



# A PROPOSAL TO STRENGTHEN AND MODERNIZE THE COMMUNITY REINVESTMENT ACT (CRA)

## INTERMEDIATE BANKS

(assets of \$600 million to less than \$2 billion)

The OCC, Federal Reserve Board, and FDIC issued a joint CRA proposal intended to promote increased lending and investment in low- and moderate-income communities; reflect changes in the banking industry; provide greater clarity and consistency; tailor requirements to bank size, business model, and local conditions; and promote transparency and public engagement.



### PERFORMANCE STANDARDS

An intermediate bank would be evaluated under the proposed retail lending test and under the same intermediate small bank community development (CD) test that applies under the current rules. An intermediate bank would have the option to request evaluation under the proposed CD financing test or request evaluation under an approved strategic plan.



### ASSESSMENT AREAS (AAs)

An intermediate bank is required to have one or more facility-based AAs (FBAA). FBAA boundaries would be drawn to include a bank's main office, branches, and deposit-taking remote service facilities (e.g., ATM). An intermediate bank could continue to adjust the boundaries of an FBAA to include whole census tracts of a county or statistically equivalent entity that the bank could reasonably be expected to serve. FBAA's could not extend across a state or metropolitan statistical area (MSA) boundary unless the FBAA was located in a multistate MSA or combined statistical area.

Retail lending activities outside an intermediate bank's FBAA's would be considered in aggregate at the bank level if outside retail lending accounts for more than 50 percent of the bank's total retail lending. Otherwise, outside retail lending would not be considered.

CD activities outside an intermediate bank's FBAA's would be considered if the intermediate bank opts into the CD financing test. Otherwise, outside CD activities would not be considered.



### COMMUNITY DEVELOPMENT

The proposed CD definition and purposes apply. An intermediate bank would continue to receive consideration for multifamily loans with a CD purpose as both a retail loan and a CD loan. An intermediate bank would also continue to have the flexibility to have a retail loan considered as a CD loan if it qualified and was not subject to reporting.



### DATA COLLECTION, MAINTENANCE & REPORTING

An intermediate bank that opts for evaluation under the proposed CD financing test would be required to collect and maintain CD loan and CD investment data annually. An intermediate bank evaluated under the current CD evaluation approach would have no prescribed data collection or maintenance requirements. Under either approach, intermediate banks would have no data reporting requirements.



### RETAIL LENDING PRODUCT LINES

An intermediate bank's lending test would be based on its major product lines in each assessment area. A major product line would be one or more of the six retail loan product types: closed-end home mortgage loans; open-end home mortgage loans; multifamily mortgage loans; small business loans; small farm loans; or automobile loans.

For more detailed requirements of the interagency Notice of Proposed Rulemaking for the CRA regulations, see 87 Fed. Reg. 33,884 (June 3, 2022). Submit comments through **August 5, 2022**, at <https://go.usa.gov/xJ944>.

