

# RESCINDED

98-17

AL 98-17

Subject: State CRA Laws

Date: December 8, 1998

TO: Chief Executive Officers and Compliance Officers of all National Banks, Department and Division Heads, and all Examining Personnel

AL 1998-17 has been replaced by AL 1999-1.

## PURPOSE

This advisory letter is to inform bankers and examiners of the current OCC policy regarding examination of national banks' performance under state community reinvestment laws, including implementation of related provisions of the Interstate Banking and Branching Efficiency Act (IBBEA).

## BACKGROUND

Branches of out of state national banks are required, among other things, to comply with the laws of the host state regarding community reinvestment, except when Federal law preempts the application of such state laws to a national bank. The District of Columbia and a number of states have passed their own community reinvestment laws. The Riegle-Neal IBBEA of 1994, Public Law No. 103-328 (September 29, 1994), makes clear that national banks are subject to state CRA laws of states where they maintain a branch (absent federal preemption) and that the OCC has the authority to enforce the provisions of any applicable state community reinvestment law to which a branch of an out of state national bank is subject. In addition, national banks are subject to applicable community reinvestment laws of their home states (absent federal preemption) and to OCC examination in connection with such laws.

## POLICY AND PROCEDURE

Consistent with the above, during our CRA evaluations of national banks, the OCC will solicit input from local banking commissioners regarding the banks' record of performance under applicable state community reinvestment laws. The OCC will contact local banking commissioners for the District of Columbia and the states that have passed their own community reinvestment laws to inform them that the OCC is scheduled to conduct CRA examinations. These contacts will coincide with the quarterly publication of the schedule of planned CRA examinations as prescribed by 12 CFR 25.45.

## RESPONSIBILITIES

The Community and Consumer Policy Division of the OCC will contact and gather the responses of local banking commissioners and distribute them to the appropriate supervisory office. Examiners will use this input and other performance context information, including those gathered from community contacts, to evaluate the banks' CRA performance.

For additional information, please contact the Community and Consumer Policy Division at (202) 874-4446.

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Community and Consumer Policy

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