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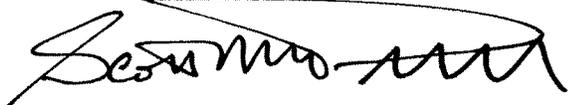
Office of Thrift Supervision
 Department of the Treasury
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Scott Polakoff
 Deputy Director

Any attachments to this document are rescinded only as they relate to national banks and federal savings associations.

December 20, 2005

MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS

FROM: Scott M. Polakoff 

SUBJECT: CRA Consideration for Activities Related to Hurricanes Katrina and Rita

The Office of Thrift Supervision (OTS) has received numerous requests for guidance concerning the thrift industry's participation in the disaster relief efforts related to Hurricanes Katrina and Rita.

OTS confirms that it will give favorable Community Reinvestment Act (CRA) consideration to activities by OTS supervised institutions around the country that provide lending, investment, or service activities to revitalize or stabilize the hurricane stricken areas. We will also recognize activities that benefit displaced individuals. We will consider these activities and give significant weight to activities that benefit low- to moderate-income individuals or areas.

The CRA regulations encourage institutions to help meet the credit needs of their communities through a variety of community development activities, including loans, investments, and services that promote economic development or revitalize or stabilize communities. We note that there is a wide hurricane devastation area and a significant impact on victims of all income levels. These areas and those affected, including small businesses and individuals of modest means, need community development services and strong efforts to reconstruct, revitalize, and stabilize the devastated areas. Institutions can participate in relief efforts confident that OTS will recognize that community development is the primary purpose of their activities.

Our CRA regulation does not set forth an expectation for thrift institutions to engage in activities outside their assessment area(s) or broader statewide or regional areas. However, given the magnitude of these disasters and their impact on the country, if any institution elects to engage in the aforementioned activities, OTS will favorably consider such activities.

Finally, it is important to remember that the ramifications of the hurricanes are not only felt in the Gulf States. Hurricanes Katrina and Rita have also impacted local economies throughout the nation. However, as institutions participate in disaster relief efforts for the victims of Hurricanes Katrina and Rita, OTS reminds them that their communities continue to need their support and that they should not overlook local neighborhoods and needy individuals.

Please direct any questions regarding this matter to Celeste Anderson, Senior Project Manager, at (202) 906-7990 (celeste.anderson@ots.treas.gov).