

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

March 20, 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

**Agencies Release Proposed Revisions to Interagency Questions and Answers Regarding  
Community Reinvestment**

On March 18, 2013, the federal bank regulatory agencies requested comment on proposed revisions to "*Interagency Questions and Answers Regarding Community Reinvestment*." The *Questions and Answers* document provides additional guidance to financial institutions and the public on the agencies' Community Reinvestment Act (CRA) regulations.

The proposed revisions focus primarily on community development. Community development activities are considered as part of the CRA performance tests for large institutions, intermediate small institutions, 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 proposed amendments would:

- 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.
- Address the treatment of qualified investments to organizations that use only a portion of the investment to support a community development purpose.
- Clarify that community development lending should be evaluated in such a way that it may have a positive, neutral, or negative impact on the large institution lending test rating.

The proposed revisions are being issued by the Federal Reserve Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency. The notice that will be published in the *Federal Register* is attached. Comments will be due 60 days after that publication, which is expected shortly.

For more information on the CRA, including these *Questions and Answers* and the agencies' CRA regulations, 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/letters>.

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