

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

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

Agencies Issue Final Community Reinvestment Act Rule to Implement Provision of Higher Education Opportunity Act

The federal banking and thrift regulatory agencies announced on September 29, 2010 a final Community Reinvestment Act (CRA) rule to implement a provision of the Higher Education Opportunity Act.

The provision requires the agencies to consider low-cost higher education loans to low-income borrowers as a positive factor when assessing a financial institution's record of meeting community credit needs under the CRA.

The rule also incorporates a CRA statutory provision that allows the agencies to consider a financial institution's capital investment, loan participation, and other ventures with minority-owned financial institutions, women-owned institutions and low-income credit unions as factors in assessing the institution's CRA record. This provision was published on March 11, 2010, in the *Interagency Questions and Answers Regarding Community Reinvestment*.

The attached final rule, issued jointly by the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and Office of Thrift Supervision, will be published shortly in the *Federal Register*. More information on CRA regulations and examination procedures is available on the Federal Financial Institutions Examination Council (FFIEC) 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/letters>.

For additional information, please contact:

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Attachments: [Final Community Reinvestment Act Rule](#)