

DEPARTMENT OF THE TREASURY**Office of the Comptroller of the Currency**

[Docket No. 99-03]

FEDERAL RESERVE SYSTEM

[Regulation BB; Docket No. R-0822]

FEDERAL DEPOSIT INSURANCE CORPORATION**DEPARTMENT OF THE TREASURY****Office of Thrift Supervision**

[Docket No. 99-14]

Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act

AGENCIES: Office of the Comptroller of the Currency (OCC), Department of the Treasury; Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); Office of Thrift Supervision (OTS), Department of the Treasury (collectively, the agencies).

ACTION: Withdrawal of statement of policy.

SUMMARY: The agencies are withdrawing their joint statement of policy entitled "Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act" (the Statement) because the Statement has become obsolete and provides guidance that is currently inconsistent with the Community Reinvestment Act (CRA) regulations as revised in 1995, which became fully effective on July 1, 1997.

EFFECTIVE DATE: The removal of the Statement of Policy is effective April 5, 1999.

FOR FURTHER INFORMATION CONTACT:

OCC: Malloy Harris, National Bank Examiner, Community and Consumer Policy Division, (202) 874-4446; or Margaret Hesse, Senior Attorney, Community and Consumer Law Division, (202) 874-5750, Office of the Comptroller of the Currency, 250 E Street, SW, Washington, DC 20219.

Board: Catherine M.J. Gates, Senior Review Examiner, Division of Consumer and Community Affairs, (202) 452-3946; or James H. Mann, Attorney, Division of Consumer and Community Affairs, (202) 452-2412, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

FDIC: Louise N. Kotoshirodo, Review Examiner, Division of Compliance and Consumer Affairs, (202) 942-3599; or Robert W. Mooney, Senior Fair Lending Specialist, Division of Compliance and Consumer Affairs, (202) 942-3090, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.

OTS: Richard R. Riese, Project Manager, Compliance Policy, (202) 906-6134; or Theresa A. Stark, Project Manager, Compliance Policy, (202) 906-7054, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552.

SUPPLEMENTARY INFORMATION:**Background**

On April 5, 1989, the OCC, Board, FDIC, and the Federal Home Loan Bank Board (the predecessor to the OTS) issued a Joint Policy Statement designed to provide the public and the federally insured financial institutions with guidance on the requirements of the CRA and the policies and procedures the agencies were to apply to the application process. 54 FR 13742. On May 4, 1995, the agencies revised their CRA regulations by issuing a joint final rule. 60 FR 22156. See 12 CFR parts 25, 228, 345 and 563e, implementing 12 U.S.C. 2901 *et seq.* Subsequently, the agencies published related clarifying amendments on December 20, 1995 (60 FR 66048) and May 10, 1996. 61 FR 21362.

The Statement provided guidance regarding the types of policies and procedures that financial institutions should have in place to fulfill their responsibilities under the CRA. The Statement reflects the preceding CRA regulation and is, therefore, obsolete.

Section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994 (the CDRI Act)

requires each federal banking agency to streamline and modify its regulations and written policies to improve efficiency, reduce unnecessary costs, eliminate unwarranted restraints on credit availability, remove outmoded and duplicative requirements, and to work jointly with the other federal banking agencies to make uniform all regulations implementing common statutory policies. 12 U.S.C. 4803.

As part of its effort to fulfill the duties imposed by section 303 of the CDRI Act, the agencies have reviewed the statement of policy concerning the CRA and have concluded that it has been made superfluous by the revisions to the regulations that implement the CRA. The agencies have therefore decided to withdraw this statement of policy, thereby furthering the section 303 goal of removing outmoded and duplicative requirements.

The Agencies' Action

The agencies hereby withdraw the Statement.

Dated: February 22, 1999.

John D. Hawke, Jr.,

Comptroller of the Currency.

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors of the Federal Reserve System, March 30, 1999.

Jennifer J. Johnson,

Secretary of the Board.

By order of the Board of Directors, dated at Washington, D.C. this 10th day of February, 1998.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Executive Secretary.

Editorial Note: This document was received at the Office of the Federal Register on March 31, 1999.

Dated: March 11, 1999.

By the Office of Thrift Supervision.

Ellen S. Seidman,

Director.

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