

## ISSUE: Defend CRA From Efforts to Weaken it

Critics of CRA are once again proposing to raise the “small” and “intermediate small” bank asset thresholds in order to limit the extent and frequency of CRA examinations.<sup>1</sup> Under the Bush Administration in 2004-2005, the federal regulatory agencies amended the CRA regulations to replace comprehensive CRA exams with streamlined exams that focus on the lending and community development activities of intermediate small banks with assets between \$250 million and \$1 billion (these thresholds adjust annually for inflation).<sup>2</sup>

Financial institutions are also advocating other changes to CRA, including a reduction in data reporting requirements.<sup>3</sup> The 2004-2005 amendments to the CRA exams exempted small business from lending reporting requirements for intermediate small banks.

## Who Can Act:

The Office of the Comptroller of the Currency (OCC), the Federal Reserve System, the Federal Deposit Insurance Corporation (FDIC), the U.S. Congress

## NCRC's Position:

NCRC opposes any efforts to make exams easier for subcategories of banks as well as any further efforts to lessen data reporting requirements. NCRC has found that when exams are made easier, bank activity in underserved communities is reduced, including a decline in the dollar amount of community development lending and investing.<sup>4</sup> Financial institutions of all sizes, including small and intermediate small banks, are also important small business lenders in smaller cities and rural areas.

NCRC also opposes any further efforts to lessen data reporting requirements. Without regular access to their small business lending data, CRA examiners, community groups, and interested members of the public cannot hold these lenders accountable for lending to small businesses.

1 Independent Community Bankers of America (ICBA), 2017 Plan for Prosperity (p. 15).

2 Federal Deposit Insurance Corporation. Banking Agencies Issue Final Community Reinvestment Act Rules [Press release]. Retrieved from <https://www.fdic.gov/news/news/press/2005/pr6605.html>  
Marsico, R., & Silver, J. (n.d.). An Analysis of the Implementation and Impact of the 2004-2005 Amendments to the Community Reinvestment Act Regulations: The Continuing Importance of the CRA Examination Process (2008/2009 ed., Vol. 53, Research Paper Series #29, pp. 271-297, Rep.). New York, NY: New York Law School

3 American Bankers Association (ABA), on CRA. Website. [http://www.aba.com/Issues/Index/Pages/Issues\\_CommunityReinvestment.aspx](http://www.aba.com/Issues/Index/Pages/Issues_CommunityReinvestment.aspx)

4 Marsico, R., & Silver, J. (n.d.). An Analysis of the Implementation and Impact of the 2004-2005 Amendments to the Community Reinvestment Act Regulations: The Continuing Importance of the CRA Examination Process (2008/2009 ed., Vol. 53, Research Paper Series #29, pp. 271-297, Rep.). New York, NY: New York Law School.