview of the new regulations

The artwork featured on the front cover, entitled "Tenderloin Street Scene," is by Charles Blackwell, a participant in the Community Arts Program of Central City Hospitality House (CCHH), a community center serving homeless and low-income individuals in the Tenderloin neighborhood of San Francisco. The Community Arts Program provides free-of-charge materials and space for homeless, formerly homeless, poor, and at-risk artists to create, house, exhibit, and sell their work. CCHH, which works to build community strength by advocating for policies and rendering services that foster self-sufficiency and cultural enrichment, also offers assistance through the Tenderloin Self-Help Center, the Employment Program, and the Shelter/Case Management Program. Please visit www.hospitalityhouse.org or contact Jackie Jenks, Executive Director, at 415.749.2133 for more information about any of CCHH's programs.



Mr. Blackwell, who is visually impaired, is shown at work on another piece in the Community Arts studio.