

Designated Disaster Areas and Consideration Under the Community Reinvestment Act

Overview

National banks and federal savings associations (collectively, banks) may receive consideration from the Office of the Comptroller of the Currency (OCC) under the Community Reinvestment Act (CRA) for certain activities in communities designated by the federal government as major disaster areas. These areas are recognized under CRA as designated disaster areas (DDA).

What Are Designated Disaster Areas?

The CRA regulations define community development to include DDAs—areas receiving Major Disaster Declarations administered by the Federal Emergency Management Agency (FEMA). DDAs exclude counties designated to receive only FEMA Public Assistance Emergency Work Category A (Debris Removal) or Category B (Emergency Protective Measures).

Bank activities relating to disaster recovery that revitalize or stabilize DDAs, conducted during the 36-month period after the FEMA designation dates, may receive CRA consideration by the OCC. The 36-month period may be extended in cases of demonstrable community need for

revitalization and stabilization activities when such activities assist in long-term recovery efforts in DDAs. For additional information on areas receiving disaster declarations, visit [FEMA's website](#) and consult “[A Guide to the Disaster Declaration Process and Federal Disaster Assistance.](#)”

What Activities Are Considered?

The definition of “community development” applies to banks of all sizes and includes activities that help to revitalize or stabilize DDAs.¹ Generally, the OCC considers an activity to revitalize or stabilize a DDA if the activity is related to disaster recovery and helps to attract new or retain existing businesses or residents.

An activity is presumed to revitalize or stabilize the DDA if the activity is consistent with a bona fide government revitalization, stabilization, or disaster recovery plan. The OCC gives greater weight to activities that are most responsive to the needs of communities, including low- and moderate-income individuals and neighborhoods.

The “[Interagency Questions and Answers Regarding Community Reinvestment](#);

¹ See 12 CFR 25.12(g)(4)-1 through 25.12(g)(4)(ii)-2 for national banks and 12 CFR 195.12(g)(4)-1

through 195.12(g)(4)(ii)-2 for federal savings associations.

[Guidance](#)² provides additional detail and examples of activities that would receive CRA consideration.

Geographic Flexibility

The OCC evaluates a bank's CRA performance in the context of how potentially CRA qualifying activities help meet the retail credit and community development needs in the bank's assessment area(s).

Community development activities in the broader statewide or regional area that includes the bank's assessment area(s) that have a purpose, mandate, or function that includes serving the assessment area(s) are also considered. Certain other community development activities that occur in the broader statewide or regional area that includes the bank's assessment area(s), but that do not serve the assessment area(s), may receive consideration if the bank has been responsive to community development needs in its assessment area(s).

In certain extreme circumstances, the OCC and other CRA regulatory agencies have granted exceptions and permitted consideration of activities related to DDAs outside a bank's assessment area(s) or the broader statewide or regional area that includes a bank's assessment area(s). Bankers may contact their supervisory office with questions.³

Public Welfare Investment Authority

National banks may make investments that primarily promote the public welfare.⁴ A public welfare investment must primarily

benefit low- and moderate-income individuals, low-and moderate-income areas, areas targeted by a government entity for redevelopment, or the investment would receive consideration under 12 CFR 25.23 as a "qualified investment" for purposes of the CRA.⁵ Public welfare investments include community development investments that help to revitalize or stabilize DDAs, as those would be considered "qualified investments" under 12 CFR 25.23.

[Federal savings associations](#) may make public welfare investments under specific authorities that are described on the OCC's [Public Welfare Investments Resource Directory](#). For further information, see the *Community Developments Fact Sheet* on ["Public Welfare Investments."](#)

Resources

- The U.S. Small Business Administration (SBA) offers direct loan products specifically to help households and businesses recover from declared disasters. See the [SBA website](#).
- The OCC's *Community Developments Investments* "[Gulf Coast Redevelopment: Pathways to Recovery](#)," 2008, highlights how banks supported recovery efforts in the Gulf Coast after hurricanes Katrina, Rita, and Wilma. Their strategies may still be relevant for banks interested in supporting recovery efforts following FEMA-designated disasters.
- ["Interagency Statement on CRA Consideration for Community Development Activities in the U.S."](#)

[Virgin Islands and Puerto Rico Following Hurricane Maria.](#)

⁴ 12 CFR 24.

⁵ 12 CFR 24.3.

² 81 Fed. Reg. 142, 48505-48556 (July 25, 2016).

³ See ["Interagency Statement on CRA Consideration for Community Development Activities in the U.S."](#)

Virgin Islands and Puerto Rico
Following Hurricane Maria.”

- OCC Bulletin 2017-61, “Interagency Examiner Guidance for Institutions Affected by Major Disasters.”
- For more information on how banks can support disaster recovery efforts, contact the [OCC’s District Community Affairs Officers](#).
- For information on public welfare investments see [OCC Public Welfare Investment Web Resource Directory](#).
- FEMA maintains a [Resource Directory on Major Declared Disaster Declarations](#).
- For a summary of how disasters are declared, see the [Disaster Declaration Process](#).

Disclaimer

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