

COMMUNITY REINVESTMENT ACT OF 1977

[Public Law 95-128]

[Title VIII of Public Law 95-128; 91 Stat. 1147; 12 U.S.C. 2901 et seq.]

[As Amended Through P.L. 111-203, Enacted July 21, 2010]

【Currency: This publication is a compilation of the text of Public Law 95-128. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

TITLE VIII—COMMUNITY REINVESTMENT

【SHORT TITLE】

SEC. 801.¹ 【12 U.S.C. 2901 note】 This title may be cited as the “Community Reinvestment Act of 1977”.

【FINDINGS AND PURPOSES】

SEC. 802.¹ 【12 U.S.C. 2901】 (a) The Congress finds that—

(1) regulated financial institutions are required by law to demonstrate that their deposit facilities serve the convenience and needs of the communities in which they are chartered to do business;

(2) the convenience and needs of communities include the need for credit services as well as deposit services; and

(3) regulated financial institutions have continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered.

(b) It is the purpose of this title to require each appropriate Federal financial supervisory agency to use its authority when examining financial institutions, to encourage such institutions to help meet the credit needs of the local communities in which they are chartered consistent with the safe and sound operation of such institutions.

【DEFINITIONS】

SEC. 803.¹ 【12 U.S.C. 2902】 For the purposes of this title—

¹ No section headings in law.

(1) the term “appropriate Federal financial supervisory agency” means—

(A) the Comptroller of the Currency with respect to national banks and Federal savings associations (the deposits of which are insured by the Federal Deposit Insurance Corporation);

(B) the Board of Governors of the Federal Reserve System with respect to State chartered banks which are members of the Federal Reserve System, bank holding companies, and savings and loan holding companies;

(C) the Federal Deposit Insurance Corporation with respect to State chartered banks and savings banks which are not members of the Federal Reserve System and the deposits of which are insured by the Corporation, and State savings associations (the deposits of which are insured by the Federal Deposit Insurance Corporation).²

(2) the term “regulated financial institution” means an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act); and

(3) the term “application for a deposit facility” means an application to the appropriate Federal financial supervisory agency otherwise required under Federal law or regulations thereunder for—

(A) a charter for a national bank or Federal savings and loan association;

(B) deposit insurance in connection with a newly chartered State bank, savings bank, savings and loan association or similar institution;

(C) the establishment of a domestic branch or other facility with the ability to accept deposits of a regulated financial institution;

(D) the relocation of the home office or a branch office of a regulated financial institution;

(E) the merger or consolidation with, or the acquisition of the assets, or the assumption of the liabilities of a regulated financial institution requiring approval under section 18(c) of the Federal Deposit Insurance Act or under regulations issued under the authority of title IV of the National Housing Act; or

(F) the acquisition of shares in, or the assets of, a regulated financial institution requiring approval under section 3 of the Bank Holding Company Act of 1956 or section 408 (e) of the National Housing Act.

(4) A³ financial institution whose business predominately consists of serving the needs of military personnel who are not located within a defined geographic area may define its “entire community” to include its entire deposit customer base without regard to geographic proximity.

²So in law. The period probably should be a semicolon.

³So in law.

【ASSESSMENT OF RECORD OF MEET COMMUNITY CREDIT NEEDS】

SEC. 804.⁴ 【12 U.S.C. 2903】 (a) IN GENERAL.—In connection with its examination of a financial institution, the appropriate Federal financial supervisory agency shall—

(1) assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution; and

(2) take such record into account in its evaluation of an application for a deposit facility by such institution.

(b) MAJORITY-OWNED INSTITUTIONS.—In assessing and taking into account, under subsection (a), the record of a nonminority-owned and nonwomen-owned financial institution, the appropriate Federal financial supervisory agency may consider as a factor capital investment, loan participation, and other ventures undertaken by the institution in cooperation with minority- and women-owned financial institutions and low-income credit unions provided that these activities help meet the credit needs of local communities in which such institutions and credit unions are chartered.

(c) FINANCIAL HOLDING COMPANY REQUIREMENT.—

(1) IN GENERAL.—An election by a bank holding company to become a financial holding company under section 4 of the Bank Holding Company Act of 1956 shall not be effective if—

(A) the Board finds that, as of the date the declaration of such election and the certification is filed by such holding company under section 4(l)(1)(C) of the Bank Holding Company Act of 1956, not all of the subsidiary insured depository institutions of the bank holding company had achieved a rating of “satisfactory record of meeting community credit needs”, or better, at the most recent examination of each such institution; and

(B) the Board notifies the company of such finding before the end of the 30-day period beginning on such date.

(2) LIMITED EXCLUSIONS FOR NEWLY ACQUIRED INSURED DEPOSITORY INSTITUTIONS.—Any insured depository institution acquired by a bank holding company during the 12-month period preceding the date of the submission to the Board of the declaration and certification under section 4(l)(1)(C) of the Bank Holding Company Act of 1956 may be excluded for purposes of paragraph (1) during the 12-month period beginning on the date of such acquisition if—

(A) the bank holding company has submitted an affirmative plan to the appropriate Federal financial supervisory agency to take such action as may be necessary in order for such institution to achieve a rating of “satisfactory record of meeting community credit needs”, or better, at the next examination of the institution; and

(B) the plan has been accepted by such agency.

(3) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

⁴ No section headings in law.

(A) BANK HOLDING COMPANY; FINANCIAL HOLDING COMPANY.—The terms “bank holding company” and “financial holding company” have the meanings given those terms in section 2 of the Bank Holding Company Act of 1956.

(B) BOARD.—The term “Board” means the Board of Governors of the Federal Reserve System.

(C) INSURED DEPOSITORY INSTITUTION.—The term “insured depository institution” has the meaning given the term in section 3(c) of the Federal Deposit Insurance Act.

(d) LOW-COST EDUCATION LOANS.—In assessing and taking into account, under subsection (a), the record of a financial institution, the appropriate Federal financial supervisory agency shall consider, as a factor, low-cost education loans provided by the financial institution to low-income borrowers.

【REPORT TO CONGRESS】

SEC. 805.⁵ [12 U.S.C. 2904] Each appropriate Federal financial supervisory agency shall include in its annual report to the Congress a section outlining the actions it has taken to carry out its responsibilities under this title.

【REGULATIONS】

SEC. 806.⁶ [12 U.S.C. 2905] Regulations to carry out the purposes of this title shall be published by each appropriate Federal financial supervisory agency, except that the Comptroller of the Currency shall prescribe regulations applicable to savings associations and the Board of Governors shall prescribe regulations applicable to insured State member banks, bank holding companies and savings and loan holding companies,⁷ and shall take effect no later than 390 days after the date of enactment of this title.⁸

SEC. 807. [12 U.S.C. 2906] WRITTEN EVALUATIONS.

(a) REQUIRED.—

(1) IN GENERAL.—Upon the conclusion of each examination of an insured depository institution under section 804, the appropriate Federal financial supervisory agency shall prepare a written evaluation of the institution’s record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.

(2) PUBLIC AND CONFIDENTIAL SECTIONS.—Each written evaluation required under paragraph (1) shall have a public section and a confidential section.

(b) PUBLIC SECTION OF REPORT.—

(1) FINDINGS AND CONCLUSIONS.—(A) CONTENTS OF WRITTEN EVALUATION.—The public section of the written evaluation shall—

(i) state the appropriate Federal financial supervisory agency’s conclusions for each assessment factor identified in the regulations prescribed by the Federal financial supervisory agencies to implement this Act;

⁵No section headings in law.

⁶No section headings in law.

⁷Two commas so in law.

⁸The date of enactment was October 12, 1977.

(ii) discuss the facts and data supporting such conclusions; and

(iii) contain the institution's rating and a statement describing the basis for the rating.

(B) METROPOLITAN AREA DISTINCTIONS.—The information required by clauses (i) and (ii) of subparagraph (A) shall be presented separately for each metropolitan area in which a regulated depository institution maintains one or more domestic branch offices.

(2) ASSIGNED RATING.—The institution's rating referred to in paragraph (1)(C) shall be one of the following:

(A) "Outstanding record of meeting community credit needs".

(B) "Satisfactory record of meeting community credit needs".

(C) "Needs to improve record of meeting community credit needs".

(D) "Substantial noncompliance in meeting community credit needs".

Such ratings shall be disclosed to the public on and after July 1, 1990.

(c) CONFIDENTIAL SECTION OF REPORT.—

(1) PRIVACY OF NAMED INDIVIDUALS.—The confidential section of the written evaluation shall contain all references that identify any customer of the institution, any employee or officer of the institution, or any person or organization that has provided information in confidence to a Federal or State financial supervisory agency.

(2) TOPICS NOT SUITABLE FOR DISCLOSURE.—The confidential section shall also contain any statements obtained or made by the appropriate Federal financial supervisory agency in the course of an examination which, in the judgment of the agency, are too sensitive or speculative in nature to disclose to the institution or the public.

(3) DISCLOSURE TO DEPOSITORY INSTITUTION.—The confidential section may be disclosed, in whole or part, to the institution, if the appropriate Federal financial supervisory agency determines that such disclosure will promote the objectives of this Act. However, disclosure under this paragraph shall not identify a person or organization that has provided information in confidence to a Federal or State financial supervisory agency.

(d) INSTITUTIONS WITH INTERSTATE BRANCHES.—

(1) STATE-BY-STATE EVALUATION.—In the case of a regulated financial institution that maintains domestic branches in 2 or more States, the appropriate Federal financial supervisory agency shall prepare—

(A) a written evaluation of the entire institution's record of performance under this title, as required by subsections (a), (b), and (c); and

(B) for each State in which the institution maintains 1 or more domestic branches, a separate written evaluation of the institution's record of performance within such

State under this title, as required by subsections (a), (b), and (c).

(2) **MULTISTATE METROPOLITAN AREAS.**—In the case of a regulated financial institution that maintains domestic branches in 2 or more States within a multistate metropolitan area, the appropriate Federal financial supervisory agency shall prepare a separate written evaluation of the institution's record of performance within such metropolitan area under this title, as required by subsections (a), (b), and (c). If the agency prepares a written evaluation pursuant to this paragraph, the scope of the written evaluation required under paragraph (1)(B) shall be adjusted accordingly.

(3) **CONTENT OF STATE LEVEL EVALUATION.**—A written evaluation prepared pursuant to paragraph (1)(B) shall—

(A) present the information required by subparagraphs (A) and (B) of subsection (b)(1) separately for each metropolitan area in which the institution maintains 1 or more domestic branch offices and separately for the remainder of the nonmetropolitan area of the State if the institution maintains 1 or more domestic branch offices in such nonmetropolitan area; and

(B) describe how the Federal financial supervisory agency has performed the examination of the institution, including a list of the individual branches examined.

(e) **DEFINITIONS.**—For purposes of this section the following definitions shall apply:

(1) **DOMESTIC BRANCH.**—The term “domestic branch” means any branch office or other facility of a regulated financial institution that accepts deposits, located in any State.

(2) **METROPOLITAN AREA.**—The term “metropolitan area” means any primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area, as defined by the Director of the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate Federal financial supervisory agency.

(3) **STATE.**—The term “State” has the same meaning as in section 3 of the Federal Deposit Insurance Act.

SEC. 808. [12 U.S.C. 2907] OPERATION OF BRANCH FACILITIES BY MINORITIES AND WOMEN.

(a) **IN GENERAL.**—In the case of any depository institution which donates, sells on favorable terms (as determined by the appropriate Federal financial supervisory agency), or makes available on a rent-free basis any branch of such institution which is located in any predominantly minority neighborhood to any minority depository institution or women's depository institution, the amount of the contribution or the amount of the loss incurred in connection with such activity may be a factor in determining whether the depository institution is meeting the credit needs of the institution's community for purposes of this title.

(b) **DEFINITIONS.**—For purposes of this section—

(1) **MINORITY DEPOSITORY INSTITUTION.**—The term “minority institution” means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

(A) more than 50 percent of the ownership or control of which is held by 1 or more minority individuals; and

(B) more than 50 percent of the net profit or loss of which accrues to 1 or more minority individuals.

(2) WOMEN'S DEPOSITORY INSTITUTION.—The term “women's depository institution” means a depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act)—

(A) more than 50 percent of the ownership or control of which is held by 1 or more women;

(B) more than 50 percent of the net profit or loss of which accrues to 1 or more women; and

(C) a significant percentage of senior management positions of which are held by women.

(3) MINORITY.—The term “minority” has the meaning given to such term by section 1204(c)(3) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

SEC. 809. [12 U.S.C. 2908] SMALL BANK REGULATORY RELIEF.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), any regulated financial institution with aggregate assets of not more than \$250,000,000 shall be subject to routine examination under this title—

(1) not more than once every 60 months for an institution that has achieved a rating of “outstanding record of meeting community credit needs” at its most recent examination under section 804;

(2) not more than once every 48 months for an institution that has received a rating of “satisfactory record of meeting community credit needs” at its most recent examination under section 804; and

(3) as deemed necessary by the appropriate Federal financial supervisory agency, for an institution that has received a rating of less than “satisfactory record of meeting community credit needs” at its most recent examination under section 804.

(b) NO EXCEPTION FROM CRA EXAMINATIONS IN CONNECTION WITH APPLICATIONS FOR DEPOSIT FACILITIES.—A regulated financial institution described in subsection (a) shall remain subject to examination under this title in connection with an application for a deposit facility.

(c) DISCRETION.—A regulated financial institution described in subsection (a) may be subject to more frequent or less frequent examinations for reasonable cause under such circumstances as may be determined by the appropriate Federal financial supervisory agency.