

RESCINDED

Transmittal – See OCC 2020-11

OCC Bulletin 2017-38 | September 22, 2017

Community Reinvestment Act Regulations: Notice of Proposed Rulemaking

Summary

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (the Agencies) seek comment on a proposed rule that would revise their regulations implementing the Community Reinvestment Act (CRA) (12 USC 2901 et seq.). The proposed rule would amend the CRA regulations' definitions of "home mortgage loan" and "consumer loan" to conform to recent changes made by the Consumer Financial Protection Bureau to Regulation C, which implements the Home Mortgage Disclosure Act (HMDA). The proposed rule would also amend the CRA public file content requirements for consistency with Regulation C, make technical amendments to remove cross references related to the proposed amended definitions, and remove an obsolete reference to the Neighborhood Stabilization Program.

To

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

Note for Community Banks

The proposed rule would apply to all banks, including community banks.

Highlights

Changes Based on Regulation C

The proposed rule would

- change the definition of "home mortgage loan" in CRA regulations to mean a "closed-end mortgage loan" or an "open-end line of credit" as those terms will be defined under revised Regulation C.
- remove the term "home equity loan" from the list of consumer loan categories provided under the definition of "consumer loan" in CRA regulations.
- provide that an institution required to report HMDA data would no longer need to provide its HMDA disclosure statement directly to the public or to maintain the disclosure statement in its public file; rather, the institution would only be required to provide a notice required under new 12 CFR 1003.5(b) of Regulation C, which states that the public may obtain a copy of the disclosure statement from the Consumer Financial Protection Bureau's website.

Technical Amendments

The proposed rule would

- remove the term "home equity" each time it appears as a category of consumer loans in the CRA regulations.
- remove an obsolete reference to Regulation C's Appendix A in the definition of "community development loan" in the CRA regulations.
- remove an obsolete reference to the Neighborhood Stabilization Program in the definition of "community development" in the CRA regulations.

Background

On October 15, 2015, the Consumer Financial Protection Bureau issued a final rule substantially revising Regulation C to implement amendments to HMDA required by section 1094 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2015 HMDA Rule). The 2015 HMDA Rule, which in relevant part has a January 1, 2018, effective date, revises the scope of transactions reportable under Regulation C.

Effective January 1, 2018, Regulation C will require financial institutions to report applications for, and originations and purchases of, "covered loans" that are secured by a dwelling. A "covered loan" will be defined under Regulation C to mean a closed-end mortgage loan or an open-end line of credit that is not an excluded transaction under 12 CFR 1003.3(c) of Regulation C. The proposed rule would amend the definitions of "home mortgage loan" and "consumer loan" in CRA regulations to conform to the new revisions in Regulation C. As a result of these changes, home equity loans secured by a dwelling would now be required to be evaluated under CRA and some non-dwelling secured home improvement loans generally would not be evaluated under CRA.

Effective January 1, 2018, a financial institution will no longer be required to provide its HMDA disclosure statement directly to the public; instead, new section 12 CFR 1003.5(b) of Regulation C allows the financial institution to simply provide a notice that clearly conveys that the public can obtain a copy of the financial institution's disclosure statement from the Consumer Financial Protection Bureau's website. The proposed rule would amend the public file requirements in the CRA regulations to provide that institutions that are required to report HMDA data would only need to maintain the notice required under Regulation C in their CRA public file, rather than a copy of the HMDA disclosure statement as was previously required.

Further Information

Please contact Emily Boyes, Attorney, Community and Consumer Law, at (202) 649-6350; Allison Hester-Haddad, Counsel, Legislative and Regulatory Activities Division, at (202) 649-5490; or Vonda J. Eanes, Director for CRA and Fair Lending Policy, Compliance Risk Policy Division, at (202) 649-5470.

Amy S. Friend
Senior Deputy Comptroller and Chief Counsel

Related Link

- "[Community Reinvestment Act Regulations](#)" (PDF)

RESCINDED