

Press Release



Understanding the Proposed Reforms to the Community Reinvestment Act

ANDREW EVANS | DECEMBER 17, 2019

The Community Reinvestment Act (CRA) promotes access to financial services for populations who have historically been underserved by banks, but while the banking industry has changed dramatically since the law's passage in 1977, the law itself has not seen any major updates. As a result, the law does not even take into account interstate banking, much less online banking. The Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) — two of the three agencies that administer the law — recently released a reform proposal. AAF's Director of Financial Services Policy Thomas Wade reviewed this proposal in a recent analysis.

Wade concludes:

The FDIC and the OCC's proposed reform of the CRA is only in draft form at the moment, as the two agencies still need to collect public feedback and respond before finalizing any reform plan. Nevertheless, because the law is decades out of date, does not serve communities, and unnecessarily constrains banks, the simple existence of such a proposal is encouraging. It remains to be seen, however, whether the agencies, following public comment, will rein back the freedom the proposal gives banks to pick and choose their CRA investments.

[Read the analysis.](#)