Office of the Comptroller of the Currency
Supporting Statement
Community Reinvestment Act Regulation – 12 CFR 25
OMB Control No. 1557-0357

A. Justification

1. Circumstances that make the collection necessary:

The OMB provided a six-month approval for this information collection on an emergency basis on April 17, 2024. The OCC is now seeking to extend OMB approval of the collection for the standard three years.

The Community Reinvestment Act of 1977 (CRA) requires the Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), and Board of Governors of the Federal Reserve System (Board) (collectively, the agencies) to assess the record of banks and savings associations in helping to meet the credit needs of their entire communities, including low- and moderate-income neighborhoods, consistent with safe and sound operations; to take this record into account in evaluating applications for mergers, branches, and certain other corporate activities; and to make certain sections of its written evaluation of a bank's CRA performance public.[1] Further, the CRA requires the agencies to issue regulations to carry out its purposes.[2] The OCC's CRA regulation is set forth at 12 CFR part 25.

The data collection requirements in the CRA regulations are necessary for the agencies to examine, assess, and assign a rating to an institution's CRA performance and to prepare the public section of the CRA performance evaluation.

2. Use of the information:

The CRA requires the agencies to assess the record of regulated financial institutions (institutions) in helping to meet the credit needs of their entire communities, including low- and moderate-income neighborhoods, consistent with safe and sound operations.[3] The CRA further requires the agencies to take this record into account in evaluating applications for mergers, branches, and certain other corporate activities.[4] The CRA statute requires the agencies to issue regulations to carry out its purposes.[5]

The agencies use the data collected under the CRA regulations to fulfill their statutory obligations, including the assessment of each institution's record of helping to meet the credit needs of local communities. The agencies use the data to support their conclusions regarding an institution's record of performance, in assigning a CRA rating, and in preparing the public

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[1] 12 U.S.C. 2903.
[2] 12 U.S.C. 2905.
[3] 12 U.S.C. 2903(a)(1).
[4] 12 U.S.C. 2903(a)(2); *see also* 12 U.S.C. 2902(3).
[5] 12 U.S.C. 2905.

evaluations that the statute requires. Additionally, the agencies use these CRA assessments in evaluating an institution's applications for mergers, branches, and other corporate activities. The public uses the data to assess the institution's CRA performance and to participate meaningfully in the application process.

Section-by-Section Analysis:

- 12 CFR 25.25(b)– Requests for designation as a wholesale or limited purpose bank or savings association must be made in writing with the OCC at least three months prior to the proposed effective date of the designation.
- 12 CFR 25.27– Strategic plans must be submitted at least three months prior to proposed effective dates. Plans must include measurable goals and address all the applicable performance categories. Plans must include a description of informal efforts to solicit public suggestions, any written public comments received, and if revised pursuant to public comment, a copy of the initial plan. Amendments may be submitted in the case of a change in material circumstances.
- 12 CFR 25.42(a), 12 CFR 25.42(b)(1)– Large banks and savings associations[6] must collect and maintain certain small business/small farm loan data in a machine-readable form and report it annually.
- 12 CFR 25.42(b)(2)– Large banks and savings associations must report annually in machine readable form the aggregate number and aggregate amount of community development loans originated or purchased.
- 12 CFR 25.42(b)(3)– Large banks and savings associations, if subject to reporting under 12 CFR 1003 (Home Mortgage Disclosure (Regulation C)), must report the location of each home mortgage loan application, origination, or purchase outside the metropolitan statistical area(s) in which the bank or savings association has a home/branch office.
- 12 CFR 25.42(c)(1), 12 CFR 25.42(c)(2)– All banks and savings associations may collect and maintain in machine readable form certain data for consumer loans originated or purchased by a bank or savings association for consideration under the lending test. Other information may be included concerning their lending performance, including additional loan distribution data.
- 12 CFR 25.42(d)– Banks and savings associations that elect to have the OCC consider loans by an affiliate, for purposes of the lending or community development test or an approved strategic plan, must collect, maintain, and report the data that the bank or savings association would have collected, maintained, and reported pursuant to 12 CFR 25.42(a)-(c), respectively, had the loans been originated or purchased by the bank or savings association. For home mortgage loans, the bank or savings association must also be prepared to identify the home mortgage loans reported under HMDA by the affiliate.
- 12 CFR 25.42(e)– Banks and savings associations that elect to have the OCC consider community development loans by a consortium or a third party, for purposes of the lending or community development tests or an approved strategic plan, must report for those loans the data that the bank or savings association would have reported under 12

[6] Although the CRA regulations do not define "large banks and savings associations," this term is used by the agencies to describe banks and savings associations that exceed the small bank or savings association asset size threshold in 12 CFR 25.12(u).

CFR 25.42(b)(2), respectively, had the loans been originated or purchased by the bank or savings association.

- 12 CFR 25.42(f)– Small banks and savings associations that qualify for evaluation under the small bank and savings association performance standards but elect evaluation under the lending, investment, and service tests must collect, maintain, and report the data required for other banks or savings associations under 12 CFR 25.42(a) and 25.42(b).
- 12 CFR 25.42(g)– Banks and savings associations, except those that were small banks or savings associations during the prior calendar year, must collect and report to the OCC by March 1 each year a list for each assessment area showing the geographies within the area.
- 12 CFR 25.43(a)– All banks and savings associations must maintain a public file that contains with certain specified details: all written comments and responses; a copy of the public section of the bank's or savings association's most recent CRA performance evaluation; a list of the bank's or savings association's branches; a list of the branches opened or closed; a list of services offered; and a map of each assessment area delineated by the bank or savings association.
- 12 CFR 25.43(b)– Large banks and savings associations must include in their public files certain information pertaining to the institution and its affiliates, if applicable, for each of the prior two calendar years. If the bank or savings association has elected to have one or more categories of its consumer loans considered under the lending test, for each of these categories, they must include the number and amount of loans: to low-, moderate-, middle-, and upper-income individuals; located in low-, moderate-, middle-, and upper-income census tracts; and located inside the bank's assessment area(s) and outside the bank's or savings association's assessment area(s); and their CRA Disclosure Statement. A bank or savings association required to report home mortgage loan data pursuant to 12 CFR part 1003 must include a written notice that the institution's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (Bureau's) Web site. A bank or savings association that elected to have the OCC consider the mortgage lending of an affiliate must include the name of the affiliate and a written notice that the affiliate's HMDA Disclosure Statement may be obtained at the Bureau's Web site. A small bank or savings association or a bank or savings association that was a small bank or savings association during the prior calendar year must include: its loan-to-deposit ratio for each quarter of the prior calendar year and, at its option, additional data on its loan-to-deposit ratio; and the information required for other banks or savings associations by 12 CFR 24.43(b)(1), if it has elected to be evaluated under the lending, investment, and service tests. A bank or savings association that has been approved to be assessed under a strategic plan must include in its public file a copy of that plan. A bank or savings association that received a less than satisfactory rating during its most recent examination must include in its public file a description of its current efforts to improve its performance in helping to meet the credit needs of its entire community. The bank must update the description quarterly.
- 12 CFR 25.43(c)-(e)– A bank or savings association must make available to the public for inspection upon request and at no cost the information required in this section at the main office or branch as specified. Upon request, a bank or savings association must provide copies, either on paper or in another form acceptable to the person making the

request, of the information in its public file. A bank or savings association must ensure that this information is current as of April 1 of each year.

3. Consideration of the use of improved information technology:

The OCC uses information technology to reduce compliance burden on banks and decrease costs to both the banks and the OCC.

To help alleviate the burden and expense of geocoding loans (the linking of geographic information and loan data), the Federal Financial Institutions Examination Council (FFIEC) provides a geocoding utility free-of-charge on its Web site (*http://www.ffiec.gov*). This program enables a bank to enter the address of a given property and obtain quickly the information needed to geocode the property. This Web site also provides demographic data about each property and has been used extensively by banks, savings associations, and the public.

4. Efforts to identify duplication:

The information collected under the OCC's CRA regulation pertains to bank- and savings association-specific activities and lines of business in particular geographic areas. The information supports performance evaluations and bank- and savings association-specific requests for approval of strategic plans and certain applications. For these reasons, almost all of the information collected pursuant to the CRA regulation is not otherwise available. Where the OCC already collects information useful for CRA purposes, it has relied on the existing collection, rather than requiring banks and savings associations to provide the information in a different format.

5. Methods used to minimize burden if the collection has an impact on small entities:

Small institutions are subject to a separate CRA evaluation framework that has modest associated burden.

6. Consequences to the Federal program if the collection was conducted less frequently:

The regulations require an annual report of the prior calendar year's data from large institutions by March 1st. Reporting less frequently would decrease the utility of the data for both the public and the agencies. The agencies believe that a comparison, at least annually, of an institution's performance with that of their peer institutions is a critical component in the CRA evaluation process. The agencies expect, however, that institutions will add data to their in-house files at regular intervals throughout the year making entries as usual and customary.

7. Special circumstances necessitating the collection to be conducted in a manner inconsistent with 5 CFR part 1320:

The information collection requirements in the agencies' CRA regulations are consistent with 5 CFR part 1320.

8. Efforts to consult with persons outside the agency:

The OCC issued a 60-day *Federal Register* notice on July 16, 2024, 89 FR 57992. There were no comments received.

9. Payment to respondents:

Not applicable. There is no payment to respondents.

10. Assurance of confidentiality:

A primary purpose for collection of CRA data is disclosure to the public. Therefore, no assurance of confidentiality is made.

11. Justification for questions of a sensitive nature:

Not applicable. No personally identifiable information is collected.

12. Burden estimate:

Cite and Burden Type	**Requirements in 12 CFR 25**	**No. of Respondents**	**Avg. hours per Response**	**Estimated Burden Hours**
12 CFR 25.25(b) Reporting	*Request for designation as a wholesale or limited purpose bank or savings association*	19	4	76
12 CFR 25.27 Reporting	*Strategic plan*	14	275	3,850
12 CFR 25.42(a) Recordkeeping	*Small business/small farm loan data*	214	219	46,866
12 CFR 25.42(b)(1) Reporting	*Small business/small farm loan data*	214	8	1,712
12 CFR 25.42(b)(2) Reporting	*Community development loan data*	214	13	2,782
12 CFR 25.42(b)(3) Reporting	*Home mortgage loans*	214	253	54,142
12 CFR 25.42(c)(1) Recordkeeping	*Consumer loan data*	85	326	27,710
12 CFR 25.42(c)(2) Recordkeeping	*Other loan data*	25	25	625
12 CFR 25.42(d) Reporting	*Data on affiliate lending*	9	38	342
12.CFR 25.42(e) Reporting	*Data on lending by a consortium or a third party*	25	17	425
12 CFR 25.42(f) Reporting	*Small banks electing evaluation under the lending, investment, and service tests*	Covered by burden in §§ 25.42(a) & (b)		
12 CFR 25.42(g) Reporting	*Assessment area data*	214	2	428

Cite and Burden Type	Requirements in 12 CFR 25	No. of Respondents	Avg. hours per Response	Estimated Burden Hours
12 CFR 25.43 Disclosure	*Content and availability of public file*	934	10	9,340
Total Part 25				**Total Burden: 148,298**

Cost of Hour Burden:

148,298 x $129.40 = $ 19,189,761

To estimate wages the OCC reviewed May 2023 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses $129.40 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (4.3 percent as of Q1 2024), plus an additional 34.6 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2023 for NAICS 522: credit intermediation and related activities).

13. Estimate of the total annualized cost to respondents:

N/A.

14. Estimate of annualized cost to the federal government:

N/A.

15. Changes in burden:

Prior Burden: 113,351 hours
Current Burden: 148,298
Difference: + 34,947

The increase in burden is directly tied to the increase in the number of banks that meet or exceed the large bank threshold. Large banks are subject to more data requirements.

16. Information regarding collections whose results are planned to be published for statistical purposes:

Not applicable.

17. Display of expiration date:

Not applicable. The information collections are contained in regulations.

18. Exceptions to certification statement:

Not applicable.

B. Collections of information employing statistical methods

Not applicable.