



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

**Financial Institution Letter**  
**FIL-92-2010**  
**December 29, 2010**

## **COMMUNITY REINVESTMENT ACT**

### **Revisions to Interagency Regulations**

**Summary:** The FDIC, the Federal Reserve Board, the Office of the Comptroller of the Currency and the Office of Thrift Supervision have published revisions to their Community Reinvestment Act Regulations to encourage depository institutions to support eligible development activities in areas designated under the Neighborhood Stabilization Program (NSP) administered by the U.S. Department of Housing and Urban Development (HUD). Under the NSP, HUD has provided funds to state and local governments and nonprofit organizations for the purchase and redevelopment of abandoned and foreclosed properties in designated target areas with high levels of foreclosures. The rule is effective January 19, 2011.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings)

**Suggested Routing:**

Chief Executive Officers  
CRA Officers  
Compliance Officers

**Related Topics:**

Community Reinvestment Act  
Neighborhood Stabilization Program

**Attachment:**

[Joint Final Rule](#)

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**Note:**

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**Highlights:**

The CRA definition of community development is revised to include loans, services and investments to support, enable or facilitate NSP eligible activities in areas with HUD-approved NSP plans.

NSP eligible activities will receive favorable consideration only if conducted within two years after the date when NSP program funds are required to be spent.

NSP eligible activities in NSP plan areas outside the institution's assessment areas, will receive consideration, provided that an institution has adequately addressed the community development needs of its assessment area(s).

As explained in the preamble, a financial institution will receive favorable CRA consideration for activities in NSP areas including, for example:

- Loans, investments, and services to redevelop demolished or vacant properties in such areas, consistent with eligible uses for NSP funds and including projects that are not directly receiving NSP funds.
- A donation of OREO properties to non-profit housing organizations in eligible areas designated in NSP plans.

The HUD web site identifies NSP areas at <http://www.hud.gov/nspmaps> and a grantee search may be conducted at <http://hudnsphelp.info>.