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To: Clients and Friends

From: David F. Dulock

Subject: Federal Bank Regulatory Agencies Release Final Revisions to *Interagency Questions and Answers Regarding Community Reinvestment*

On November 15, 2013, the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency (“the federal bank regulatory agencies”) issued the following press release on their final revisions to “*Interagency Questions and Answers Regarding Community Reinvestment.*”

Agencies Release Final Revisions to Interagency Questions and Answers Regarding Community Reinvestment

The federal bank regulatory agencies with responsibility for Community Reinvestment Act (CRA) rulemaking today published final 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' CRA regulations.

The 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 amendments:

- 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, such as service on a community development organization's Board of Directors.
- Address the treatment of loans or investments to organizations that, in turn, invest those funds and use only a portion of the income from their investment to support a community development purpose.
- Clarify that community development lending performance is always a factor considered in a large institution's lending test rating.

A notice containing these final revisions to “*Interagency Questions and Answers Regarding Community Reinvestment*” is published in today's *Federal Register* (78 FR 69671) and can be accessed by [clicking here](#). The final revisions are effective November 20, 2013.

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