Notice 06-26

June 2, 2006

TO: The Chief Executive Officer of each financial institution and others concerned in the Eleventh Federal Reserve District

SUBJECT

List of Distressed and Underserved Nonmetropolitan Middle-Income Geographies

DETAILS

The federal bank and thrift regulatory agencies have announced the availability of the 2006 list of distressed or underserved nonmetropolitan middle-income geographies in which bank revitalization or stabilization activities will receive Community Reinvestment Act (CRA) consideration as “community development.” The 2006 list is the first to incorporate a one-year lag period for geographies that were designated as distressed or underserved in 2005 but were not designated as such in the 2006 release. Geographies subject to the one-year lag period are eligible to receive consideration for community development activities for the twelve months following publication of the 2006 list.

“Distressed nonmetropolitan middle-income geographies” and “underserved nonmetropolitan middle-income geographies” are defined in CRA regulations. The criteria used to designate these areas are available on the Federal Financial Institutions Examination Council (FFIEC) web site at www.FFIEC.gov/cra. Additionally, both the 2006 list and the revised 2005 list can be found on the FFIEC web site, along with the data source information used to generate the list of distressed or underserved geographies.

ATTACHMENT

A copy of the agencies’ press release dated June 1, 2006, is attached.
MORE INFORMATION

For more information, please contact Diane van Gelder, Banking Supervision Department, (214) 922-6282. Previous Federal Reserve Bank notices are available on our web site at www.dallasfed.org/banking/notice/index.html or by contacting the Public Affairs Department at (214) 922-5254.
Agencies Release List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies

The federal bank and thrift regulatory agencies today announced the availability of the 2006 list of distressed or underserved nonmetropolitan middle-income geographies in which bank revitalization or stabilization activities will receive Community Reinvestment Act (CRA) consideration as "community development." The 2006 list is the first to incorporate a one-year lag period for geographies that were designated as distressed or underserved in 2005, but were not designated as such in the 2006 release. Geographies subject to the one-year lag period are eligible to receive consideration for community development activities for the twelve months following publication of the 2006 list.

In addition, the 2005 list of distressed or underserved nonmetropolitan middle-income geographies was revised after discrepancies were identified in calculations that were used to qualify geographies as "distressed" or "underserved." Although the discrepancies were minor, the revised list includes several additional geographies that were not previously included, thus expanding the list of geographies eligible for CRA consideration.

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Both the 2006 list and the revised 2005 list can also be found on the FFIEC web site, along with the data source information used to generate the list of distressed or underserved geographies.

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