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Community Impact Briefing: 2026 CRA Proposed Rule

September 16, 2026

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About NAAHL

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ABOUT NAAHL

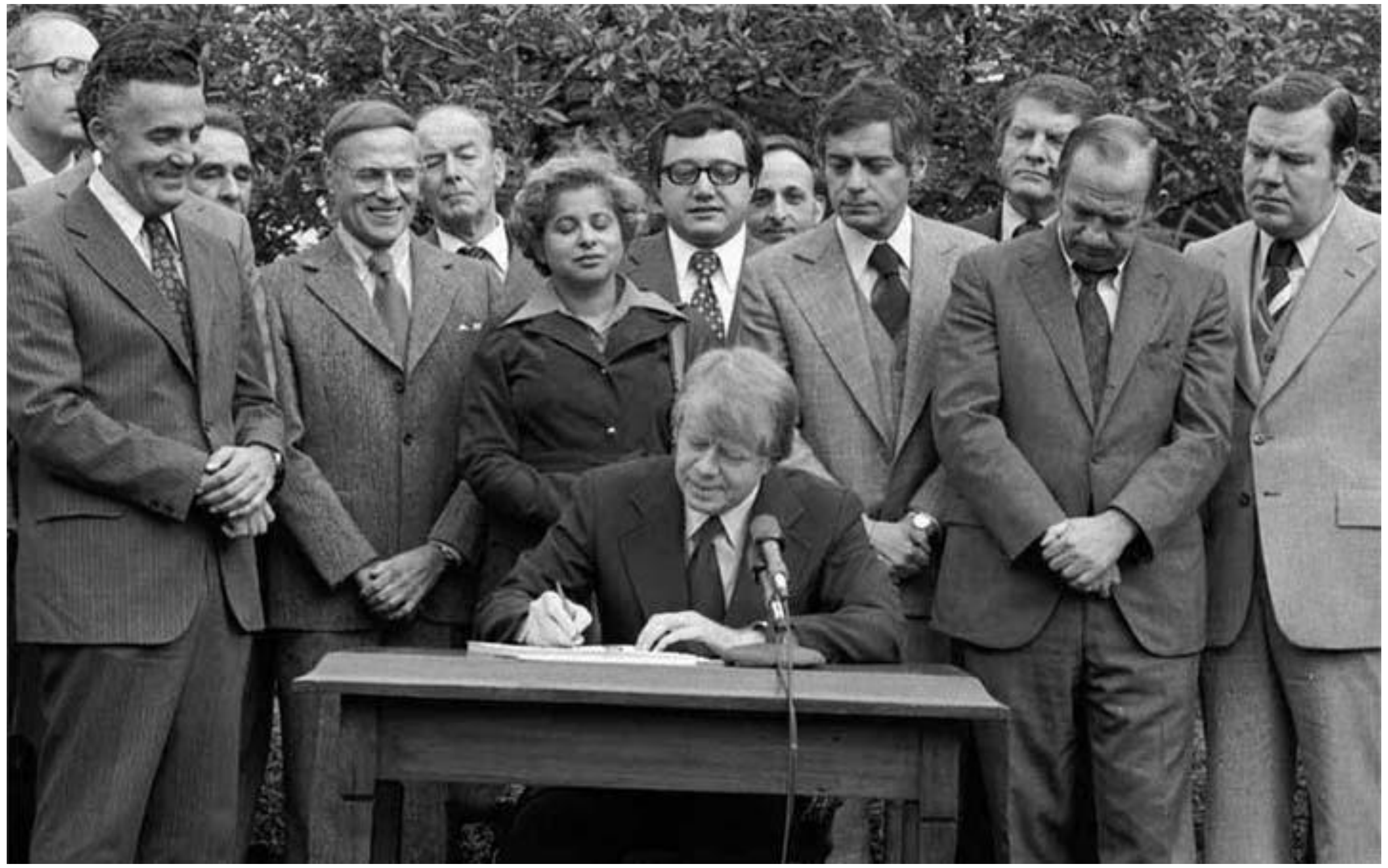
NAAHL’s mission is to expand economic opportunity through innovative financing and policymaking for affordable housing and community development.

Founded in 1990, NAAHL is the national alliance of the leading investors and lenders in affordable housing and community development – bringing together banks, CDFIs, and other public, private, and nonprofit lenders.

NAAHL’s member network uniquely represents the public-private partnership that makes possible affordable housing and community development financing in America.

What is the Community Reinvestment Act?

- 1977 law requires federal-insured banks to **help meet the credit needs of their entire communities, including low- and moderate income neighborhoods**
- Implemented by 3 federal banking regulators – the **OCC**, the **FDIC**, and the **Federal Reserve**
- Current framework was put in place in 1995
- Evaluations based on a bank's **size** and **business model**



COMMUNITY REINVESTMENT ACT

How CRA Works

- Bank evaluation is based on asset size
  - **Small** (<$412M): Lending
  - **Intermediate small** (≥$412M and <$1.649B): Retail Lending, Community Development
  - **Large** (>$1.649B): Lending, Investment, Services
  - **Strategic Plan** (any size): Bank-created and regulator-approved plan
  - **Wholesale/Limited Purpose** (any size): Community Development
- Evaluated on performance in assessment areas every 1 to 6 ½ years

COMMUNITY REINVESTMENT ACT

What's Happening?

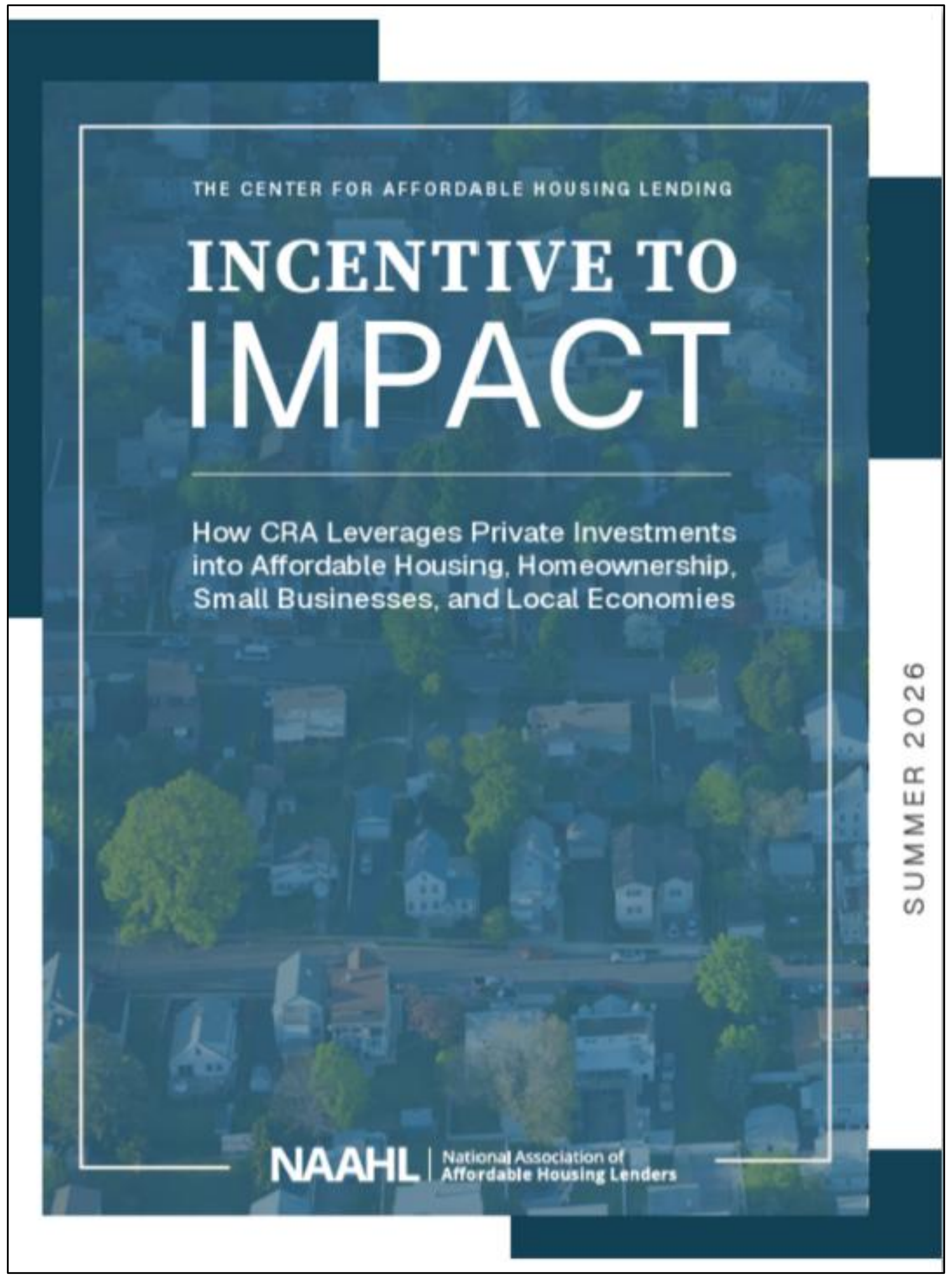
- **OCC** and **FDIC** proposed a revised CRA rule on August 12
- **Federal Reserve** says it is continuing to pursue reinstating the 1995 rule (the rule banks are operating under today)
- Fourth proposed revision to CRA regulations in the past decade – none have been fully implemented

Incentive to Impact

KEY FINDINGS

- In one year alone (2024), CRA incentivized **more than $430 billion in loans and investments** for homeownership, small businesses, and affordable housing and community development in LMI communities nationwide.

- **Blunt changes to CRA may have unintended consequences**, including reduced housing supply and community projects tied to neighborhood affordability and economic growth.



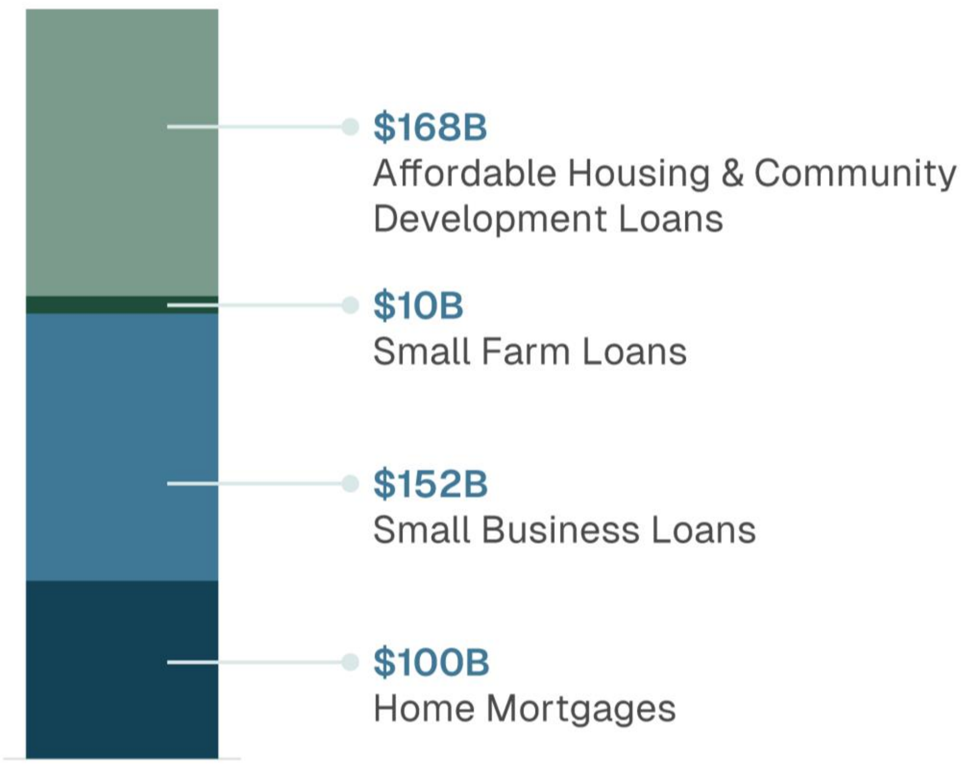
COMMUNITY REINVESTMENT ACT

$430B+

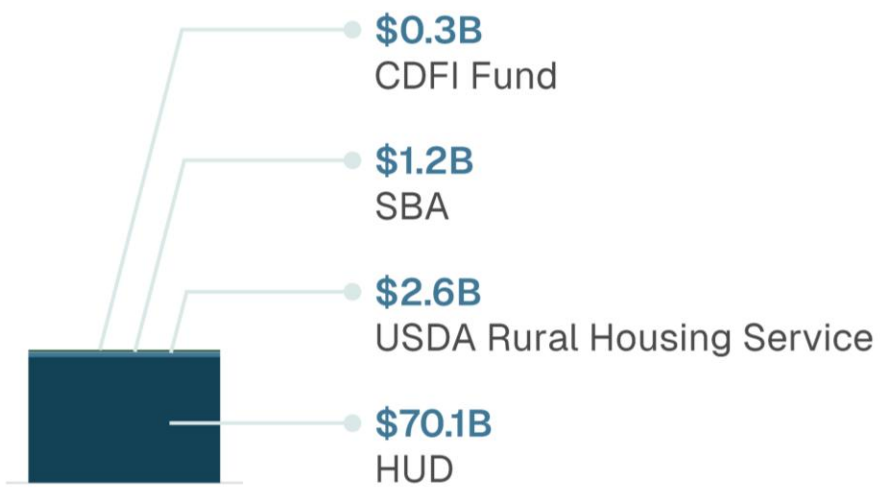
PRIVATE CAPITAL DEPLOYED IN 2024

Nearly 6x the combined budgets of HUD, USDA's Rural Housing Service, the SBA, and the CDFI Fund.

CRA-INCENTIVIZED PRIVATE CAPITAL, 2024



FEDERAL FUNDING, 2024

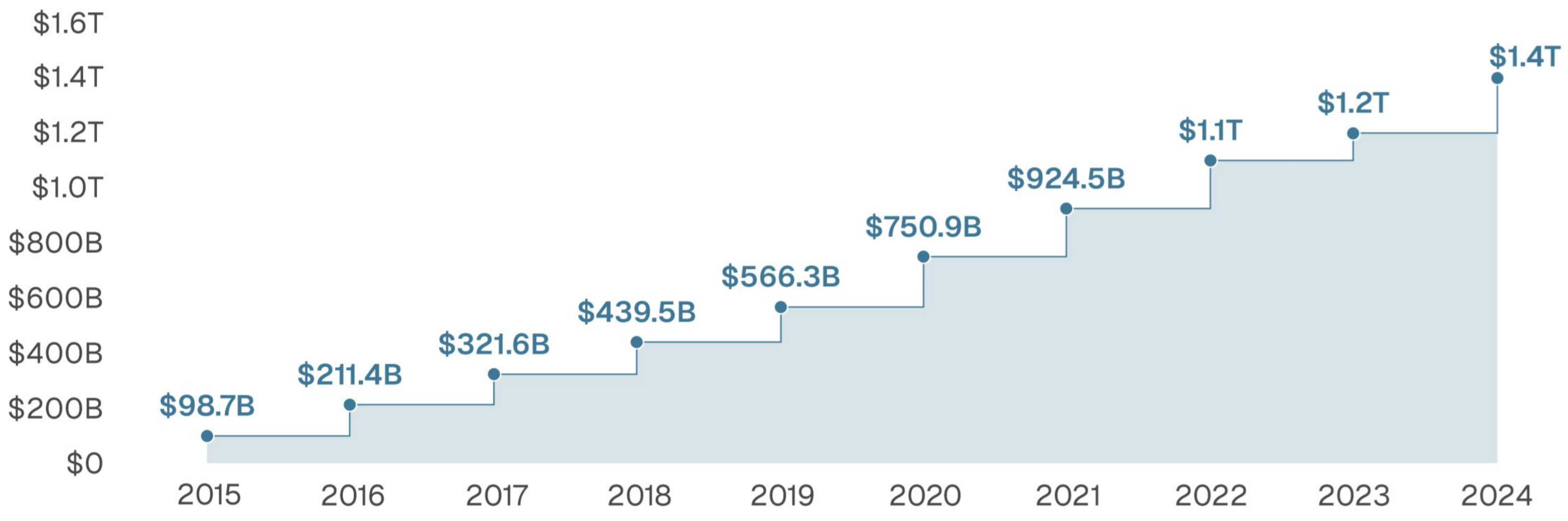


Source: Center calculation based on analysis of 2024 Home Mortgage Disclosure Act data, 2024 OCC Public Welfare Investment (PWI) data, and 2024 Federal Financial Institutions Examination Council (FFIEC) small business, small farm, and community development lending data. Center calculation of federal funding based on FY 2024 enacted appropriations.

The Scale of CRA Capital

CUMULATIVE CRA AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT LENDING AND INVESTMENT

2015-2024



Source: Center calculation of community development lending reported by the FFIEC and PWIs reported by the OCC.

$1.4T+

CRA-QUALIFYING CD LOANS & INVESTMENTS

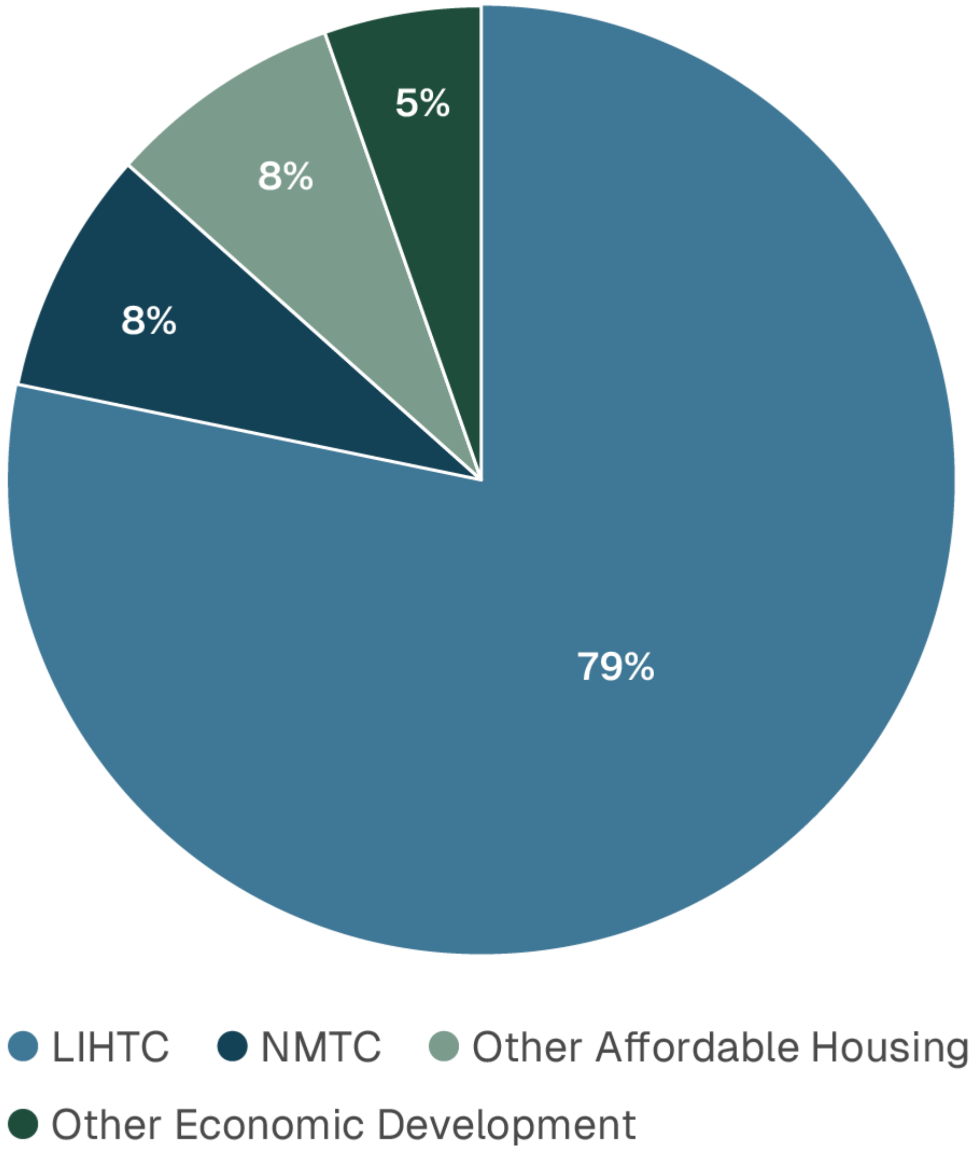
Cumulative total made by banks over the past decade.

CRA Supports Tax Credit Investments

KEY FINDINGS

- LIHTC investments made up **79%** of banks’ public welfare investments (PWIs).
- NMTC investments made up another **8%** of banks’ PWIs.
- **80%** of LIHTC investments and **98%** of NMTC equity investments in 2024 came from CRA-motivated banks.

SHARE OF PUBLIC WELFARE INVESTMENTS BY ACTIVITY, 2015-2022



Source: Center calculation of OCC PWI data, 2015 through 2022.

Banks of All Sizes Play an Important Role

COMMUNITY DEVELOPMENT LENDING BY BANKS WITH LESS THAN $30 BILLION IN ASSETS, 2024

Bank Asset Size	Count	Amount
<$1.564B	428	$1B
$1.564B-<$10B	11,880	$32B
≥$10B-<$30B	6,650	$21B
Total <$30B	**18,958**	**$54B**

38%

Of community development lending dollars came from banks with <$30B in assets

64%

Of community development loans came from banks with <$30B in assets

COMMUNITY REINVESTMENT ACT

What's Proposed

INCREASE FOCUS ON LENDING

- **Continuing to evaluate retail credit services, but no longer considering deposit services**
- **Giving additional consideration to "complex" activities** involving multiple sources of financing, which must include lending

What's Proposed

ENSURE THAT COMMUNITY DEVELOPMENT GRANTS BENEFIT COMMUNITIES

- **Requiring that grants are used directly for a program, project, or initiative** in the bank's assessment area
- **Limiting administrative costs to no more than 15%** of the grant amount if from a large bank
- **Requiring additional documentation** from grantees

What’s Proposed

REDUCE BURDEN

	SMALL	INTERMEDIATE	LARGE
CURRENT	<$412M	≥$412M and <$1.649B	>$1.649B
PROPOSED	<$1B	≥$1B and ≤$10B	>$10B
ALTERNATIVE 1	<$10B	≥$10B and ≤$30B	>$30B
ALTERNATIVE 2	SBA Definition ($850M)	≥SBA and ≤$3.252B	>$3.252B

What's Proposed

INCREASE CLARITY AND OBJECTIVITY

- **Updating and clarifying** what qualifies as community development
- **Establishing a process** to receive confirmation an activity qualifies as community development
- **Publishing a non-exhaustive, illustrative list** of qualifying activities
- **Adding specificity** to the strategic plan process

NAAHL's Position

NAAHL APPLAUDS

- **Increased clarity and transparency**
  - Illustrative list
  - Pre-approval process
- **Geographic flexibility** encouraging banks to meet community development needs beyond their assessment areas
- **Recognizing unmet needs in Indian country**
- **Aligning CRA consideration with areas identified for redevelopment**
  - Includes areas qualifying for government tax incentives, abatements, or grants

COMMUNITY REINVESTMENT ACT

NAAHL's Position

CAUTIONS

- **Maintain** meaningful community development responsibilities for banks of all sizes.
- **Preserve** strong expectations for community development lending and investment.
- **Protect** grants and other support for nonprofit and community-based organizations.
- **Keep** low- and moderate-income people and communities at the center of CRA as intended by statute.

COMMUNITY REINVESTMENT ACT

OCC/FDIC Proposed Rule

SPOTLIGHT: RAISING ASSET THRESHOLDS

Raising the asset threshold of banks defined as "small banks" would reduce the number of banks incentivized to make loans and investments in affordable housing and community development.

If the FDIC and OCC finalize a rule that defines **small banks as those with less than $10 billion in assets, then more than 1,500 banks, or 36 percent of all banks nationwide, would no longer be incentivized** to provide community development loans or investments.

These banks provided nearly $27 billion in community development loans in one year, making up **35 percent of loan volume nationwide.** These banks also play an essential role as investors in LIHTC and NMTC – especially in **smaller markets and rural communities.**

FACT SHEET: CRA ASSET THRESHOLDS

National Housing & Community Development Impact of Proposed Changes to CRA

CRA incentivizes "large banks" and "intermediate banks" to make community development loans and investments benefitting low- and moderate-income individuals and communities. Raising the asset threshold of banks defined as "small banks" would reduce the number of banks incentivized to make loans and investments in affordable housing and community development.

There are **4,236** federally-insured banks with deposits in the U.S. Today, **2,032 of those banks (48% of banks) are incentivized by CRA** to provide community development loans and investments.

SMALL BANKS

If FDIC and OCC banks with **less than $1 billion in assets** are considered small banks:

- **813 banks, or 19% of all banks, would no longer be incentivized** to provide community development loans or investments.
- These banks currently make up **2% of deposits nationwide.**
- In 2024, these banks reported **more than $156 million in community development (CD) loans, or 0.1% of dollars lent** that year nationwide. This also represents **0.4% of all CD loans** made that year.

If FDIC and OCC banks with **less than $10 billion in assets** are considered small banks:

- **1,512 banks, or 36% of all banks, would no longer be incentivized** to provide community development loans or investments.
- These banks currently make up **11% of deposits nationwide.**
- In 2024, these banks reported **$26.9 billion in community development (CD) loans, or 19% of dollars lent** that year nationwide. This also represents **35% of all CD loans** made that year.

INTERMEDIATE BANKS

If FDIC and OCC banks with assets **between $1 billion to less than or equal to $10 billion** are considered intermediate banks:

- **416 banks, or 10% of all banks, would no longer be considered a large bank** and would newly have a combined community development assessment, which may result in less dollar volume and/or a shift to less impactful types of loans or investments.
- These banks currently make up **7% of deposits nationwide.**
- In 2024, these banks reported **$25.9 billion in community development (CD) loans, or 19% of dollars lent** that year nationwide. This also represents **33% of all CD loans** made that year.

If FDIC and OCC banks with assets **between $10 billion to less than or equal to $30 billion** are considered intermediate banks:

- **42 banks, or 1% of all banks, would no longer be considered a large bank.**
- These banks currently make up **4% of deposits nationwide.**
- In 2024, these banks reported **$14.6 billion in community development (CD) loans, or 11% of dollars lent** that year nationwide. This also represents **17% of all CD loans** made that year.

Note: A bank's deposit share tells you how big a presence that bank has in the market.

NAAHL

Source: FDIC Summary of Deposits Data and Institutions List; tabulated July 2025

NAAHL Resources at www.naahl.org/cra

AVAILABLE RESOURCES

- National sign-on letter
- *Incentive to Impact* report
- National Fact Sheet on CRA Asset Thresholds

FORTHCOMING

- State Fact Sheets on CRA Asset Thresholds
- Interactive map of Assessment Areas
- Cumulative CD activity analysis, including grants, by asset thresholds

Comments are due October 13 (60 days).

CRA Impact Profiles

Innovative Office Conversion Creating Affordable Housing and Building Wealth in Utah

Salt Lake City, UT
Goldman Sachs

READ

Building Housing, Healthcare, and Community for Florida Seniors

Pembroke Pines, FL
Citi

READ

Growing a Family Business, Creating Jobs in South Carolina

Spartanburg, SC
JPMorganChase

READ

NATIONAL SIGN-ON LETTER

https://tinyurl.com/4uxapu8t

THANK YOU

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