

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

July 5, 2012

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 List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies

On June 29, 2012, the federal bank and thrift regulatory agencies announced the availability of the 2012 list of distressed or underserved nonmetropolitan middle-income geographies where revitalization or stabilization activities will receive Community Reinvestment Act (CRA) consideration as "community development."

"Distressed nonmetropolitan middle-income geographies" and "underserved nonmetropolitan middle-income geographies" are designated by the agencies in accordance with their CRA regulations. The criteria for designating these areas are available on the Federal Financial Institutions Examination Council (FFIEC) website (www.ffiec.gov/cra). The designations continue to reflect local economic conditions, including triggers such as unemployment, poverty, and population changes.

The U.S. Census Bureau revised some census tract boundaries as a result of the 2010 Census. The current list of distressed or underserved nonmetropolitan middle-income geographies does not reference the 2011 designation. Geographies on the 2012 list will not necessarily have a corresponding 2011 geography. Therefore, users of the data are encouraged to refer to the list published in 2011 and to use the one-year lag provision to determine if an activity is eligible for CRA consideration.

Several of the data sets associated with the criteria for designating the distressed or underserved geographies are no longer offered or were not available at the time of this press release. Comparable or existing data were substituted in the calculations.¹ In addition, the 2010 Census summary files for American Samoa, Commonwealth of the Northern Mariana Islands, Guam, and U.S. Virgin Islands are not yet available. This initial release of the 2012 list does not contain any tract information for those areas. The 2012 list will be updated when information becomes available, which is expected in late 2012. The 2011 lists should be used for those areas until the updated lists are released.

As with past releases, the agencies incorporate a one-year lag period for geographies that are no longer designated as distressed or underserved in the current release. Geographies subject to this one-year lag period are eligible to receive consideration for community development activities for 12 months after publication of the current list.

¹ These criteria are provided in Interagency Question and Answer § __.12(g)(4)(iii) – 1 (75 FR 11647-48 (Mar. 11, 2010)). A technical revision conforming the Interagency Question and Answer to this announcement will be reflected in the next publication of the Interagency Question and Answers Regarding Community Reinvestment in the Federal Register. The Domestic 5-year net migration provided by Census 2000 (PHC-T-22) Table 2 is not available in the 2010 Census. Therefore, effective with the 2012 list, the following formula for 5-year loss in population will be used in its place: % 5 year population loss = (2010 population - 2005 population)/2005 population. The threshold for 5-year population loss is a loss of 5 percent or more. All data are from the County Intercensal Estimates (2000-2010) at <http://www.census.gov/popest/data/intercensal/county/county2010.html>. The U.S. Department of Agriculture has not yet released the new urban influence codes. Therefore the 2012 list will continue to use the 2003 codes at <http://www.ers.usda.gov/Data/UrbanInfluenceCodes/> as the data source for Low Density. As was the case previously, the 2012 list will use the urban influence codes 7, 10, 11 or 12.

The current and previous years' lists can be found on the [FFIEC website](#), along with information about the data sources used to generate those lists.

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:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(801) 322-7853