



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-65-2010**  
**October 12, 2010**

## **COMMUNITY REINVESTMENT ACT**

### **Joint Final Rule**

**Summary:** The FDIC, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision (the agencies) are publishing the attached revisions to the Community Reinvestment Act (CRA) regulations. This rule change implements two statutory changes. One requires the agencies, when assessing a financial institution's record of meeting community credit needs, to consider low-cost education loans to low-income borrowers. The other allows the agencies to consider various activities undertaken with minority- and women-owned financial institutions and low-income credit unions. The final rule will take effect on November 3, 2010.

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Joint Final Rule

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#### **Highlights:**

The final rule on education loans indicates the agencies will consider low-cost education loans to low-income borrowers as a positive factor when assessing a financial institution's record of meeting community credit needs under the CRA. The rule:

- Provides a definition of "low-income borrower" consistent with current CRA definitions (50 percent of area median income), including borrowers' and co-borrowers' income;
- Defines "low-cost" based on the rates and fees charged under U. S. Department of Education lending programs;
- Includes loans for higher education by accredited institutions listed by the U. S. Department of Education and loans covered by Truth in Lending protections;
- Enables consideration of loans outside assessment areas if the needs are adequately addressed inside assessment areas; and
- Does not require any institution to make low-cost loans to low-income students or change how consumer loans are otherwise considered during CRA evaluations.

The provisions on minority- and women-owned financial institutions and low-income credit unions were previously communicated in *Interagency Questions and Answers Regarding Community Reinvestment*, published on March 11, 2010 (see FIL-9-2010).