

September 15, 2004

MEMORANDUM TO: The Board of Directors

FROM: Michael J. Zamorski
Director
Division of Supervision and Consumer Protection

William F. Kroener, III
General Counsel

SUBJECT: Extension of CRA Comment Period

I. Recommendation

On August 20, 2004, the FDIC requested comment on revisions to the FDIC's regulation implementing the Community Reinvestment Act. Primarily, the FDIC proposed to a) change the definition of "small bank" to raise the asset size threshold to \$1 billion regardless of holding company affiliation; (b) add a community development activity criterion to the streamlined evaluation method for small banks with assets greater than \$250 million and up to \$1 billion, and (c) expand the definition of "community development" to encompass a broader range of activities in rural areas. Comments on other options were also requested.

The proposal was published for a 30-day comment period, which is scheduled to close on September 20, 2004. In order to ensure that as many interested parties as possible have time to comment on the proposal, the attached FR notice would extend the period for public comment by 30 days.

We recommend that the Board approve the attached FR notice, authorize its publication in the Federal Register, and accept related comments following such publication. Finally, we recommend that the Board authorize the Executive Secretary and the General Counsel (or their designees) to make changes to the text of the Federal Register document that are technical or otherwise non-substantive.

Attachment

Concur

John M. Brennan
Deputy to the Chairman