

# Press Release

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September 21, 2020

## Statement by Vice Chair for Supervision Randal K. Quarles

I want to thank our staff for their thorough and thoughtful work on this important project. I want to particularly acknowledge the work that Governor Brainard has done to lead this effort. I am happy to have this matter come before the Board for a vote today, and I am pleased to support the issuance of this Advance Notice of Proposed Rulemaking (ANPR) in order to advance the goal of modernizing the Community Reinvestment Act (CRA).

The ANPR seeks feedback on several approaches designed to make the rules clearer, more transparent, and less subjective. For example, the metrics would provide more clarity and transparency on how bank ratings are determined. In talking with stakeholders, the Fed staff and I heard feedback on the need for clearer standards and updates to the definitions of assessment areas to better reflect the practices of modern banking. The ANPR offers ideas to provide greater clarity on these issues.

I think it is important to stress that the Federal Reserve has been working jointly with the OCC and with the FDIC on CRA modernization and that there is a shared view among all of the regulatory agencies, among community groups, among banks, and among everyone who is affected by this regulation that it can be improved and that the implementation of the statutory requirement is not as well served as it could be by existing practice. It is important to have consistency across the three banking agencies responsible for implementing the CRA regulations. All three regulators have benefitted from the stakeholder comments provided through comment letters, roundtables, and meetings. There is significant interagency agreement on the objectives of CRA reform and many of the ideas in the ANPR reflect interagency discussions and regulatory proposals. I am hopeful issuance of this ANPR will be an important step toward achieving consistency across the three banking agencies.

The ANPR invites comment on a variety of fronts, ranging from narrow to broad, and I encourage views from all sides to weigh in on how the proposal can be improved. In particular, I look forward to reviewing comments about whether the approach contemplated in the ANPR strikes the appropriate balance between achieving greater certainty in how banks are assessed while minimizing burden and data collection.

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