

Federal Reserve Bank of Dallas

A Banker's Quick Reference Guide to CRA

As amended effective September 1, 2005



This publication is a guide to the CRA regulation and examination procedures.

It is intended for bank CEOs, presidents, and CRA and compliance officers as a tool for accessing CRA information quickly. Refer to Regulation BB and agency examination procedures for more detailed information.

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Terms Used Throughout This Document

AA – assessment area(s)
CD – community development
CRA – Community Reinvestment Act
HMDA – Home Mortgage Disclosure Act
LMI – low- and moderate-income
LTD – loan-to-deposit

Definitions

Assessment Area(s) — One or more of the geographic area(s) that is delineated by the bank and used by the regulatory agency in evaluating the bank's record of helping to meet the credit needs of its community. It must, in general, consist of one or more MSAs or metropolitan divisions or one or more contiguous political subdivisions, such as counties, cities or towns. It must include geographies in which the bank has its main office, branches and deposit-taking ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans. A bank may adjust the boundaries of its AA to include only the portion of a political subdivision that it reasonably can be expected to serve. An AA must consist only of whole geographies, may not reflect illegal discrimination, may not arbitrarily exclude LMI geographies and may not extend substantially beyond an MSA boundary or beyond a state boundary, unless the AA is located in a multistate MSA.

Community Development — Encompasses affordable housing (including multifamily rental housing) for LMI individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize LMI geographies, designated disaster areas or distressed or underserved non-metropolitan middle-income geographies designated by the Board of Governors, FDIC and OCC.

Community Development Loan — A loan that has as its primary purpose community development; (except for wholesale or limited purpose banks) has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm or consumer loan, unless it is a multifamily dwelling loan; and benefits the bank's AA or a broader statewide or regional area that includes the bank's AA.

Community Development Service — A service that has as its primary purpose community development, is related to the provision of financial services, has not been considered in the evaluation of the bank's retail banking services, benefits the bank's AA or a broader statewide or regional area that includes the bank's AA and has not been claimed by other affiliated institutions.

Discriminatory or Other Illegal Credit Practices — Activities that result in violations of an applicable law, rule or regulation, including, but not limited to, the Equal Credit Opportunity Act; the Fair Housing Act; the Home Ownership and Equity Protection Act; section 5 of the Federal Trade Commission Act; section 8 of the Real Estate Settlement Procedures Act; and the Truth in Lending Act provisions regarding a consumer's right of rescission.

Geography — A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Income Level – Geography

Low-Income — Median family income less than 50 percent of the area median income

Moderate-Income — Median family income at least 50 percent and less than 80 percent of the area median income

Middle-Income — Median family income at least 80 percent and less than 120 percent of the area median income

Upper-Income — Median family income at least 120 percent of the area median income

Income Level – Individual

Low-Income — Less than 50 percent of the area median income

Moderate-Income — At least 50 percent and less than 80 percent of the area median income

Middle-Income — At least 80 percent and less than 120 percent of the area median income

Upper-Income — At least 120 percent of area median income

Limited Purpose Bank — A bank that offers only a narrow product line, such as credit card or motor vehicle loans, to a regional or broader market and has received designation as a limited purpose bank from its supervisory agency.

Performance Context — A bank's performance is judged in the context of information about the bank and its AA, including

- demographic data on median income levels, distribution of household income, nature of housing stock, housing costs and other relevant data
- lending, investment and service opportunities
- the bank's product offerings and business strategy, capacity and constraints, past performance and the performance of similarly situated lenders
- the bank's public file and any written comments about the bank's CRA performance
- any other relevant information

Qualified Investment — A lawful investment, deposit, membership share or grant that has as its primary purpose community development.

Small Bank — A bank that, as of December 31 of either of the prior two calendar years, had total assets of less than \$1 billion. **Intermediate Small Bank** means a small bank with assets of at least \$250 million as of December 31 of both of the prior two calendar years and less than \$1 billion as of December 31 of either of the prior two calendar years. Asset size designation will be adjusted annually based on the year-to-year change in the average of the consumer price index for urban wage earners and clerical workers.

Wholesale Bank — A bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers and has received designation as a wholesale bank from its supervisory agency.

Small Banks

Performance Standards

Loan-to-deposit ratio

- given the bank's size and financial condition
- credit needs of the AA
- other lending-related activities
- considering seasonal variations

Percentage of loans and other lending-related activities in the AA

Record of lending and other lending-related activities to

- borrowers of different income levels
- businesses and farms of different sizes

Geographic distribution of loans

Action taken in response to written complaints with respect to CRA performance in the AA

Examiner Review

Loan-to-deposit analysis

- Using Call Reports or UBPR data, calculate an average LTD ratio using quarterly LTDs since the last exam.
- Determine the reasonableness of the average LTD ratio in light of the performance context.
- If the LTD ratio does not appear reasonable, additional consideration will be given to
 - number and dollar volume of loans sold to the secondary market.
 - innovativeness or complexity of CD loans and qualified investments.

Compare credit extended inside and outside AA.

- If available, use HMDA data, bank loan and other reports to analyze the extent of lending inside and outside AA, after testing the reports for accuracy.
- If loan data are not available, accurate or comprehensive, sample the loans originated, purchased or committed to and calculate the percentage of loan volume (by number and dollar volume) within the AA.
- If majority of the loans are not in the AA, thus not meeting the standards for satisfactory, give additional consideration to the performance context to determine the effect on overall performance.

Geographic distribution of credit

- Determine if there is a sufficient number and income distribution of geographies to provide meaningful analysis. If yes,
 - determine distribution of loans among low-, moderate-, middle- and upper-income geographies, using available bank loan data or sample. Identify groups of geographies, by income categories, where there is little or no loan penetration.

Income and revenue distribution of credit

- If available, use data about borrower income (individuals) or revenues (businesses) to determine the distribution of loans by borrower income and by business revenues. Identify categories of borrowers by income or business revenues that have little or no loan penetration.

If sufficient geographic or income/revenue data are not available to do an analysis of the distribution of credit, consider alternatives such as analyzing geographic distribution by street address rather than geography.

If there are geographies or income categories of low penetration, form conclusions about the reasons in light of the performance context.

Review complaints relating to the bank's CRA performance.

- Evaluate the bank's record of taking action, if warranted, in response to written complaints about its CRA performance.

If the bank chooses, review its performance in making qualified investments and providing services. Note: Performance with respect to qualified investments and services may be used to enhance a satisfactory rating but may not be used to lower a rating.

- Consider dollar volume, impact and innovativeness or complexity of qualified investments.
- Consider number of branches and ATMs and the services they provide, accessibility to LMI geographies, alternative service delivery systems, and record of opening and closing branches.

Small Banks – Performance Ratings

Characteristic	Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Loan-to-Deposit Ratio (considering seasonal variations and taking into account lending-related activities)	MORE THAN REASONABLE given the bank's size, financial condition and AA credit needs.	REASONABLE	LESS THAN REASONABLE	UNREASONABLE
Assessment Area(s) Concentration	A SUBSTANTIAL MAJORITY of loans and other lending-related activities are IN the AA.	MAJORITY IN	MAJORITY OUTSIDE	SUBSTANTIAL MAJORITY OUTSIDE
Borrower's Profile	EXCELLENT penetration among individuals of different income (including LMI) levels and businesses and farms of different sizes.	REASONABLE	POOR	VERY POOR
Geographic Distribution of Loans	The geographic distribution of loans reflects EXCELLENT dispersion throughout the AA.	REASONABLE	POOR	VERY POOR
Response to Substantiated Complaints	The bank has taken NOTEWORTHY, CREATIVE action in response to substantiated CRA complaints.	APPROPRIATE	INADEQUATE	UNRESPONSIVE
Investments	The investment record ENHANCES credit availability in AA.	N/A	N/A	N/A
Services	Record of providing branches and/or other services ENHANCES credit availability in AA.	N/A	N/A	N/A

Intermediate Small Banks – Lending Test

Performance Standards

Loan-to-deposit ratio

- given the bank's size and financial condition
- credit needs of the AA
- other lending-related activities
- considering seasonal variations

Percentage of loans and other lending-related activities in the bank's AA

Record of lending and other lending-related activities to

- borrowers of different income levels
- businesses and farms of different sizes

Geographic distribution of loans

Action taken in response to written complaints with respect to CRA performance in the AA

Examiner Review

Loan-to-deposit analysis

- Using Call Reports or UBPR data, calculate an average LTD ratio using quarterly LTDs since the last exam.
- Determine the reasonableness of the average LTD ratio in light of the performance context.
- If the LTD ratio does not appear reasonable, additional consideration will be given to
 - number and dollar volume of loans sold to the secondary market.
 - innovativeness or complexity of CD loans and qualified investments.

Compare credit extended inside and outside AA.

- If available, use HMDA data, bank loan and other reports to analyze the extent of lending inside and outside AA, after testing the reports for accuracy.
- If loan data are not available, accurate or comprehensive, sample the loans originated, purchased or committed to and calculate the percentage of loan volume (by number and dollar volume) within the AA.
- If majority of the loans are not in the AA, thus not meeting the standards for satisfactory, give additional consideration to the performance context to determine the effect on overall performance.

Geographic distribution of credit

- Determine if there is a sufficient number and income distribution of geographies to provide meaningful analysis. If yes,
 - determine distribution of loans among low-, moderate-, middle- and upper-income geographies using available bank loan data or sample. Identify groups of geographies, by income categories, where there is little or no loan penetration.

Income and revenue distribution of credit

- If available, use data about borrower income (individuals) or revenues (businesses) to determine the distribution of loans by borrower income and by business revenues. Identify categories of borrowers by income or business revenues that have little or no loan penetration.

If sufficient geographic or income/revenue data are not available to do an analysis of the distribution of credit, consider alternatives such as analyzing geographic distribution by street address rather than geography.

If there are geographies or income categories of low penetration, form conclusions about the reasons in light of the performance context.

Review complaints relating to the bank's CRA performance.

- Evaluate the bank's record of taking action, if warranted, in response to written complaints about its CRA performance.

Intermediate Small Banks – Community Development Test

Performance Standards

Number and amount of CD loans and qualified investments

Extent of CD services provided

Responsiveness of CD loans, qualified investments and CD services to CD needs and opportunities

(Optional) CD loans, qualified investments and CD services provided by affiliates, if they are not claimed by any other institution, and CD lending by consortia or third parties will be considered.

Examiner Review

Identify CD loans, qualified investments and CD services of the bank through:

- discussions with management.
- HMDA data collected by the bank, as applicable.
- investment portfolios.
- any other relevant financial records.
- materials available to the public.

Ensure activities qualify as CD.

Evaluate CD activities using performance context information and consider:

- the number and dollar amount of CD loans and qualified investments.
- the extent of CD services, including the provision and availability of services to LMI people, including through branches and other facilities in LMI areas.
- the responsiveness of CD loans, qualified investments and CD services to CD needs and opportunities.

Intermediate Small Banks – Lending Performance Ratings

Characteristic	Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Loan-to-Deposit Ratio (considering seasonal variations and taking into account lending-related activities)	MORE THAN REASONABLE given the bank's size, financial condition and AA credit needs.	REASONABLE	LESS THAN REASONABLE	UNREASONABLE
Assessment Area(s) Concentration	A SUBSTANTIAL MAJORITY of loans and other lending-related activities are IN the AA.	MAJORITY IN	MAJORITY OUTSIDE	SUBSTANTIAL MAJORITY OUTSIDE
Borrower's Profile	EXCELLENT penetration among individuals of different income (including LMI) levels and businesses and farms of different sizes.	REASONABLE	POOR	VERY POOR
Geographic Distribution of Loans	The geographic distribution of loans reflects EXCELLENT dispersion throughout the AA.	REASONABLE	POOR	VERY POOR
Response to Substantiated Complaints	The bank has taken NOTEWORTHY, CREATIVE action in response to substantiated CRA complaints.	APPROPRIATE	INADEQUATE	UNRESPONSIVE

Intermediate Small Banks – Community Development Performance Ratings

Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
The bank's CD performance demonstrates EXCELLENT responsiveness to CD needs of its AA through CD loans, qualified investments and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.	ADEQUATE	POOR	VERY POOR

Large Banks – Lending Test

Performance Standards

Number and amount of loans in the AA

Geographic distribution of loans

- proportion of loans in AA
- dispersion of lending in AA
- number and amount of loans by geography classification (low-, moderate-, middle- and upper-income) in AA

Distribution based on borrower characteristics

- number and amount of home mortgage loans to low-, moderate-, middle- and upper-income individuals
- number and amount of small business and small farm loans by loan amount at origination and to small businesses and small farms with gross annual revenues of \$1 million or less
- (optional) number and amount of consumer loans to low-, moderate-, middle- and upper-income individuals

CD loans

- number and amount
- complexity and innovativeness

Innovative or flexible lending practices to address the needs of LMI individuals or geographies

(Optional) Affiliate lending, if not claimed by any other institution, and lending by a consortium or third party will be considered.

Examiner Review

Identify loans to be evaluated by reviewing

- most recent HMDA and CRA disclosure statements.
- interim HMDA and CRA data collected.
- sample of consumer loans (if a substantial majority of business).
- other loan information provided by the bank.

Verify accuracy of loan data collected and/or reported.

- Affiliate loans may be claimed by only one affiliate.
- CD loans meet definition.
- The amount of third party, consortia or affiliate lending may not account for more than the percentage share of the bank's participation or investment.
- If reported, consumer loans must include all loans in a particular category (e.g., motor vehicle).

Evaluate lending volume both in number and dollar amount of loans within the AA for each type of loan, giving consideration to the performance context.

Analyze the geographic distribution of lending.

- Review information provided by the bank for insight into the reasonableness of its geographic distribution.
- Perform independent analysis as necessary. The analysis should consider:
 - number, dollar volume and percentage of loans made:
 - inside and outside AA.
 - in each geography and each income category of geography.
 - number of geographies penetrated in each income category.
 - number and dollar volume of housing loans in each geography compared with the number of housing units in each geography.
 - number and dollar volume of small business or farm loans in each geography compared with the number of small businesses or farms in each geography.
 - whether any gaps exist in lending activity for each income category, by identifying groups of contiguous geographies that have no or low loan penetration relative to the other geographies.
- If contiguous geographies have abnormally low penetration, the examiner may compare the bank's performance with that of other area lenders. Note: Banks are not required to lend in every geography.

Analyze distribution of lending by borrower characteristics.

- Review information provided by the bank for insight into the reasonableness of its lending distribution.
- Supplement with independent analysis of lending distribution by borrower characteristics as necessary and applicable, giving consideration to the:
 - number, dollar volume and percentage of home mortgages made to low-, moderate-, middle- and upper-income borrowers and make a percentage comparison of total home mortgage loans with the population in each income category.
 - number and dollar volume of small loans to businesses or farms by loan size of \$100,000 or less, more than \$100,000 but less than or equal to \$250,000, and more than \$250,000.
 - number and dollar amount of small loans to businesses or farms that had annual revenues of less than \$1 million, and compare with total reported number and amount of small loans to businesses or farms.
 - loans made outside the AA if borrowers within the AA are adequately served and it would enhance the assessment of the bank's performance.

Review CD lending to determine the CD lending opportunities, the bank's responsiveness and the extent of its leadership.

Determine whether lending performance is enhanced by offering innovative or more flexible loan products by considering:

- if LMI borrowers are served in new ways or the loans serve creditworthy borrowers not previously served.
- the success of each product, including number and dollar volume of originations.

Large Banks – Data Collection

General

Collect and maintain data on loans to small businesses or farms captured in Schedule RC-C of the Call Report (loans originated or purchased).

- unique loan number or alphanumeric symbol
- dollar amount of the loan at origination
- location of the loan
- Indicate whether the gross annual revenues of the business or farm are \$1 million or less.

Submit annually by March 1 the following data:

- for each geography, loans to small businesses and farms (loans originated or purchased), including
 - aggregate number and dollar amount of loans at origination in loan size categories of \$100,000 or less, more than \$100,000 but less than or equal to \$250,000, and more than \$250,000.
 - aggregate number and dollar amount of loans to businesses and farms with gross revenues of \$1 million or less.
- aggregate number and dollar amount of CD loans (originated or purchased).
- home mortgage loans as required under Regulation C (HMDA).
- a list for each assessment area showing the geographies within the area.
- affiliate lending if affiliate lending is being considered.
- consortium or third-party lending if consortium or third-party lending is being considered.

Optional

Collect and maintain data for consumer loans (originated and purchased).

- unique loan number or alphanumeric symbol
- dollar amount of the loan at origination
- location of the loan
- gross annual income of the borrower that is considered in making the credit decision

Any other information concerning lending performance the bank chooses to provide

Large Banks – Lending Performance Ratings

Characteristic	Outstanding	High Satisfactory	Low Satisfactory	Needs to Improve	Substantial Noncompliance
Lending Activity	Lending levels reflect EXCELLENT responsiveness to AA credit needs.	GOOD	ADEQUATE	POOR	VERY POOR
Assessment Area(s) Concentration	A SUBSTANTIAL MAJORITY of loans are made in the bank's AA.	HIGH PERCENTAGE	ADEQUATE PERCENTAGE	SMALL PERCENTAGE	VERY SMALL PERCENTAGE
Geographic Distribution of Loans	The geographic distribution of loans reflects EXCELLENT penetration throughout the AA.	GOOD	ADEQUATE	POOR	VERY POOR
Borrower's Profile	The distribution of borrowers reflects, given the product lines offered, EXCELLENT penetration among customers of different income levels and businesses of different sizes.	GOOD	ADEQUATE	POOR	VERY POOR
Responsiveness to Credit Needs of Low-Income Individuals and Geographies and Very Small Businesses	Exhibits an EXCELLENT record of serving the credit needs of low-income individuals and areas and very small businesses.	GOOD	ADEQUATE	POOR	VERY POOR
Community Development Lending Activities	A LEADER IN MAKING CD loans.	MAKES A RELATIVELY HIGH LEVEL	MAKES AN ADEQUATE LEVEL	MAKES A LOW LEVEL	MAKES FEW, IF ANY
Product Innovation	Makes EXTENSIVE USE of innovative and/or flexible lending practices in serving AA credit needs.	USE	LIMITED USE	LITTLE USE	NO USE

Large Banks – Investment Test

Performance Standards	Examiner Review
Dollar amount of qualified investments	<p>Identify qualified investments.</p> <ul style="list-style-type: none"> – Review investment portfolio. – At bank’s option, review affiliate’s investment portfolio. – Include qualified investments made since previous examination and qualified investments made prior to last examination still outstanding. – Include qualifying grants, donations or in-kind contributions of property made since last examination that have a primary purpose of CD. <p>Evaluate investment performance.</p> <ul style="list-style-type: none"> – benefit to assessment area or broader statewide or regional area that includes AA – has not been considered under lending or service test – if reported, that affiliate investments have not been claimed by another institution – dollar volume of investments made considering performance context – use of innovative or complex investments, particularly those not routinely provided by other investors – responsiveness to available opportunities and degree to which they serve LMI areas or individuals
Innovativeness and complexity of qualified investments	
Responsiveness of qualified investments to credit and CD needs	
Degree to which qualified investments are not routinely provided by private investors	
Qualified investments must benefit the AA or a broader statewide or regional area that includes the AA.	
(Optional) Qualified investments made by an affiliate bank will be considered if not claimed by any other institution.	

Large Banks – Investment Performance Ratings

Characteristic	Outstanding	High Satisfactory	Low Satisfactory	Needs to Improve	Substantial Noncompliance
Investment and Grant Activity	An EXCELLENT level of qualified CD investments and grants, particularly those not routinely provided by private investors, OFTEN in a leadership position.	SIGNIFICANT OCCASIONALLY	ADEQUATE RARELY	POOR	FEW, IF ANY
Community Development Initiatives	Makes EXTENSIVE USE of innovative and/or complex investments to support CD initiatives.	SIGNIFICANT USE	OCCASIONAL USE	RARE USE	NO USE
Responsiveness to Credit and Community Development Needs	Exhibits EXCELLENT responsiveness to credit and CD needs.	GOOD	ADEQUATE	POOR	VERY POOR

Large Banks – Service Test

Performance Standards	Examiner Review
Retail Banking Services	Retail Banking Services
Distribution of branches among each geography classification	Determine from the bank's public file the distribution of branches among each geography classification in the AA and the banking services provided, including hours and available products.
Record of opening and closing branches, particularly those located in LMI geographies or primarily serving LMI individuals	Identify any material differences in hours or services available at each branch.
Availability and effectiveness of alternative systems for delivering retail banking services in LMI geographies and to LMI individuals	Evaluate the record of opening and closing branch offices and its effect, particularly on LMI geographies or individuals.
Range of services provided in each geography classification and the degree the services are tailored to meet the needs of those geographies	Evaluate the accessibility and use of alternative systems for delivering retail banking services in LMI areas and to LMI individuals.
Community Development Services	Community Development Services
Extent of CD services provided	Identify CD services of the bank and, at its option, services through affiliates.
Innovativeness and responsiveness of CD services	Ensure CD services meet the definition of CD service.
	Evaluate CD services using performance context information and consider: <ul style="list-style-type: none"> – innovativeness and whether they serve LMI customers in new ways or serve groups of customers not previously served. – the degree to which they serve LMI areas or LMI individuals and their responsiveness to available service opportunities.

Large Banks – Service Performance Ratings

Characteristic	Outstanding	High Satisfactory	Low Satisfactory	Needs to Improve	Substantial Noncompliance
Accessibility of Delivery Systems	Delivery systems are READILY ACCESSIBLE to the bank's geographies and individuals of different income levels in its AA.	ACCESSIBLE	REASONABLY ACCESSIBLE	UNREASONABLY INACCESSIBLE TO PORTIONS OF	UNREASONABLY INACCESSIBLE TO SIGNIFICANT PORTIONS OF
Changes in Branch Locations	Record of opening and closing of branches has IMPROVED the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals.	NOT ADVERSELY AFFECTED	GENERALLY NOT ADVERSELY AFFECTED	ADVERSELY AFFECTED	SIGNIFICANTLY ADVERSELY AFFECTED
Reasonableness of Business Hours and Services in Meeting AA Needs	Services ARE TAILORED TO CONVENIENCE AND NEEDS OF its AA, particularly LMI geographies and/or LMI individuals.	DO NOT VARY IN A WAY THAT INCONVENIENCES	DO NOT VARY IN A WAY THAT INCONVENIENCES	VARY IN A WAY THAT INCONVENIENCES	VARY IN A WAY THAT SIGNIFICANTLY INCONVENIENCES
Community Development Services	A LEADER IN PROVIDING CD services.	PROVIDES A RELATIVELY HIGH LEVEL OF	PROVIDES AN ADEQUATE LEVEL OF	PROVIDES A LIMITED LEVEL OF	PROVIDES FEW, IF ANY

Strategic Plan Option*

Performance Standards

In general, a plan must meet the following criteria:

- Maximum term is five years, and multiyear plans must have annual interim goals.
- Banks with multiple AA may prepare a single strategic plan or multiple plans and may have AA not covered by a plan.
- Affiliated institutions may submit a joint plan if the plan provides measurable goals for each institution.

Bank must seek public participation in plan development by

- informally seeking suggestions from the public in the AA covered by the plan during its development.
- formally soliciting public comment for at least 30 days by
 - publishing notice in a general circulation newspaper in each AA covered by plan.
 - making copies of plan available for review.

Requirements for submission of the plan include

- submitting to supervisory agency at least three months prior to proposed effective date.
- providing a description of efforts to seek suggestions from the public.
- providing any written public comments received.
- if initial plan was revised based on public comment, submitting initial plan.

The plan must contain the following:

- measurable goals for helping to meet credit needs, particularly of LMI areas and individuals.
- address lending, investment and service performance categories with an emphasis on lending and lending-related activities.
- specify measurable goals that constitute a satisfactory rating.
- for consideration of an outstanding rating, must specify outstanding goals.

Examiner Review

Review the following:

- the approved plan and any approved amendments
- the agency's approval process files
- written comments from the public since the effective date of the plan

Determine if the bank achieved goals for each AA by

- reviewing plan's measurable goals.
- identifying the bank's actual performance.
- comparing goals with actual performance.

Evaluate any unmet goals and identify if the overall plan goals were "substantially met" based on

- number of goals not met.
- degree to which goals were not met.
- relative importance of unmet goals to the overall plan.
- why the goals were not met.

* A strategic plan assessment may be chosen as an alternative assessment method by any bank if the plan has been submitted and approved by the bank's supervisory agency. The plan must be in effect, and the bank must have been operating under the approved plan for at least one year.

Requirements for All Banks

Written comments (current year and prior two calendar years)

- received from the public that specifically relate to bank's CRA performance
- any response to the comments by the bank

CRA performance evaluation within 30 business days of receipt

Branch information

- list of branches with their street addresses and geographies
- list of branches opened or closed during current year and prior two calendar years, their street addresses and geographies
- list of services generally offered and any material differences in availability or cost of services at particular branches
- (optional) information regarding availability of alternative systems for delivering retail banking services

Map of each AA

- showing boundaries of the area
- identifying the geographies contained within the area (either on the map or in a separate list)

Any other information the bank chooses to provide

If applicable

- HMDA disclosure statement (prior two calendar years) within three business days of receipt
- strategic plan
- efforts to improve performance if bank's previous CRA rating was less than satisfactory (updated quarterly)

Additional Requirements Based on Asset Size

Banks other than Small and Intermediate Banks

- CRA disclosure statement (prior two calendar years) within three business days of receipt

(Optional) Number and amount of consumer loans (prior two calendar years)

- to low-, moderate-, middle- and upper-income individuals
- located in each geography classification
- located inside/outside the AA

Small and Intermediate Small Banks

Loan-to-deposit ratio

- for each quarter of the prior calendar year
- (optional) additional data on its loan-to-deposit ratio

CRA Ratings

Small Banks

Outstanding

- if the bank meets the rating descriptions and standards for Satisfactory for each of the five core criteria and materially exceeds the standards for Satisfactory in some or all of the criteria to the extent that an outstanding rating is warranted or
- if the bank's performance with respect to the five core criteria generally exceeds Satisfactory and its performance in making qualified investments and providing branches and other services and delivery systems in the AA supplements its performance under the five core criteria sufficiently to warrant an overall rating of Outstanding

Satisfactory

- if the bank meets each of the standards for a Satisfactory rating
- or
- if exceptionally strong performance with respect to some of the standards compensates for weak performance in others

Needs to Improve or Substantial Noncompliance

- depending on the degree to which a bank's performance has failed to meet the standards for a Satisfactory rating

Intermediate Small Banks

Outstanding

- if the bank is rated Outstanding on both the lending and CD tests or if the bank is rated Outstanding on one test and at least Satisfactory on the other test

Satisfactory

- if the bank receives at least a Satisfactory rating on both the lending and CD tests

Needs to Improve or Substantial Noncompliance

- depending on the degree to which a bank's performance has failed to meet the standards for a Satisfactory rating on a test

Large Banks

Component test ratings that reflect the bank's lending, investments and services are assigned.

Component Test Ratings	Lending	Investment	Service
Outstanding	12	6	6
High Satisfactory	9	4	4
Low Satisfactory	6	3	3
Needs to Improve	3	1	1
Substantial Noncompliance	0	0	0

Preliminary composite rating is assigned by summing the component test ratings for lending, investment and service tests and referring to the chart below.

Points	Composite Assigned Rating
20 +	Outstanding
11 – 19	Satisfactory
5 – 10	Needs to Improve
0 – 4	Substantial Noncompliance

No bank may receive a composite assigned rating of Satisfactory or higher unless it receives at least Low Satisfactory on the lending test. The assigned rating can be no more than three times the score on the lending test.

Strategic Plan

Bank must identify satisfactory measurable goals and, to be considered for an Outstanding rating, must identify a separate group of outstanding measurable goals that substantially exceed the Satisfactory level.

An Outstanding rating will be assigned if the bank exceeds its plan goals for a Satisfactory rating and substantially achieves its plan goals for an Outstanding rating.

A Satisfactory rating will be assigned if the bank substantially achieves its plan goals for a Satisfactory rating.

A Needs to Improve or Substantial Noncompliance rating will be assigned if the bank fails to substantially meet its plan goals for a Satisfactory rating, unless the bank elects in its plan to be evaluated under the appropriate alternative large or small bank assessment method.

All Banks

Evidence of discriminatory or other illegal credit practices adversely affects the evaluation of a bank's CRA performance.

A final overall CRA rating is assigned.

- Banks with branches in just one state will receive one set of component ratings. Banks with branches in two or more states and banks with branches in two or more states of a multistate MSA will be assigned component ratings for each state or multistate MSA.