

Subject: Community Reinvestment Act
Date: February 9, 2006

**To: Chief Executive Officers
and Compliance Officers of All
National Banks, Department
and Division Heads, All
Examining Personnel, and
Other Interested Parties**

Description: Hurricanes Katrina and Rita

The Office of the Comptroller of the Currency (OCC) encourages national banks to help meet the financial needs of their customers and their communities. National banks have expressed willingness and the desire to help rebuild communities that have been affected by hurricanes Katrina and Rita although these communities may be outside the banks' Community Reinvestment Act (CRA) assessment area(s). Many banks have requested guidance concerning applicability of the CRA to bank activities in these communities. This bulletin provides that guidance.

The CRA regulations encourage financial institutions to help meet the credit needs of their local communities through lending, investments, and services, including community development activities. Community development activities, which are defined in the CRA regulations,¹ include community development loans, qualified investments, and community development services. In 2005, the regulations were revised to expand the definition of community development to include activities that revitalize and stabilize designated disaster areas, such as those areas affected by hurricanes Katrina and Rita.

A national bank's CRA performance is evaluated primarily in the context of how its CRA-related activities help meet credit and community development needs in that bank's local community. CRA-related activities that occur in the broader statewide or regional areas surrounding a bank's assessment area also may provide positive consideration. Therefore, banks may receive positive consideration for CRA-related activities that benefit designated disaster areas that meet these geographic requirements.

However, due to the unprecedented impact from hurricanes Katrina and Rita, examiners have been given additional flexibility when evaluating the geographic aspect of CRA-related activities in these designated disaster areas. Therefore, national banks located outside the designated disaster areas may receive positive CRA consideration for activities that revitalize or stabilize the designated disaster areas related to hurricanes Katrina and Rita, provided that the banks have otherwise adequately met the CRA-related needs of their local communities.

National banks may provide CRA-related activities directly, or through a third party. A national bank also may receive positive consideration for activities benefiting people who have been displaced by these hurricanes, including evacuees relocated to other states.

You may direct any questions to your supervisory office or OCC Compliance Division (202) 649-5470.

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¹ 12 CFR 25.12.