

Fed, FDIC and OCC Issue Proposed Rulemaking to Rescind 2023 CRA Rule

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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”) issued a [proposed rulemaking](#) 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.

As we noted in [April](#), when the Agencies announced their intent to issue the proposed rulemaking, the Agencies also noted that they “will continue to work together to promote a consistent regulatory approach on their implementation of the CRA.”

The main reason for the rescission of the 2023 CRA rule is due to litigation brought by a number of banking industry trade associations, including the American Bankers Association, Independent Community Bankers Association and the U.S. Chamber of Commerce 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.

Comments on the proposed rulemaking are due August 18, 2025. The Agencies noted that the litigation possibly caused confusion among banks, and that by rescinding the 2023 CRA rule, the Agencies would be providing certainty to banks subject to the CRA by reverting to the 1995 CRA rules.