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September 11, 2026

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

James P. Sheesley, Assistant Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Notice of Proposed Rulemaking, Community Reinvestment Act Regulations (OCC Docket ID OCC-2026-0694; FDIC RIN 3064-AG31)

To Whom It May Concern:

The Independent Bankers Association of Texas ("IBAT") appreciates the opportunity to submit this comment letter regarding the joint Notice of Proposed Rulemaking (NPRM) issued by the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) on July 31, 2026, to amend the Community Reinvestment Act (CRA) regulations.

Representing community banks across Texas, IBAT is dedicated to preserving the health and vitality of local financial banks that serve as the economic engines of our communities.

IBAT and its member banks have a long, proven track record of meeting the credit needs of our local communities, long predating the original 1977 CRA statute. While we appreciate the agencies' intent to modernize the framework, reduce unnecessary burdens, and provide greater transparency, we have both positive feedback and significant concerns regarding the specific structural impacts of this proposal on community banking.

Support for Regulatory Relief and Streamlined Frameworks

IBAT welcomes several provisions within the proposal that offer necessary relief to community banks:

Realignment of Asset Thresholds: Raising the asset thresholds is a highly consequential and positive adjustment. Re-categorizing small banks to include banks under $1 billion in assets (up from the previous $412 million threshold) and establishing the intermediate bank category between $1 billion and $10 billion provides critical regulatory relief. Exempting banks under $10 billion from excessive data collection, maintenance, and reporting requirements represents a substantial reduction in unnecessary overhead.

Refocus on Core Lending Activities: Community banks excel at traditional relationship-based lending. By refocusing the evaluation framework more heavily on measurable lending activities and primary credit products, the proposal aligns evaluations with what community banks do best: funding local families, small businesses, and agriculture.

Exclusion of Retail Deposit Services: Limiting the retail service test to primary credit products and explicitly excluding retail deposit services from evaluation acknowledges that digital and physical deposit gathering have evolved significantly. This eliminates subjective and burdensome evaluations of retail service metrics that do not accurately measure community impact.

Objective Qualification Criteria: The effort to bring greater clarity, transparency, and objectivity to what qualifies for community development consideration will provide community banks with greater certainty prior to making long-term investment or lending commitments.

Critical Concerns with the Joint Proposal

Despite these positive developments, IBAT is deeply concerned by several structural aspects of the proposal that threaten to disrupt the banking ecosystem and introduce operational challenges:

A Fractured Regulatory Framework: The most glaring deficiency of this proposal is that the Board of Governors of the Federal Reserve System did not join it. A fractured framework where OCC- and FDIC-supervised banks operate under a new rule while Federal Reserve-regulated state member banks remain under the legacy 1995 framework is unworkable. This division disrupts competitive equity, complicates holding company supervision, and creates confusion for community partnerships that rely on consistent interagency rules.

Regulatory Whiplash and Uncertainty: The banking industry has endured substantial regulatory shifting since 2020, ranging from the 2023 final rule to subsequent litigation, rescission proposals, and now this completely new framework. Community banks require a durable, long-term, and fully unified interagency standard. This cyclical rulemaking forces community banks to redirect finite compliance resources away from actual community lending to handle continuous administrative changes.

Constraints on Community Development Infrastructure: While community banks support verifying that community development funds reach their intended beneficiaries, specific new restrictions—such as rigid indirect cost caps or narrow definitions of qualifying economic development—may inadvertently penalize long-standing partnerships with local nonprofits. Local nonprofits in rural or smaller Texas markets heavily depend on general operating support grants from community banks, and overly restrictive tracking mandates could choke off this vital infrastructure.

IBAT urges the OCC and the FDIC to pause finalization of this proposal until a fully unified, interagency rule can be reached in conjunction with the Federal Reserve. While the tiered asset thresholds and lending focus represent positive steps toward meaningful regulatory relief, a split regulatory landscape undermines the core statutory goal of providing a consistent, predictable environment for community investment. We look forward to ongoing engagement with the agencies to establish a workable, durable CRA framework that truly supports economic growth across Texas.

Sincerely,

/s/

Christopher Williston, VI
President and CEO
Independent Bankers Association of Texas