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February 20, 2026

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

To Whom It May Concern,

The Independent Community Bankers of America¹ appreciates this opportunity to provide feedback on the OCC's proposed supplemental guidance on a simplified strategic plan process for community banks interested in requesting that the OCC evaluate their Community Reinvestment Act (CRA) performance under a strategic plan.²

The CRA was enacted in 1977 for the purpose of combatting redlining and ensuring that banks, consistent with safe and sound lending practices, meet the financial services needs of low- and moderate- income (LMI) customers in the communities where they do business. For community banks, community reinvestment is at the core of their business model because their financial success or failure is tied to the economic prosperity of the communities they serve. Community banks are committed to meeting the financial needs of LMI families, small businesses, and small farms, and provide access, including physical access at bank branches, to the financial services system in traditionally underserved rural and urban areas that are less well served by the largest banks.

Simplified Strategic Plans

Currently, few community banks use strategic plans, opting for evaluation under the traditional performance tests and standards corresponding to their asset size. Based on feedback from community banks around the country, this stems mostly from low awareness of the strategic

¹ The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation's community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America's community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers' financial goals and dreams. For more information, visit ICBA's website at [icba.org](https://www.icba.org).

² 90 Fed. Reg. 59744.

plan option, costs associated with drafting a strategic plan and having it approved, and the fact that most community banks achieve “Satisfactory” or “Outstanding” ratings under the traditional performance metrics and see limited advantage in pursuing an alternative evaluation framework.

Strategic plans tend to be most helpful for banks with non-traditional business models that are not suitable for evaluation using the conventional CRA exam framework. For example, online banks that have few branch offices, but make many loans outside of their assessment areas, can benefit from a strategic plan which is better able to capture loans to LMI individuals made away from the bank’s branch network. By contrast, most community banks operate traditional business models, with most of their lending in close proximity to their branches, and thus within their CRA assessment areas.

However, we believe that the OCC’s proposal, by introducing a Simplified Strategic Plan Form, provides a clear, standardized template that streamlines drafting, submission, and OCC review. This reduces subjectivity, minimizes the need for external consultants or extensive legal resources, and offers greater predictability—key factors that have deterred broader use in the past.

We also support the decision to provide elective example goals drawn from OCC supervisory experience. These goals, which vary based on a bank’s size and complexity, provide measurable benchmarks for Satisfactory and Outstanding performance in areas such as community development (CD), qualified investments, retail lending to LMI borrowers or geographies, and CD services.

Banks retain full flexibility to adopt these example benchmarks, customize them, or develop entirely bank-specific goals tailored to their capacity, product mix, community needs, and constraints. This approach enhances transparency and certainty without imposing mandatory thresholds or new requirements, allowing community banks to focus resources on serving their communities’ needs without requiring additional spending on compliance. We would not support a proposal that requires community banks to be evaluated under a strategic plan, but this guidance provides optionality for banks whose performance may not be well-captured by the traditional CRA exam framework.

We further recommend that the OCC finalize its proposal to limit the use of the Simplified Strategic Plan Form to banks below \$30 billion in assets. Above that level, we believe it is likely that a bank’s operations may be too complex and geographically expansive to evaluate using a simplified evaluation. In addition, banks above this threshold are likely to have greater access to

both in-house and external resources that make drafting a custom strategic plan more viable, thereby obviating the need for the Simplified Strategic Plan Form.

Because many community banks are satisfied with the rating they receive using the traditional framework, uptake of strategic plans is likely to continue to remain low. However, access to a simplified form with clear example benchmarks and a more transparent review process may make the option of being evaluated under a strategic plan more accessible for some community banks who do not believe that their CRA performance is accurately captured using the traditional exam. Therefore, we recommend that the OCC finalize this guidance as proposed.

Rescission of the 2023 CRA Rule

In July of 2025, the OCC, FDIC, and Federal Reserve Board proposed to rescind their 2023 interagency final CRA rule.³ The proposal to rescind the rule has not yet been finalized, and ICBA recommends that OCC, FDIC, and the Federal Reserve Board prioritize rescinding the rule in order to provide regulatory certainty to community banks.

The 2023 rule introduced significant changes, including new performance tests, expanded data collection, and assessment areas based on deposit-taking rather than physical branch locations. These changes were overly complex and burdensome, particularly for smaller community banks with limited resources. By reverting to the 1995 framework, community banks will be able to avoid costly new compliance measures and refocus their resources on lending and community investment.

The 2023 CRA would have been a significant and impermissible reinterpretation of the CRA statute – without any directive from Congress that would have authorized such a comprehensive change. In the 1995 framework, CRA exams are rightly focused on evaluating how well banks meet the credit needs of their local communities – as defined as the geographies surrounding their main office, branches, and deposit taking ATMs or Remote Service Facilities. The new rule would have evaluated banks in new Retail Lending Assessment Areas (RLAAs), potentially far-flung geographies where banks may have an incidental concentration of loans in a particular retail product line, which lacked a statutory basis or any connection to the plain meaning of a bank’s “community.”

In addition to the rule impermissibly evaluating banks outside their local communities, it also introduced a level of complexity to the rule that was unmanageable for community banks. At 649 three-columned pages in the Federal Register, the rule would have required any community banks subject to its rules for intermediate or large banks to expend significant resources to understand the rule’s new data collection requirements and how their banks

³ 90 Fed. Reg. 34086.

would be evaluated. Ultimately, the staff time and money spent on regulatory change management and compliance with the new rule would have detracted from banks' ability to conduct community outreach and to meet their community's credit needs.

Then-FDIC Vice Chairman Hill's statement accompanying his vote against the 2023 rule spoke directly to this added complexity. He wrote: "This is by far the longest rulemaking the FDIC has ever issued. By word count, it is more than 75,000 words longer than *double* the length of the capital proposal approved over the summer. I appreciate that rule writers always face the temptation to achieve greater precision and granularity at the cost of greater complexity. But the more complex a rule is, the less likely it is that bankers, the public, and examiners fully understand it; the more time and cost is spent on training, consultants, vendors, lawyers, compliance systems, IT tools, and more training; and the less likely it is that the rule is applied in a consistent and intended manner over time. At some point, the costs of added complexity outweigh the benefits of added precision and granularity, and I think this rule has blown far past that point."⁴

Similarly, then-Federal Reserve Board Governor Michelle Bowman remarked, "The changes to CRA requirements [intermediate small] banks will also come with significant increases in burden and cost, despite the lack of evidence that these banks are not currently meeting the credit needs of their communities. Indeed, the opposite seems to be true. Community banks are indispensable in supporting their communities and they are meeting the credit needs of their communities. The new rule will require these banks to make significant changes to policies and systems to comply with the new requirements, all of which will come at significant ongoing cost – solely for the purpose of complying with the rule. I am concerned that the aggregate effect of the increased burden could lead to a reduction in lending to offset the increased costs associated with new data requirements."⁵

The key thread running through these statements – and indeed ICBA's opposition to the 2023 rule – is simply that the trade-off of developing new, supposedly more quantitative performance evaluation measures versus the increased length and complexity of the rule was a bad deal both for banks and the communities they served. Absent significant evidence that community banks are failing to meet the financial needs of their communities, imposing a regulatory burden on the scale of the 2023 CRA rule was not justified. For this reason, the rescission of the 2023 rule should be an urgent priority for the agencies.

⁴ Vice Chairman Travis Hill, FDIC, "Final Rule on Community Reinvestment Act Regulations" (Oct. 24, 2023), available at: <https://www.fdic.gov/news/speeches/2023/spoct2423c.html>.

⁵ Federal Reserve Board, "Statement on the Community Reinvestment Act Final Rule By Governor Michelle W. Bowman" (Oct. 24, 2023), available at: <https://www.federalreserve.gov/newsevents/pressreleases/bowman-statement-20231024.htm>.

Proposed Improvements to CRA Evaluations

While ICBA supports a swift rescission of the 2023 rule and the finalization of the OCC's proposed guidance on simplified strategic plans, we also urge the agencies to adopt several incremental changes to CRA rules. We do not support a comprehensive overhaul of the CRA framework as was attempted by the previous two administrations, but we believe that the experience gained in those rulemakings could be leveraged to make the following incremental improvements to the existing CRA framework:

- 1) Higher Asset Thresholds for Small and Intermediate Small Banks:** In the 2023 rule, the agencies acknowledged that it was appropriate to raise the small bank asset thresholds to a level beyond a simple inflation adjustment of the 1995 rule's thresholds. We believe that higher asset thresholds continue to be appropriate. Specifically, we recommend raising the small bank asset threshold to \$850 million, which is the Small Business Administration's ("SBA") current threshold for a commercial bank to be defined as a small business.⁶ We further recommend that the intermediate small bank threshold be raised to \$3 billion, which is the current level that the FRB uses to define a small bank holding company.⁷
- 2) Promulgate and Illustrative List of Qualifying Activities:** The agencies should create an interagency illustrative, non-exhaustive list of qualifying activities that are eligible for CRA consideration. The illustrative list has been consistently popular with community bankers because it will serve as a source of inspiration for new types of qualifying loans and investments that have been made by other banks that they, in turn, can implement in their communities. In addition, the agencies should consider creating a process for banks to submit proposed activities to their examiners to receive confirmation or denial of whether the proposed activity is eligible for CRA credit within a defined period – such as 30 or 60 days.
- 3) Allow MDIs to Receive CRA Credit for Partnerships with other MDIs:** Currently, most banks receive CRA credit for supporting Women's and Minority Depository Institutions (MDIs) because of a provision of the CRA statute.⁸ However, MDIs themselves have historically not been able to receive CRA credit for supporting other MDIs, which is contrary to public policy and Congress's likely intent. Therefore, we support clarifying that MDIs may also receive CRA credit for activities and partnerships with other MDIs, in the same manner as other banks.

⁶ 13 C.F.R. 121.201.

⁷ 12 C.F.R. Appendix C to Part 225.

⁸ 12 U.S.C. 2907.

Conclusion

In conclusion, ICBA commends the OCC for issuing proposed supplemental guidance that addresses barriers to the strategic plan option under the CRA. By introducing a Simplified Strategic Plan Form, providing elective example goals based on supervisory experience, and maintaining full flexibility for banks to tailor their plans, this proposal enhances optionality without imposing new mandates or undue burdens. We believe finalizing the guidance as proposed—limited to banks with assets below \$30 billion—will make this evaluation method more practical and predictable for those community banks whose performance may not align perfectly with traditional assessment frameworks, while preserving the proven effectiveness of the standard performance tests for the vast majority.

Simultaneously, we reiterate our strong support for the agencies' proposal to rescind the 2023 interagency CRA rule and revert to the more balanced, community-focused 1995 framework. The 2023 rule's excessive complexity, expanded data collection requirements, and departure from the statute's emphasis on local communities imposed disproportionate costs on community banks, diverting resources from actual lending and community support. Prioritizing swift finalization of the rescission remains essential to restoring regulatory certainty and enabling banks to concentrate on their core mission of serving LMI individuals, small businesses, and underserved areas.

Finally, as the agencies consider the path forward under the longstanding CRA framework, we urge careful adoption of targeted, incremental improvements. Raising asset size thresholds for small and intermediate small banks, issuing an illustrative non-exhaustive list of qualifying activities, coupled with a timely confirmation process for proposed activities, and clarifying CRA credit eligibility for MDI partnerships with other MDIs would all provide practical relief and clarity without creating additional regulatory burden or complexity.

Please contact me at Mickey.Marshall@icba.org if you have any questions about the positions stated in this letter.

Sincerely,



Mickey Marshall
Vice President and Regulatory Counsel