ILLINOIS BANKERS®

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Via Electronic Delivery to Federal eRulemaking
Portal and comments@FDIC.gov

Office of the Comptroller of the Currency
Docket ID OCC-2026-0694; RIN 1557-AF57

Federal Deposit Insurance Corporation
RIN 3064-AG31

Re: **Joint Notice of Proposed Rulemaking**
Community Reinvestment Act Regulations
91 Federal Register 52114 (August 12, 2026)

The Illinois Bankers Association (IBA)[1] is writing on behalf of its members to comment on the Joint Notice of Proposed Rulemaking to amend the Community Reinvestment Act (CRA) regulations of the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) (together, the agencies). We very much appreciate the agencies' work to refocus the CRA framework on the statute's core purpose of helping banks meet the credit needs of their local communities, while reducing unnecessary burden — particularly for community banks — and bringing greater clarity to CRA examinations.

The IBA's members strongly support the CRA's goals and work every day to meet the credit needs of the communities they serve. We have participated throughout the agencies' CRA modernization efforts, including our 2018 comment letter on the OCC's Advance Notice of Proposed Rulemaking, our 2020 letter on the OCC and FDIC's joint proposal, our 2021 letter on the Federal Reserve's Advance Notice of Proposed Rulemaking, and our 2022 letter on the interagency proposal.

We are pleased that this proposal reflects many of the reforms we have consistently requested: modernized asset size thresholds, clearer and more objective standards, a process for confirming that activities qualify for CRA consideration, and an assessment area framework grounded in the statutory text. We urge the agencies to finalize the proposal while working with the Federal Reserve to ensure consistent CRA rules across all bank charters, as discussed below.

Modernize the Asset Size Thresholds. Our members strongly support the proposal to modernize the CRA asset size thresholds, which have not kept pace with growth and consolidation in the banking industry. The proposal's updated thresholds would realign the CRA framework with the distribution of banks that existed when the agencies adopted the 1995 rules.

The current thresholds create a sharp cliff for community banks that grow just past the "large" bank threshold. One of our members, a community bank with under $3 billion in assets, received an "outstanding" rating on its community development test in 2023, when it was examined as an intermediate small bank. In 2026, when examined for the first time as a large bank, it received an "outstanding" rating on its lending test but a "needs to improve" rating on its investment test. The bank made approximately $40 million in community development loans during the evaluation period, but only about $300,000 in qualified investments. In this case, the bank was penalized not for doing too little for its community, but for supporting

[1] The Illinois Bankers Association is a full-service trade association dedicated to creating a positive business climate for the entire banking industry and the communities we serve. Founded in 1891, the IBA brings together state and national banks and savings banks of all sizes in Illinois. Over 52% of IBA members are community banks with less than $250 million in assets, and over 75% of IBA members are community banks with less than $750 million in assets. Collectively, the IBA represents nearly 90% of the assets of the Illinois banking industry, which employs more than 105,000 men and women in over 5,000 offices across the state.

it primarily through lending — the form of support the proposal says best meets community credit needs. We expect that other community banks just over the current large bank threshold may find themselves in the same position.

For these reasons, we support the proposed $10 billion cap for intermediate banks, with a large bank threshold of more than $10 billion, and urge the agencies not to adopt the alternative $3.252 billion cap. While the alternative cap would provide some relief, it would simply move the cliff a short distance, and growing community banks would soon face the same abrupt transition. The $10 billion threshold also is consistent with the line Congress drew in the Dodd–Frank Act. Similarly, we support a small bank threshold of $1 billion rather than the alternative $850 million threshold.

We also would support the higher alternative thresholds described in Question 1 of the proposal: less than $10 billion for small banks, $10 billion to $30 billion for intermediate banks, and more than $30 billion for large banks. These thresholds would extend similar relief to community banks that have grown past the proposed thresholds and would align the CRA framework with the agencies' existing policies that use $30 billion as a threshold for community bank supervision. Either the proposed thresholds or the Question 1 alternative would be a significant improvement over the current framework.

Finalize the Proposal's Clarity and Burden-Reduction Measures. For years, our members have told us that CRA requirements are opaque and inconsistently applied. We support the proposal's measures to address these concerns, including evaluating retail lending based on a bank's major product lines, clarifying the community development definition, codifying an illustrative list of qualifying activities and a process for confirming that an activity will receive CRA consideration, and keeping assessment areas tied to a bank's physical locations.

Encourage Consistent Rules Across All Three Agencies. Our members include state member banks supervised by the Federal Reserve. Because the Federal Reserve has not joined this proposal, those banks would remain subject to the current rules, including the current asset thresholds, while similarly sized national and state nonmember banks would not.

As we stated in our 2020 and 2021 letters, our hope is that all three federal banking agencies will adopt clear and consistent CRA standards. A bank's CRA obligations should not depend on its choice of charter or primary federal regulator, and a framework adopted by fewer than all three agencies may not prove durable, as the OCC's 2020 rule demonstrated. We urge the OCC and FDIC to work with the Federal Reserve so that banks of the same size are evaluated under the same standards, regardless of their primary federal regulator.

Coordinate With State CRA Regulators. Illinois-chartered banks are also subject to the Illinois Community Reinvestment Act (205 ILCS 735/35-1 *et seq.*), which is administered by the Illinois Department of Financial and Professional Regulation (IDFPR). Illinois banks already face duplicative federal and state CRA examinations, and those burdens will grow if state and federal standards diverge. As we urged in our 2022 letter, we ask the agencies to work with IDFPR and other state regulators to align state CRA examinations with the final federal framework, coordinate examination schedules, and share data and examination findings wherever possible.

Thank you for your consideration of our comments, and please let us know if you have any questions.

Very truly yours,



Carly Berard
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