



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

CA 21-5

March 5, 2021

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER
AFFAIRS SECTIONS**

SUBJECT: Community Reinvestment Act (CRA) Consideration for Activities in Response to the Coronavirus

Applicability: This letter is relevant to all institutions supervised by the Federal Reserve.

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency have issued five new Frequently Asked Questions (FAQs) on CRA consideration for activities in response to the Coronavirus Disease (referred to as COVID-19). This letter supplements the FAQs in the *Community Reinvestment Act (CRA) Consideration for Activities in Response to the Coronavirus Frequently Asked Questions (FAQs)* and supersedes CA 20-10 through which those FAQs were originally issued on May 27, 2020. There are no changes to the previous FAQs other than the addition of five new FAQs, which are number 14-18.

The revised FAQs clarify agency treatment of Small Business Administration (SBA) Paycheck Protection Program (PPP) loans over \$1 million dollars in certain geographies and PPP loans that have been rescinded or returned under the SBA's safe harbor. The FAQs also explain CRA consideration for processing pandemic-focused loan applications and provide guidance on retail banking services and retail lending activities that will be considered responsive to the needs of low- and moderate-income individuals during COVID-19. In addition, the revised FAQs explain CRA treatment for community development services conducted virtually by banks.

Reserve Banks are asked to distribute this letter to the Federal Reserve-supervised institutions in their districts, as well as to their supervisory and examination staff. If supervised financial institutions have questions about the guidance set forth in this letter, they are encouraged to contact the responsible Reserve Bank. In addition, questions may be sent via the Board's public website.

Sincerely,

Eric Belsky
Director
Division of Consumer and Community Affairs

Attachment:

- Community Reinvestment Act (CRA) Consideration for Activities in Response to the Coronavirus – Frequently Asked Questions (FAQs)

Cross References:

- Joint Statement on CRA Consideration for Activities in Response to COVID-19 (March 19, 2020)
- SR letter 20-4/CA letter 20-3, “Supervisory Practices Regarding Financial Institutions Affected by Coronavirus” (March 13, 2020)

Supersedes:

- CA letter 20-10, “Community Reinvestment Act (CRA) Consideration for Activities in Response to the Coronavirus” (May 27, 2020)