



Department of Financial Services

ANDREW M. CUOMO
Governor

LINDA A. LACEWELL
Superintendent

February 5, 2020

Industry Letter: Regulated Institutions May Receive CRA Consideration for Participation in New York Fed Investment Connection Program in Puerto Rico

In July 2019, the Federal Reserve Bank of New York (FRBNY) announced that it was launching its Investment Connection program to boost investments in Puerto Rico following Hurricane Maria.¹ The Investment Connection program connects nonprofits, development agencies, and other local groups with banks and other potential investors. On January 27 and 28, 2020, thirty organizations from across Puerto Rico participated in a pitch event with investors.² Those organizations previously worked with FRBNY to develop funding proposals that are potentially eligible for Community Reinvestment Act (CRA) consideration.

In the aftermath of Hurricane Maria, Puerto Rico was designated as a major disaster area.³ Following that designation, the Federal Reserve Board of Governors, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency issued an interagency statement that established that financial institutions located outside of Puerto Rico can receive CRA credit for community development activities on the island during the period it remains a designated disaster area, provided that they have been responsive to the community development needs and opportunities of their own assessment area(s).⁴ FRBNY's Investment Connection program leverages this opportunity for CRA consideration to further incentivize activities that help to revitalize or stabilize Puerto Rico.

Under New York's CRA, institutions can also receive credit for community development activities that revitalize or stabilize designated disaster areas.⁵ The Department is issuing this industry letter to alert regulated institutions that they may receive CRA consideration for community development activities that revitalize or stabilize areas of Puerto Rico designated as disaster areas, including eligible activities undertaken as part of FRBNY's Investment Connection program, as long as the institution has been responsive to the community development needs and opportunities of its own assessment area(s).

¹ https://www.newyorkfed.org/newsevents/news/regional_outreach/2019/20190716.

² https://www.newyorkfed.org/newsevents/news/regional_outreach/2020/20200109.

³ Puerto Rico Hurricane Maria (DR 4339), available online at <http://www.fema.gov/disaster/4339>.

⁴ <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180125a1.pdf>.

⁵ 3 NYCRR 76.2(f)(4)(ii).