

RESCINDED

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Outdated – See OCC 2020-11

Community Reinvestment Act Consideration for Gulf Coast Disaster Area Activities: Extension of Deadline

This bulletin communicates guidance that extends the time period for consideration of Community Reinvestment Act (CRA) activities that support the revitalization and recovery of the areas that hurricanes Katrina and Rita devastated.

Under the CRA regulations, institutions may receive consideration for activities that meet the definition of “community development.”¹ This definition includes loans, investments, and services that help to revitalize or stabilize designated disaster areas. The [“Interagency Questions and Answers Regarding Community Reinvestment”](#) (“Questions and Answers”) further explains that banks may receive consideration for qualified activities in a major disaster area for 36 months following the date of designation by the federal government. When there is a demonstrable community need to extend the period for recognizing revitalization or stabilization activities in a particular disaster area to assist in long-term recovery efforts, federal banking agencies (agencies) may extend this 36-month time period.²

The Federal Emergency Management Agency (FEMA) originally declared parts of the Gulf Coast major disaster areas following hurricanes Katrina and Rita in 2005.³ The agencies began providing CRA consideration for activities in these disaster areas for a period of 36 months from the dates of the major disaster designations. When the initial 36-month time frames expired in 2008, the agencies determined there was ongoing, demonstrable community need as a result of the unprecedented damage the hurricanes caused in 2005 to housing, business, and public infrastructure in the Gulf Coast area. This need warranted an extension of CRA consideration of community development activities to assist long-term recovery efforts in the affected areas. The extension was supported by FEMA’s continued designation of areas that hurricanes Katrina and Rita affected as active disaster areas.

The agencies have determined that ongoing, demonstrable community need as a result of the damage the hurricanes caused remains in the designated areas. This ongoing need is supported by FEMA’s continued designation of the affected areas as active disaster areas.

³ As a result, consistent with the “Questions and Answers,” the agencies are extending for approximately three years the period during which banks can receive consideration as part of CRA evaluations for disaster recovery-related revitalization or stabilization activities in the affected Gulf Coast areas.

The OCC will continue to provide CRA consideration for community development loans, investments, and services that revitalize or stabilize those areas through December 31, 2014. The purpose of this action is to encourage continued support for disaster recovery activities in the areas that hurricanes Katrina and Rita devastated.⁴ Consistent with the

To

Chief Executive Officers and
Compliance Officers of All
National Banks and Federal
Savings Associations,
Department and Division Heads,
All Examining Personnel, and
Other Interested Parties

2005 and 2008 guidance, significant weight will be given to activities that benefit low- and moderate-income individuals or areas, including activities aimed at benefiting displaced individuals across the country.

Given the magnitude of these disasters and their impact on the country, banks may receive CRA consideration for community development activities that help to revitalize or stabilize the designated disaster areas, even if these activities are outside their assessment area, or the broader statewide or regional areas. The banks, however, must have otherwise adequately met the CRA-related needs of their local communities.

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¹ 12 CFR 25.12(g).

² "Interagency Questions and Answers Regarding Community Reinvestment," 75 FR 11647, March 11, 2010, §II.12(g)(4)(ii)—1.

³ www.fema.gov/news/disasters.fema?year=2005.

⁴ The OCC recognizes that because of recent severe storms FEMA has declared areas of the Gulf Coast and elsewhere to be major disaster areas. This guidance only addresses the extension of CRA consideration for the Gulf Coast areas that hurricanes Katrina and Rita affected. Disaster areas receive CRA consideration as provided in the CRA regulations and "Questions and Answers" and may be reviewed on a case-by-case basis upon expiration of their initial 36-month designations to determine if further extensions are appropriate.