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Transmittal – See OCC 2020-11

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Community Reinvestment Act: Small Bank Asset Threshold and Other Regulatory Revisions

On December 29, 2006, the Office of the Comptroller of the Currency (OCC) published in the Federal Register revisions to its Community Reinvestment Act (CRA) regulation that are effective January 1, 2007. Two separate revisions are made to the CRA regulation in this rulemaking:

- Adjustment of the asset-size threshold to be used to define "small bank" and "intermediate small bank" based on the annual percentage change in the Consumer Price Index.
- Reference in the small bank performance standards to appendix A: Ratings.

Asset-Size Threshold Adjustment

The OCC's CRA regulation, as revised on September 1, 2005, provides that national banks that, as of December 31 of either of the prior two calendar years, had assets of less than \$1 billion are "small banks." Small banks with assets of at least \$250 million as of December 31 of both of the prior two calendar years and less than \$1 billion as of December 31 of either of the prior two calendar years are "intermediate small banks." 12 CFR 25.12(u)(1). The regulation provides that the OCC will publish annual adjustments to these dollar figures based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW), not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million. 12 CFR 25.12(u)(2).

During the period ending November 2006, the CPIW increased by 3.32 percent. As a result, the OCC is revising section 25.12(u)(1) to make this annual adjustment. Beginning January 1, 2007, banks that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.033 billion are "small banks." Small banks with assets of at least \$258 million as of December 31 of both of the prior two calendar years and less than \$1.033 billion as of December 31 of either of the prior two calendar years are "intermediate small banks." For further information about how these revised asset-size thresholds are applied, see the CRA page on the Federal Financial Institutions Examination Council's Website at www.ffiec.gov/cra.

Reference to Appendix A: Ratings

The joint final rule adds as paragraph (d) to section 25.26 a provision stating, "The [agency] rates the performance of a bank evaluated under this section as provided in appendix A of this part." Appendix A to the regulation describes the CRA ratings system for each performance test under the regulations and provides specific information on what

To

Chief Executive Officers and
Compliance Officers of All
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Division Heads, and All
Examining Personnel

institutions must demonstrate in order to achieve a particular rating. Adding this provision to section 25.26 provides clarification and consistency with other similar provisions in part 25. No change in the evaluation or rating of small banks will result from reinserting the provision.

If you have any questions about the regulatory revisions or about how to determine whether a national bank is classified as a small or intermediate small bank, please contact your supervisory office, the Compliance Policy Department at (202) 649-5470, or the Community and Consumer Law Division at (202) 649-5470.

Related Link

- [Joint Final Rule 71 FR 78335](#)

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