



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

Financial Institution Letter
FIL-2-2007
January 9, 2007

COMMUNITY REINVESTMENT ACT

Annual Asset-Size Threshold Adjustment

Summary: The FDIC, the Federal Reserve Board, and the Office of the Comptroller of the Currency have published the attached joint final rule amending the Community Reinvestment Act (CRA) to make the annual adjustment to the asset-size threshold used to define “small bank” and “intermediate small bank” under the Act. The final rule also corrects an omission in the rules revised in August 2005.

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Joint Final Rule

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Note:

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Highlights:

- The federal banking agencies are amending their CRA regulations to publish an increase in the asset-size threshold to be used to define “small bank” and “intermediate small bank.” The increase is based on the annual percentage change in the Consumer Price Index (CPI).
- As a result of the 3.32% increase in the CPI for the period ending in November 2006, the definitions of small and intermediate small banks for CRA examinations will change as follows:
 - “*Small bank*” means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.033 billion.
 - “*Intermediate small bank*” means a small bank with assets of at least \$258 million as of December 31 of both of the prior two calendar years, and less than \$1.033 billion as of December 31 of either of the prior two calendar years.
- These asset-size threshold adjustments are effective January 1, 2007.
- The final rule also makes a technical correction to regulatory changes that became effective on September 1, 2005, by adding a provision that was inadvertently deleted. The provision that was added as paragraph (d) to § 345.26 states: “The [agency] rates the performance of a bank evaluated under this section as provided in appendix A of this part.” No change in the evaluation or rating of small banks will result from reinserting the provision.
- Current and historical asset-size thresholds will be published on the Federal Financial Institutions Examination Council's Web site at www.ffiec.gov/cra/.

