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# Fed, FDIC and OCC Move to Rescind 2023 CRA Rule

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**By Daniel Meade**
Partner | Financial Regulation

Last week, the Federal Deposit Insurance Corporation (“FDIC"), Federal Reserve Board (“FRB”), and the Office of the Comptroller of the Currency (“OCC”) (collectively, “the Agencies”) announced, that they intend to issue a proposal to both rescind the Community Reinvestment Act (“CRA”) final rule issued in October 2023 and reinstate the CRA framework that existed prior to the October 2023 final rule. The Agencies also noted that they “will continue to work together to promote a consistent regulatory approach on their implementation of the CRA.”

While the Agencies pledging to continue to work together on an interagency or at least consistent basis is usually not very newsworthy – they act on an interagency basis for many rulemakings and guidance. It is noteworthy in the CRA space as the OCC had acted alone in revising its CRA rule in 2020. We discussed this when the Agencies came together to issue a revised interagency CRA rule in 2023. The 2023 CRA rule has faced criticism and litigation. Current acting FDIC Chair Travis Hill (and then FDIC Director Jonathan McKernan) had dissented in the FDIC’s votes to adopt the 2023 rule. Similarly, FRB Governor Michelle Bowman (now the nominee to be FRB Vice Chair of Supervision) had dissented on the FRB’s vote to adopt the 2023 CRA rule.

A number of banking industry trade associations, including the American Bankers Association, Independent Community Bankers Association and the U.S. Chamber of Commerce filed a lawsuit in February 2024 arguing the 2023 rule exceeded the Agencies’ statutory authority under both the CRA and the Administrative Procedure Act. In March 2024, the U.S. District Court for the Northern District of Texas enjoined the Agencies from enforcing the 2023 rule while the litigation was pending. The Agencies noted the pending litigation in the announcement that they intend to rescind the 2023 CRA rule and return to the previous CRA rule in place. This action by the Agencies would appear to bring the litigation (and the decade-long efforts to revise the CRA rule) to an end.