

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

Community Reinvestment Act Regulations Asset-Size Thresholds

AGENCY: Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC).

ACTION: Announcement of 2025 asset-size thresholds.

SUMMARY: Under their Community Reinvestment Act (CRA) regulations, the Board and the FDIC (collectively, the Agencies) annually adjust the asset-size thresholds used to define “small bank” and “intermediate small bank.” As required by the CRA regulations, the adjustment to the threshold amounts is based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Applying this annual inflation adjustment methodology, the Agencies are announcing that, from January 1, 2025, through December 31, 2025, “small bank” will mean a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.609 billion; and “intermediate small bank” will mean a small bank with assets of at least \$402 million as of December 31 of both of the prior two calendar years and less than \$1.609 billion as of December 31 of either of the prior two calendar years.

DATES: These asset-size thresholds are in effect from January 1, 2025, through December 31, 2025.

FOR FURTHER INFORMATION CONTACT:

Board: Amal S. Patel, Senior Counsel, Division of Consumer and Community Affairs; or Sumeet Shroff, Counsel, or Cody Gaffney, Counsel, Legal Division, Board of Governors of the Federal Reserve System at (202) 452-2412. For the hearing impaired and users of

Telecommunications Device for the Deaf (TDD) and TTY-TRS, please call 711 from any telephone, anywhere in the United States.

FDIC: Patience R. Singleton, Senior Policy Analyst, Supervisory Policy Branch, Division of Depositor and Consumer Protection, (202) 898-6859, *psingleton@fdic.gov*; Cassandra Duhaney, Counsel, (202) 898-6804, *cduhaney@fdic.gov*; or Alys V. Brown, Senior Attorney, (202), 898-3565, *alybrown@fdic.gov*, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

Community Reinvestment Act Asset-Size Thresholds

Under the current CRA regulations,¹ “small bank” means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.564 billion; and “intermediate small bank” means a small bank with assets of at least \$391 million as of December 31 of both of the prior two calendar years and less than \$1.564 billion as of December 31 of either of the prior two calendar years.² Pursuant to the annual inflation adjustment methodology described below, the Agencies are announcing that from January 1, 2025, through December 31, 2025, “small bank” will mean a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.609 billion; and “intermediate small bank” will mean a small bank with assets of at least \$402 million as of December 31 of both of the prior two calendar years and less

¹ In October 2023, the Agencies and the Office of the Comptroller of the Currency (OCC) jointly issued a final rule to strengthen and modernize their Community Reinvestment Act regulations. *See* 89 FR 6574 (Feb. 1, 2024). Although the final rule was intended to take effect on April 1, 2024, the final rule has been challenged in litigation, and the final rule is currently enjoined. As such, the legacy CRA regulations (referred to in this notice as the “current CRA regulations”) remain in effect. The text of the current CRA regulations may be found: (i) in the 2022, 2023, or 2024 bound versions of title 12 of the Code of Federal Regulations; (ii) in the historical version of the Electronic Code of Federal Regulations (eCFR) as of March 29, 2024; or (iii) in appendix G of the final rule, as published in the eCFR on February 1, 2024.

² *See* 12 CFR 228.12(u)(1) and 345.12(u)(1) of the current CRA regulations.

than \$1.609 billion as of December 31 of either of the prior two calendar years.³

Calculation Methodology

The Agencies' CRA regulations establish CRA performance standards for small banks and intermediate small banks. The CRA regulations define small and intermediate small banks by reference to asset-size criteria expressed in dollar amounts, and they further require the Agencies to publish annual adjustments to these dollar figures based on the year-to-year change in the average of the CPI-W, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.⁴ This adjustment formula was first adopted for CRA purposes by the Agencies and the OCC in 2005.⁵

During the 12-month period ending November 2024, the CPI-W increased by 2.91 percent. Because the year-to-year change in the CPI-W was non-zero, the Agencies are making this annual adjustment. Beginning January 1, 2025, banks that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.609 billion are small banks. Small banks with assets of at least \$402 million as of December

³ Historically, the Agencies have announced these annual inflation adjustments via rule makings that amend the "small bank" and "intermediate small bank" definitions in their CRA regulations. *See, e.g.*, 88 FR 87895 (Dec. 20, 2023) (implementing annual inflation adjustments for 2024). However, because the eCFR has been updated to reflect the text of the October 2023 final rule, and because the October 2023 final rule is currently enjoined, the Agencies have determined that this document (rather than a rulemaking) is the best vehicle for announcing the annual inflation adjustments for 2025. Once the litigation is resolved, the Agencies expect to resume their historical practice of announcing these annual inflation adjustments via rulemakings. The OCC adjusts the asset-size criteria for institutions that are subject to OCC-issued CRA regulations, including national banks and Federal and State savings associations, separately from the Agencies.

⁴ *See* 12 CFR 228.12(u)(2) and 345.12(u)(2) of the current CRA regulations.

⁵ *See* 70 FR 44256 (Aug. 2, 2005). Subsequently, the Office of Thrift Supervision (OTS), the agency then responsible for regulating savings associations, adopted an annual inflation adjustment methodology consistent with that of the Agencies and the OCC for its CRA regulations, previously set forth at 12 CFR part 563e. *See* 72 FR 13429 (Mar. 22, 2007). The Dodd-Frank Wall Street Reform and Consumer Protection Act transferred CRA rulemaking authority for Federal and State savings associations from the OTS to the OCC. *See* 12 U.S.C. 5412.

31 of both of the prior two calendar years and less than \$1.609 billion as of December 31 of either of the prior two calendar years are intermediate small banks.

The Agencies publish current and historical asset-size thresholds on the website of the Federal Financial Institutions Examination Council.⁶

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority.

Ann E. Misback,
Secretary of the Board.

Federal Deposit Insurance Corporation.
Dated at Washington, DC, on December 15, 2024.

James P. Sheesley,
Assistant Executive Secretary.

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⁶ See <https://www.ffiec.gov/cra/examinations.htm> (“Current and Historical Asset-Size Thresholds and Examples”).