

Community Reinvestment Act CRA Modernization

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Financial Solutions
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Agenda

Presentation Title

- Purpose
- New CRA Thresholds
- Definitions
- Assessment Areas
- Tests

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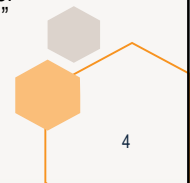
Community Reinvestment Act (CRA) Purpose

- The CRA, passed in 1977, generally requires insured depository institutions to participate in **investment, lending, and service** activities that help meet the credit needs of their designated assessment areas—particularly low- and moderate-income (“LMI”) communities and small businesses and small farms.
- Insured depository institutions receive a publicly available rating from the banking regulators based on their performance.
- The CRA also requires the US banking regulators to:
 - Encourage banks to meet the credit needs of the communities that they serve in a safe and sound manner, and evaluate their record of doing so.
 - Take that record into account when evaluating certain banking applications.
 - Report to Congress the actions they have taken to carry out their CRA responsibilities.



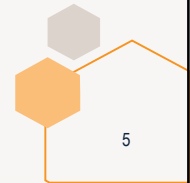
New Final CRA Regulations

- OCC, Fed, and FDIC (Oct 24, 2023) issued a Final Rule to “Strengthen and Modernize Community Reinvestment Act Regulations”
 - Published in Federal Register on February 1, 2024, 89 FR 6612
 - Overview, Fact Sheet
 - 12 CFR 25 (OCC), 12 CFR 228 (FRB), 12 CFR 345 (FDIC)
- **Effective date:** April 1, 2024 for some provisions
- **Compliance required date:** most definitions, assessment area requirements, and general provisions would become applicable January 1, 2026
 - OCC Bulletin: “**April 1, 2024**, effective date was upon issuance applicable to provisions of final rule that are similar to the current CRA regulations: facility-based assessment area delineations, effect of CRA on applications, public file, bank public notice, and CRA exam schedule public notice provisions, as well as the new public engagement provision. As of **January 1, 2026**, banks are required to comply with all other provisions of the final rule, except for certain reporting requirements applicable on **January 1, 2027**.”
- Data from 2026 would be reported by April 1, 2027



Interagency Delay in New CRA Rules

- General Applicability Effective Date of Rule - April 1, 2024
 - §.31 Effect of CRA Performance on Applications
 - §.45 Publication of Planned Examination Schedule
 - §.46 Public Engagement
 - §.51 Applicability Dates and Transition Provisions
- On March 21, 2024, the OCC, the Board, and FDIC (the "Agencies") issued supplemental rulemaking that further amends the Agencies' CRA regulations.
- Along with technical corrections, the Agencies extended applicability dates of the following to January 1, 2026:
 - §.12 Definitions
 - §.16 Facility-Based Assessment Areas (AA), §.17 Retail Lending AA, §.18 Outside Retail Lending areas, and areas for eligible Community Development loans, investments and services
 - §.43 Content and Availability of Public File
- The agencies also clarified the applicability date of to be January 1, 2026:
 - §.44 Public Notice by Banks



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American
Bankers
Association

PRESS RELEASE

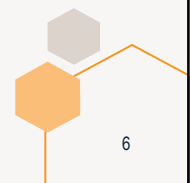
• February 5, 2024

Trade Associations Sue Regulators for Exceeding Statutory Authority in New Community Reinvestment Act Rules

Groups ask court to vacate new CRA rules and will seek preliminary injunction to block implementation until case is decided.

WASHINGTON —

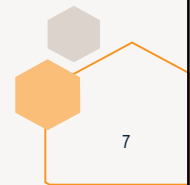
The American Bankers Association, the U.S. Chamber of Commerce, Independent Community Bankers of America, Texas Bankers Association, Independent Bankers Association of Texas, Amarillo Chamber of Commerce and Longview Chamber of Commerce today [filed a lawsuit](#) in the Northern District of Texas against the Federal Reserve, FDIC and OCC for exceeding their statutory authority and acting arbitrarily and capriciously with their recent amendments to the Community Reinvestment Act rules. The lawsuit asks the court to vacate the Final Rules, and the groups will also seek a preliminary injunction pausing the new rules while the court decides the merits of the case.



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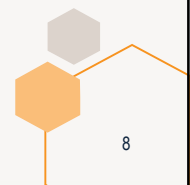
New Asset Size Thresholds and Tests

- **Small Banks:** assets less than \$600 million
 - Evaluated under current small bank performance test, *unless* bank opts into new Retail Lending Test
- **Intermediate Banks:** assets \$600 million to less than \$2 billion
 - Evaluated under the Retail Lending Test; AND *either* the current rule's community development test, or (at the bank's option) the new Community Development Financing Test
- **Large Banks:** assets \$2 billion or more
 - Evaluated under 4 new performance tests: Retail Lending Test, Retail Services and Products Test, Community Development Financing Test, and Community Development Services Test
- (Extra) Large Banks: assets \$10 billion or more at December 31 at either of the prior 2 years
- **Limited Purpose Banks** (including wholesale banks under the current rule)
 - Evaluated under Community Development Financing Test for Limited Purpose Banks
- **Strategic Plan** option remains
 - Has modifications to reflect new performance tests and updates to the approval standards



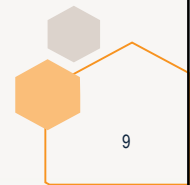
Strategic Plan Option

- Banks of any tier may **opt** to be evaluated based on the submission of a draft strategic plan.
- Under this option, the agencies will consider banks' capacities, business strategies, and expertise, as well as their record of helping to meet the credit needs in its facilities based assessment areas (FBAAs), and if applicable, retail lending assessment areas (RLAAs) and other geographic areas served.
- CRA Strategic Plans already in effect as of April 1, 2024 remains in effect until the expiration date of the Plan. New or renewed Plans must follow the new rules.

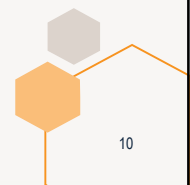
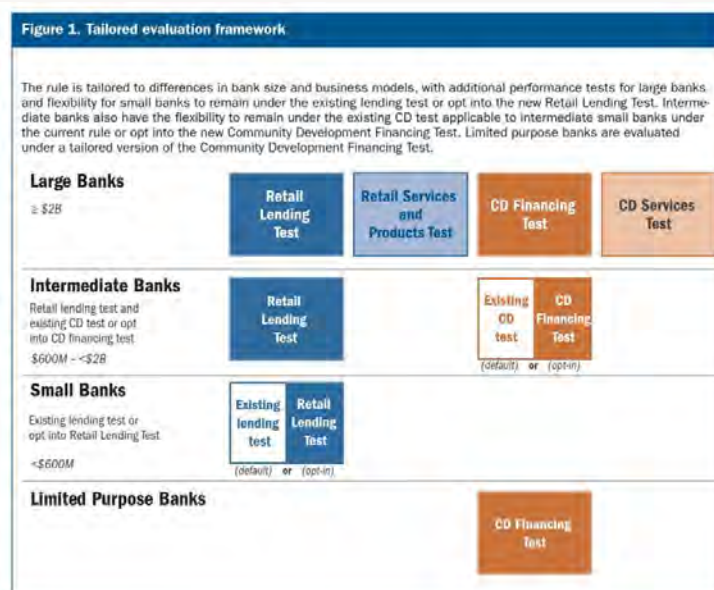


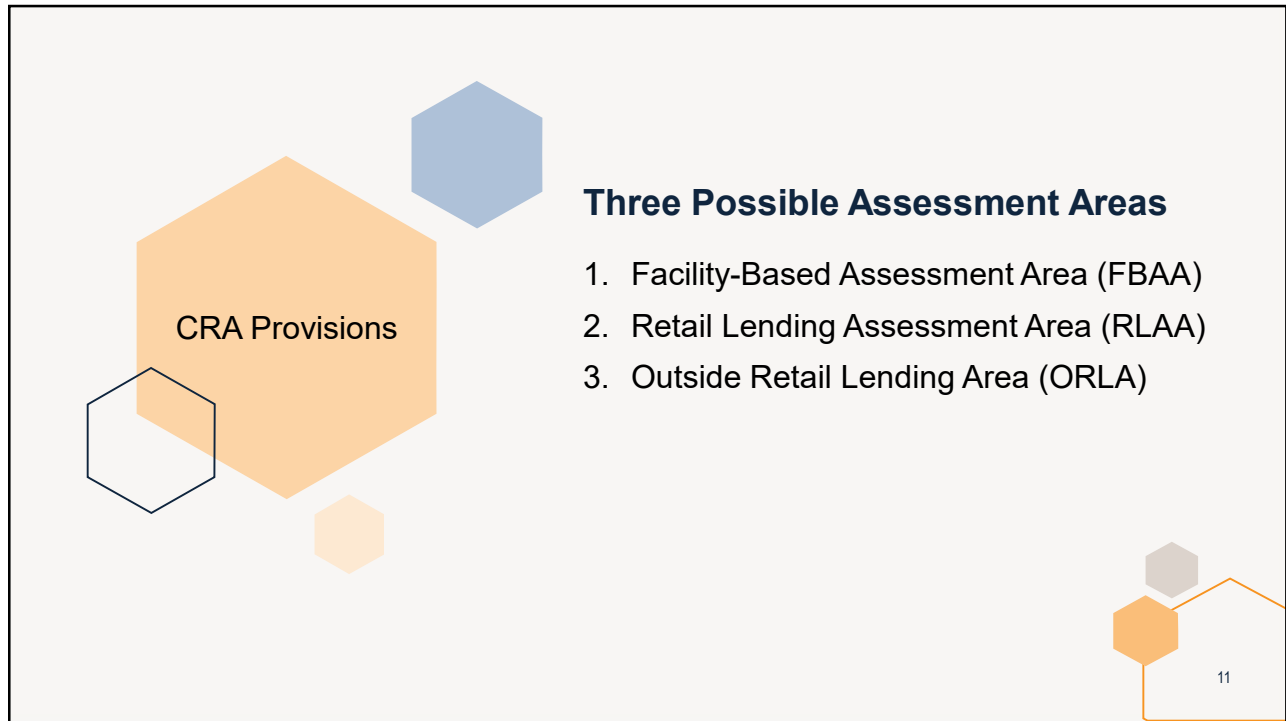
Strategic Plans

- Establish goals with measurable parameters
- Delineate Assessment Areas
- Public Participation still a vital part of the process
- May still be subject to data collection and reporting
- Maximum term of 5 years is allowed
- Evaluation is based on the goals established and approved in the Plan



Evaluation Standards by Bank Size





The diagram features a large orange hexagon labeled "CRA Provisions" on the left. To its right, the text "Three Possible Assessment Areas" is followed by a numbered list: 1. Facility-Based Assessment Area (FBAA), 2. Retail Lending Assessment Area (RLAA), and 3. Outside Retail Lending Area (ORLA). The slide is decorated with several smaller hexagons in blue, orange, and grey. A small graphic in the bottom right corner shows three overlapping hexagons (grey, orange, and white) with the number "11" below them.

CRA Provisions

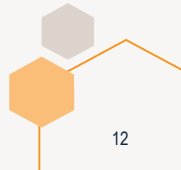
Three Possible Assessment Areas

1. Facility-Based Assessment Area (FBAA)
2. Retail Lending Assessment Area (RLAA)
3. Outside Retail Lending Area (ORLA)

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Facility-Based Assessment Area (FBAA)

- Established around bank's main office, branches, and deposit-taking remote services facilities, and surrounding counties in which the bank has originated or purchased a substantial portion of its loans
- Must consist of a single MSA, 1 or more contiguous whole counties within an MSA, or 1 or more contiguous whole counties within the nonmetropolitan area of a state
- Must not reflect illegal discrimination or exclude LMI census tracts
- Retail lending outside RLAA's and FBAA's will be evaluated at the institution level using a tailored benchmark approach

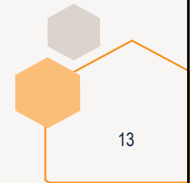


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Retail Lending Assessment Area (RLAA)

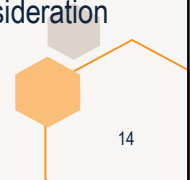
- Retail lending assessment areas" (RLAAs) will be evaluated for large banks in Metropolitan Statistical Areas (MSAs) or nonmetropolitan areas outside of the bank's FBAs where the bank has originated over 150 home mortgages or 400 small business loans in each of the preceding two years.
- Established based on concentrations of closed-end home mortgage or small business lending outside of FBAs: would only be evaluated under Retail Lending Test for product lines if the bank conducts <80% of its lending in its FBAA
- Product line is defined to mean specific loan categories subject to the Retail Lending Test:
 - Home mortgage loans (including closed-end and open-end loans)
 - Multi-family loans
 - Small business loans
 - Small farms loans; and
 - Automobile loans, if applicable (only if Bank is a majority auto lender or opt-in)



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Outside Retail Lending Area (ORLA)

- Examiners will evaluate retail lending to LMI communities in ORLAs, which would consist of nationwide area outside the bank's FBAs and RLAs
 - For large banks, certain intermediate banks meeting threshold for originated or purchased loans outside the bank's FBAA, and small banks that opted-in
- ORLA performance is **not** evaluated if bank did not originate or purchase loans in any major product line in the ORLA during the evaluation period
- Both large banks and certain intermediate banks will be evaluated on retail lending performance in "outside retail lending areas," or nationwide areas outside of FBAs and any RLAs. This evaluation is intended to adapt to changes in the banking industry and account for mobile and online banking.
- Community Development (CD) loans, investments, and services will be given consideration regardless of location, but CD activities within a bank's FBAA are emphasized.



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Major Product Line Standard

Loan Type	Geography	Major Product Line Standard (for a specific product line)
<ul style="list-style-type: none"> Closed-end home mortgage Small business loan Small farm loan 	FBAA ORLA	At least 15% of the bank's reported loans and other loans considered across all product lines in the same geographic area for that evaluation period
<ul style="list-style-type: none"> Automobile loans 	FBAA ORLA	Same as above, BUT ONLY IF the Bank is a majority auto lender or has opted into having its auto lending evaluated
<ul style="list-style-type: none"> Closed-end home mortgage Small business loan 	RLAA	If during a calendar year the Bank meets or exceeds the RLAA delineation threshold (150 CEHM or 400 SBL)

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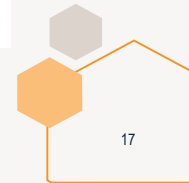
Assessment Areas by Bank Size and Type

	Large Bank	Intermediate Bank	Small Bank	Strategic Plan Bank	Limited Purpose Bank
FBAA	Yes	Yes	Yes	Yes	Yes (plus nationwide area evaluation)
RLAA	Yes	No	No	Yes	No
ORLA	Yes	Yes, if the bank conducts >50% of its retail lending outside of its FBAA	Yes, if the bank opts into the Retail Lending Test and conducts >50% of its retail lending outside of its FBAA	Yes	No

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Performance Tests Applicability

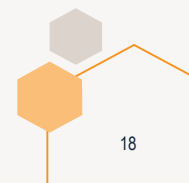
Applicability of Performance Tests				
Small Banks	Small Bank Lending Test (default) or Retail Lending Test (opt-in)			
Intermediate Banks	Retail Lending Test		Intermediate Bank Community Development Test (default) or Community Development Financing Test (opt-in)	
Large Banks	Retail Lending Test	Retail Services and Products Test	Community Development Financing Test	Community Development Services Test
Limited Purpose Banks	Community Development Financing Test for Limited Purpose Banks			



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Retail Lending Test

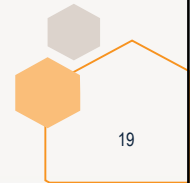
- Major product lines in specific loan categories (retail loans) are evaluated under the Retail Lending Test
- Majority automobile lender is when the Bank's direct or indirect auto loans comprises more than 50% of the bank's combined lending (home mortgage + multifamily + small business loans + small farm loans + auto loans)
- A "limited purpose bank" generally means a bank that is not in the business of extending loans in product lines



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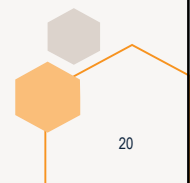
Retail Services and Products Test (RSP Test)

- This test evaluates the availability of retail banking products and retail banking services, and the responsiveness of these products and services to the bank’s communities’ credit needs
 - Retail products include credit products
 - Deposit products are evaluated for large banks with assets >\$10 billion, or optionally other large banks
- Retail services include digital delivery systems (electronic retail banking channel such as online or mobile banking) and other delivery systems (a retail banking services channel that is not a branch, remote services facility or a digital delivery system)
 - Branch availability and services
 - Remote service facility availability
 - Digital and other delivery systems
- Remote service facilities includes facilities that are open to the general public
- Services under the CD Test are excluded from RSP Test



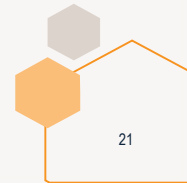
Performance Tests

Performance Test	Description
Retail Lending Test	<p>Evaluates banks serving LMI individuals, small businesses, small farms, and LMI census tracts in FBAAAs, RLAAs, and outside retail lending assessment area. Performance measures include:</p> <ul style="list-style-type: none"> — Retail Lending Volume Screen: Volume of bank lending relative to deposit base in the facility-based assessment area. — Other Measures: Geographic distribution, borrower distribution, and additional factors related to major product lines. <p>Note: The number of product lines potentially being evaluated is reduced to three (3), down from six (6) in the proposal. Products evaluated include closed-end mortgages, small business loans, and small farm loans.</p> <p>Further, a bank’s automobile loans will be evaluated in they represent a majority of the bank’s retail lending, or at the bank’s option.</p>
Retail Services and Products Test	<p>Assesses the availability of banks’ retail banking services and retail banking products and responsiveness to credit needs, including:</p> <ul style="list-style-type: none"> — Evaluation of banks’ branch or remote service facilities (e.g., ATMs), and large banks’ (over \$10 billion) digital systems and other delivery systems. — Review of retail banking products’ responsiveness to LMI communities.
Community Development Financing Test	<p>Evaluates how well large and intermediate banks meet community development financing needs, including:</p> <ul style="list-style-type: none"> — Community Development Financing Metric: Community development loans and investments relative to deposit base. — Standardized benchmarks for assessing performance and impact and responsiveness review.



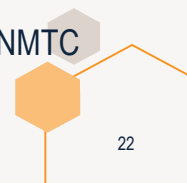
Performance Tests (continued)

Community Development Services Test	<p>Considers the importance of banks' community development services in fostering partnerships, building capacity, and creating effective community development credit conditions.</p> <ul style="list-style-type: none"> — Qualitative review of relevant community development services data and impact and responsiveness review.
Intermediate Bank Community Development Test	<p>Evaluates an intermediate bank's community development performance around its:</p> <ul style="list-style-type: none"> — Number and amount of community development loans. — Number and amount of qualified investments. — Extent to which the bank provides community development services. — Responsiveness through such activities to community development lending, investment, and services needs.
Small Bank Lending Test	<p>Evaluates a small bank's lending performance around:</p> <ul style="list-style-type: none"> — Loan-to-deposit ratio and, as appropriate, other lending-related activities. — Percentage of loans and, as appropriate, other lending-related activities located in the bank's assessment areas. — Record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes. — Geographic distribution of the bank's loans. — Bank's record of taking action, if warranted, in response to written complaints about performance in helping to meet credit needs in its assessment areas
Community Development Financing Test for Limited Purpose Banks	<p>Evaluates wholesale and limited purpose banks based on their record of helping to meet the community development financing needs through the provision of community development loans and community development investments.</p>



Community Development Financing Test

- Focus is placed on the Bank's community development financing performance through CD loans and CD investments
- CD loan includes legally binding commitment to extend credit (e.g. standby letter of credit, etc.)
- General excludes home mortgage loans considered under the Retail Lending Test
 - Exception: 1-4 family home mortgage loans involving rental housing with affordable rents in a nonmetropolitan area → eligible for credit as both CD loans and retail loans. There is no such exclusion for business or farm loans
- CD investment including a legally binding commitment to invest and includes monetary or in-kind donations supporting CD. Examples include LIHTC and NMTC



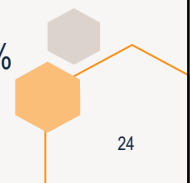
Community Development Services Test

- Qualitative assessment of the relevance and effectiveness of the services provided. Applies to large banks. Focuses on the Bank's CD services meeting the needs of the Bank's entire community. Includes activities that support Community Development such as
 - Credit,
 - Deposit,
 - Other personal and business financial services, or
 - Services reflecting the expertise of the bank employee or board member (such as HR, IT or legal services)
- Full credit is provided for certain services
 - With special purpose banks (MDI, WDI, LICU or CDFI),
 - That supports LIHTC-financed affordable housing; or
 - Meets the majority standard; or
 - Meets the bona fide intent standard.
- Partial credit for government-sponsored affordable rental housing for those L, I or S not meeting the majority standard



Performance Test Weighting

- For banks that will be evaluated under more than one of the performance tests, specific weights will be applied to each performance test conclusion, with such weighting varying by asset size:
- **Large Banks:**
 - Retail Lending Test will be weighted at 40% (Note: reduced from the proposed 45%).
 - Retail Services and Products Test will be weighted at 10%
 - (Note: reduced from the proposed 15%).
 - Community Development Financing Test will be weighted at 40%
 - (Note: increased from the proposed 30%).
 - Community Development Services Test will be weighted at 10%
- **Intermediate Banks:** Each applicable performance test will be weighted at 50%



Performance Tests

	Retail Lending	Retail Services & Products	CD Financing	CD Services
Who is Evaluated?	<ul style="list-style-type: none"> Large and Intermediate Banks Small Banks subject to existing Lending Test; or may opt-in to new Retail Lending Test 	<ul style="list-style-type: none"> Large Banks 	<ul style="list-style-type: none"> Large Banks Intermediate Banks subject to existing CD test; or may opt-in to new CD Financing Test 	<ul style="list-style-type: none"> Large Banks
What is Evaluated?	<ul style="list-style-type: none"> Closed-end mortgages Small business loans Small farms Auto (for majority auto lenders only) 	<p>All Large Banks</p> <ul style="list-style-type: none"> Branch availability and services Remote service facilities Responsive credit products/programs <p>Banks > \$10B</p> <ul style="list-style-type: none"> Availability and usage of responsive deposit products (<\$10B at option) Digital delivery systems 	<p>Community development loans and investments</p>	<ul style="list-style-type: none"> Number of service hours Number and type of services offered Participation by bank executives
How it is Evaluated?	<p>Retail lending volume screen (30% of retail lending volume threshold) Plus two types of distribution analysis:</p> <ul style="list-style-type: none"> Geographic distribution Borrower distribution <p>Two comparators:</p> <ul style="list-style-type: none"> Market benchmark (peers) Community benchmark (demographic) 	<ul style="list-style-type: none"> Quantitative benchmarks to evaluate branch and remote service facility distributions and identify areas with lower access Qualitatively evaluate responsiveness of credit and deposit products to the extent it positively influences the test conclusions. 	<ul style="list-style-type: none"> CD financing metric (loans + investments) relative to deposits Benchmarks for evaluating CD financing performance Separate CD investment metric for banks > \$10B; may only contribute positively to nationwide conclusion Impact and responsiveness review 	<p>Qualitative review of:</p> <ul style="list-style-type: none"> Relevant community development services data (e.g., number of activities and total service hours) Any evidence demonstrating CD services are responsive to CD needs Impact and responsiveness of services
Where it is Evaluated?	<ul style="list-style-type: none"> FBAAs and ORLA (for Major Product Lines that comprise 15% or more of bank's loans across all of the bank's loans in the FBAA or ORLA) RLAAs where 150 mortgages/400 small business loans <p>Conclusions at state, multistate MSA, and institution level</p>	<p>FBAAs; some aspects of the test evaluated at the bank level</p> <p>Conclusions at the state, multistate MSA, and institution level</p>	<p>FBAAs</p> <p>Conclusions at the state, multistate MSA, and institution level</p>	<p>FBAAs</p> <p>Conclusions at the state, multistate MSA, and institution level</p>
Weight	40%	10%	40%	10%

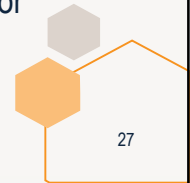
Community Development Activities

Category	Definition
Affordable Housing	Consists of five components: (1) rental housing in conjunction with a government affordable housing plan, program, initiative, tax credit, or subsidy; (2) multifamily rental housing with affordable rents; (3) one-to-four family rental housing with affordable rents in a nonmetropolitan area; (4) affordable owner-occupied housing for LMI individuals; and (5) mortgage-backed securities.
Economic Development	<ul style="list-style-type: none"> Loans, investments, and services undertaken in conjunction, or in syndication, with government programs. Loans, investments, and services provided to intermediaries. Other forms of assistance to small businesses and small farms. <p>Note: In a change from the proposal, the final rule expands this category to include direct loans to small businesses and small farms in conjunction, or in syndication, with government programs that meet a size and purpose test.</p>
Community Supportive Services	Activities that assist, benefit, or contribute to the health, stability, or well-being of LMI individuals. Note: This replaces the "community services targeted to low- or moderate-income individuals" category under the current rule.
Place-Based Activities	<p>Six (6) categories of "place-based activities," each adopting a focus on targeted geographic areas and meeting common place-based eligibility criteria:</p> <ul style="list-style-type: none"> Revitalization or stabilization activities. Essential community facilities. Essential community infrastructure. Recovery activities that promote the recovery of a designated disaster area. Disaster preparedness and weather resiliency activities. (See Note) Qualifying activities in "Native Land Areas," as defined in Section 12 of the final rule. <p>Note: These categories replace the revitalization and stabilization activities component of the current rule.</p> <p>Note: In a change from the proposal, "climate resiliency" was changed to "weather resiliency."</p>
Activities With Certain Institutions	Activities with Minority Depository Institutions (MDIs), CDFIs, women's depository institutions, and low-income credit unions.
Financial Literacy	Qualifying activities assisting individuals, families, and households of all income levels, including LMI individuals, families, and households.

The final rule defines eleven (11) CD categories to provide banks guidance on the activities that support community development.

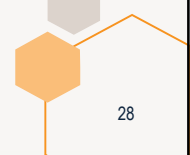
Conclusions and Ratings

- For each applicable performance test, the agencies will assign one of the following 5 conclusions reflecting the bank’s performance in its FBAs and other geographic areas:
 - Outstanding
 - High Satisfactory
 - Low Satisfactory
 - Needs to Improve
 - Substantial Noncompliance
- The conclusions assigned in each performance test will be combined to develop a bank’s overall CRA rating of “Outstanding”, “Satisfactory”, “Needs to Improve”, or “Substantial Noncompliance.”



Conclusion and Ratings Considerations

- **Adverse Impacts:** The final rule adopts provisions stating a bank’s CRA performance would be adversely affected by evidence of discriminatory or other illegal credit practices, which would include violations of the fair lending laws and other consumer protection laws (e.g., ECOA, RESPA, TILA, MLA). In making a determination, the agencies would consider several factors (e.g., root cause, severity of harm).
- **Consideration of Past Performance:** Separately the final rule also provides that “if a bank’s prior rating was “Needs to Improve,” the [Agency] may determine that a “Substantial Noncompliance” rating is appropriate where the bank failed to improve its performance since the previous evaluation period, with no acceptable basis for such failure.”
- **CRA Performance and Applications** The final rule reiterates that a bank’s record of performance under the CRA examination may be the basis for denying or conditioning approval of an application. The agencies add further, that a bank’s CRA performance is often a controlling factor in the consideration of a bank’s record when reviewing applications in which CRA performance is a relevant factor.



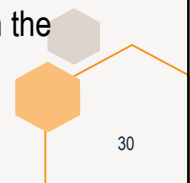
Data Collection: Large Banks

- Effective January 1, 2027; data from 2026 reported by April 1, 2027
- Large Banks have increased data collection and reporting requirements:
 - Small business loans and small farm loans data
 - Consumer loans data for auto loan (if auto loans are a product line for the bank based on their retail lending or choice to have auto loans considered)
 - HMDA loan data
 - Retail banking services and retail banking products data for branch and remote service facilities
 - CD service data
 - Assessment area delineation data
- Large Banks with assets >\$10B would also have to collect and report:
 - Deposits data at county, state, MSA, and overall institution level
 - Retail services and products data for digital and other delivery systems and responsive deposit products



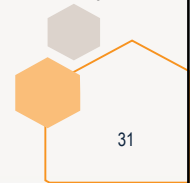
Data Collection

- Limited Purpose Banks:
 - CD loan and investment data
 - Assessment area delineation data
- 1071 data:
 - Final Rule removed proposed references to 1071 data in the regulatory text
 - Instead, each agency (OCC, Fed, FDIC) will adopt separate text providing for transition to 1071 data
 - No effective date for Section 1071 related transitions or amendments is in the Final Rule



Data Collection and Reporting

- Retail Services and Products data
 - Large banks to collect and maintain data related to branches and remote service facilities
 - Banks >\$10B and Large Banks with no branches must collect and maintain data on digital and other delivery systems
 - Banks >\$10B must maintain data on responsive deposit products by census tract



Data Collection and Reporting

Large Banks

(assets of \$2 billion-\$10 billion)

- Small business loans and Small farm loans data
- Home mortgage loans
- Retail banking services and retail banking products
- Consumer loans data – auto loans

Large Banks

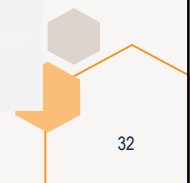
(assets > \$10 billion)

- Deposits data
- Digital Delivery Systems and Other Systems

Large Banks and Limited Purpose Banks that are Large

- CD loans and investment data
- CD services data

nContracts



Incredibly Useful Resource!

<https://www.wolterskluwer.com/en/expert-insights/cra-defined-terms-a-look-at-key-changes-under-cra-modernization>



Whitepaper

Joint CRA final regulations: Defined terms shed light on the road ahead

Wolters Kluwer

wolterskluwer.com

33

Definitions

Branch

Staffed banking facility, whether shared or unshared, that the appropriate Federal Agency approved or authorized as a branch and that is open to, and accepts deposits from, the general public.

Banks will continue to be directed to delineate assessment areas based on branch locations since they remain an essential service in communities selected by the bank.

New wording "open to, and accepts deposits from" is based on the fact that some banks refer to the offices using terminology different than "branch" but serve the same purpose. "Branch" specifically refers to Agency authorization and designation as a branch.

34



Definitions

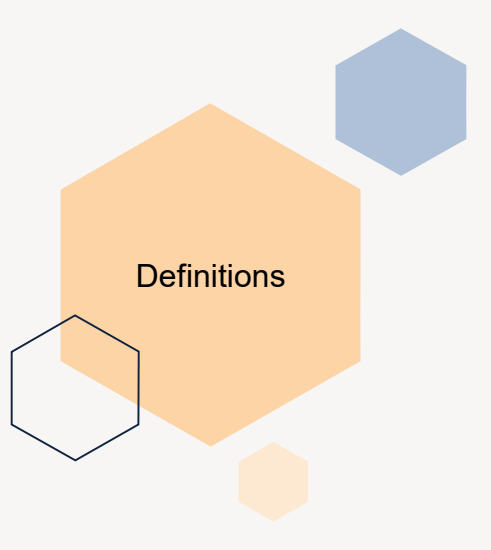
Small Bank Assets of <\$600M

A bank or savings association that had assets of less than \$600 million as of December 31 in either of the prior 2 calendar years.

The thresholds will be adjusted annually based on November CPI and rounded to the nearest million



35



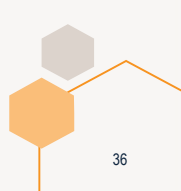
Definitions

Intermediate Bank Assets ≥\$600M and <\$2B

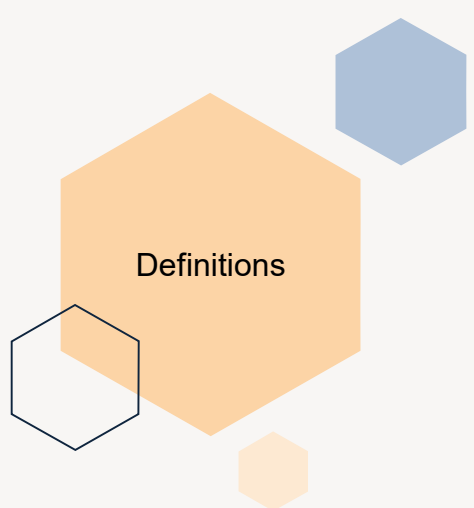
A bank or savings association with assets of

- At least \$600 million as of December 31 in both of the prior 2 calendar years **AND**
- Less than \$2 billion as of December 31 in either of the prior 2 calendar years

The thresholds will be adjusted annually based on November CPI and rounded to the nearest million



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Definitions

Large Bank Assets \geq \$2B

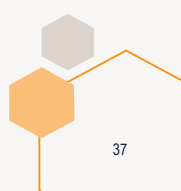
A bank or savings association that had assets of

- At least \$2 billion as of December 31 in **both** of the prior 2 calendar years

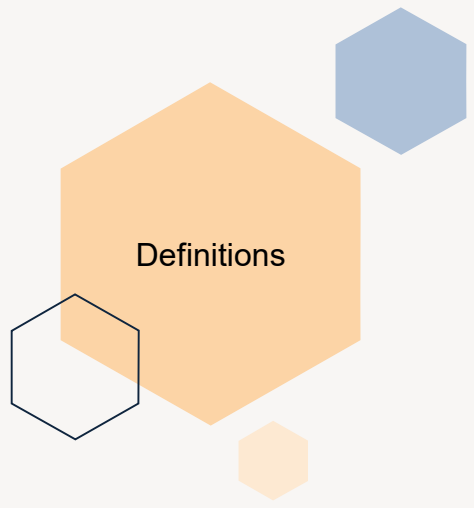
If the bank's average assets correspond to 2 different bank size categories in 2 consecutive years, the bank will belong to the smaller of the two size categories.

The thresholds will be adjusted annually based on November CPI and rounded to the nearest million

Also referred to as Large Depository Institution



37

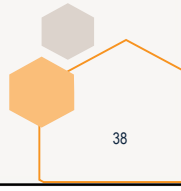


Definitions

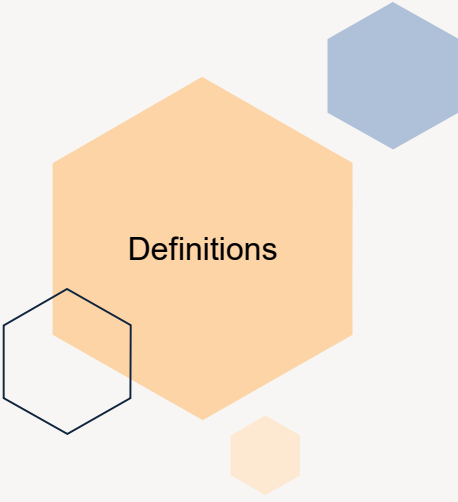
Large Bank with assets $>$ \$10 billion (I nicknamed them "XL Banks")

Evaluation of the retail banking services of a large bank with assets greater than \$10 billion in either of the 2 prior years includes a review of the bank's branch availability and services, remote service facilities (including automated teller machines (ATMs)), and digital delivery systems and other delivery systems.

The agencies will also consider the digital delivery systems and other delivery systems of large banks with assets less than or equal to \$10 billion in either of the 2 prior years if the bank does not operate any branches or, for banks that operate at least one branch, at the bank's option.



38

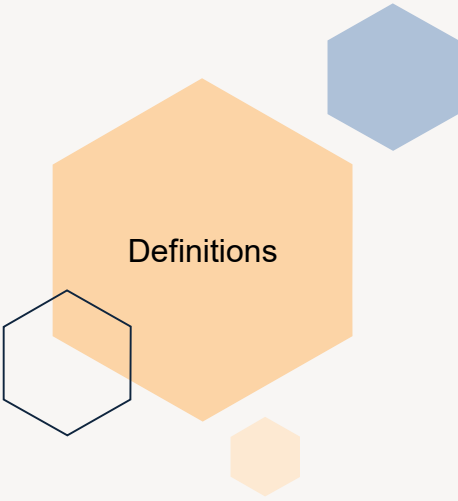


Large Banks Evaluated with Multiple Performance Tests

Performance Ratings are weighted accordingly:

- Retail Lending Test -- 40%
- Retail Services and Products Test -- 10%
- Community Development Financing Test -- 40%
- Community Development Services Test -- 10%

39



Limited Purpose Bank

Limited purpose bank or savings association means a bank that is not in the business of extending loans evaluated under the Retail Lending Test (RLT):

1. Closed-end home mortgage loans,
2. Small business loans,
3. Small farm loans, or
4. Automobile loans evaluated under §_22, majority auto lender

Extending loans to retail customers (including both businesses and individuals), except on an incidental and accommodation basis, and are designated as a limited purpose bank. Old rule “limited purpose banks” or “wholesale banks” will likely qualify as LPBs under the 2023 Rule.

40



Definitions

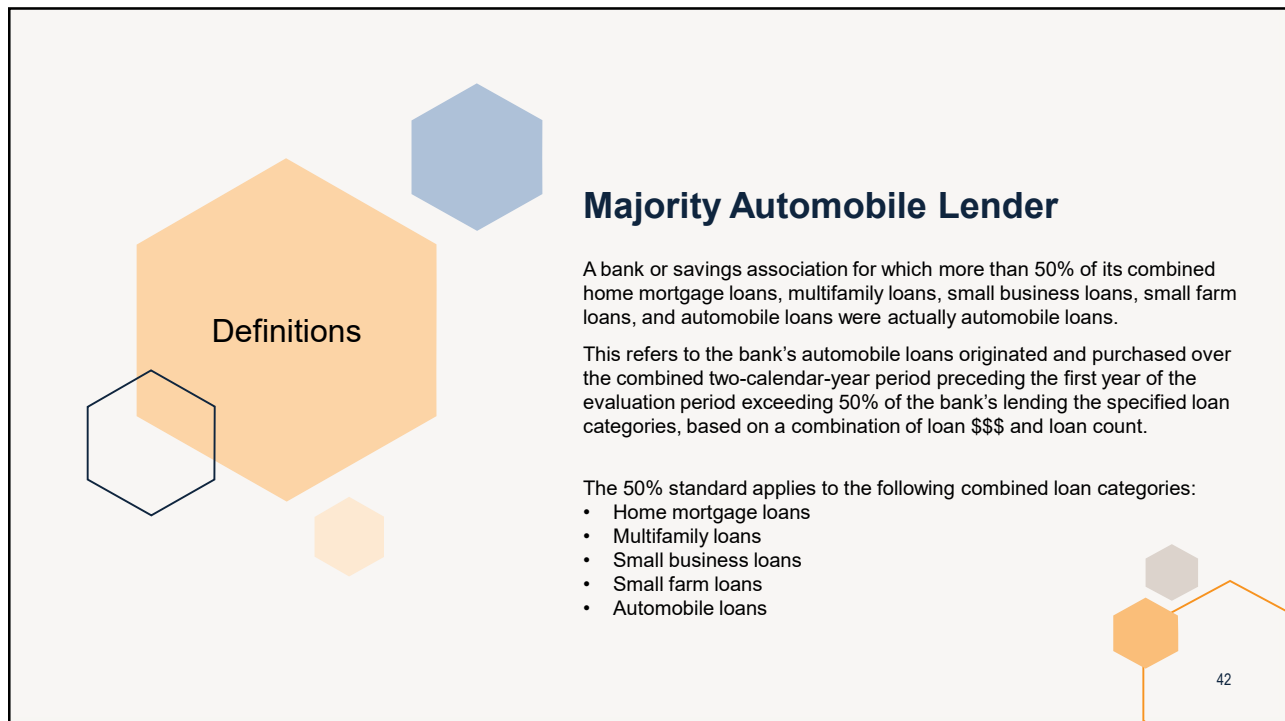
Wholesale Bank

NOT a defined term in the 2023 Rule.

The term was redefined in the 2023 Rule to be included in the revised definition of a "limited purpose bank."

41

The slide features a large orange hexagon with the word "Definitions" inside. To its right is a blue hexagon. Below the orange hexagon is a smaller orange hexagon. In the bottom right corner, there is a decorative graphic consisting of three overlapping hexagons (orange, grey, and orange) and the number "41".



Definitions

Majority Automobile Lender

A bank or savings association for which more than 50% of its combined home mortgage loans, multifamily loans, small business loans, small farm loans, and automobile loans were actually automobile loans.

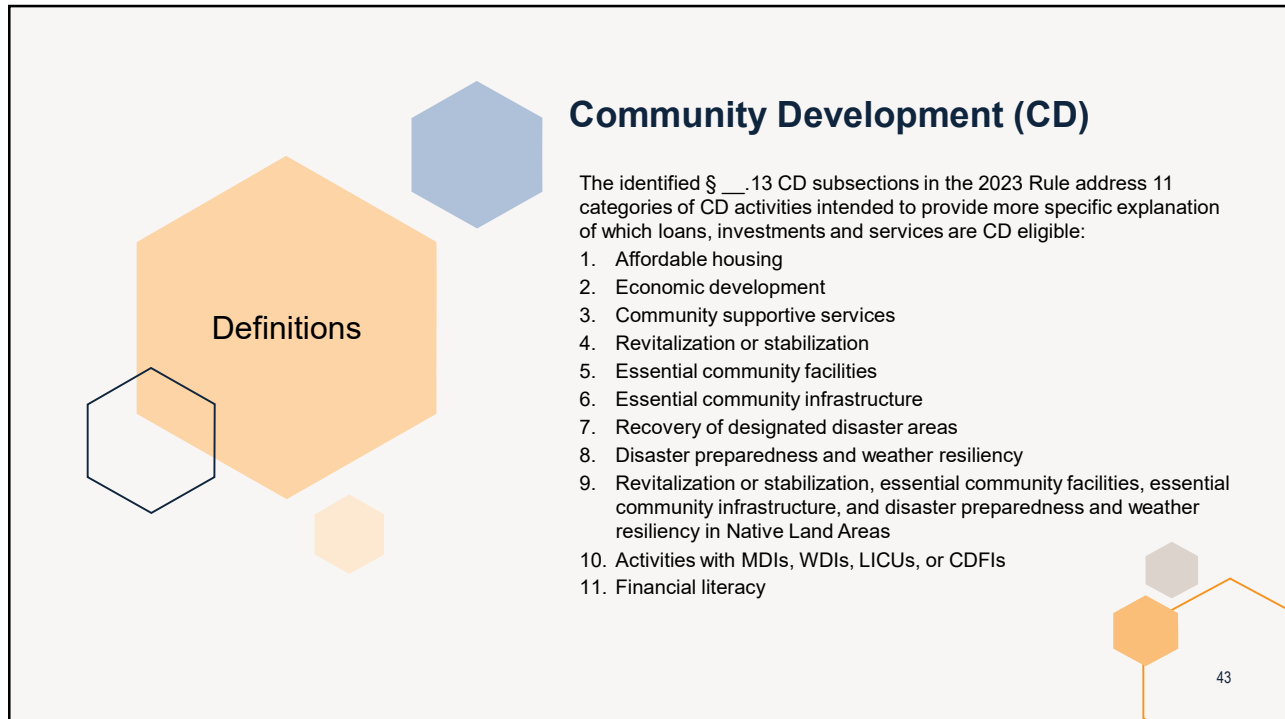
This refers to the bank's automobile loans originated and purchased over the combined two-calendar-year period preceding the first year of the evaluation period exceeding 50% of the bank's lending the specified loan categories, based on a combination of loan \$\$\$ and loan count.

The 50% standard applies to the following combined loan categories:

- Home mortgage loans
- Multifamily loans
- Small business loans
- Small farm loans
- Automobile loans

42

The slide features a large orange hexagon with the word "Definitions" inside. To its right is a blue hexagon. Below the orange hexagon is a smaller orange hexagon. In the bottom right corner, there is a decorative graphic consisting of three overlapping hexagons (orange, grey, and orange) and the number "42".

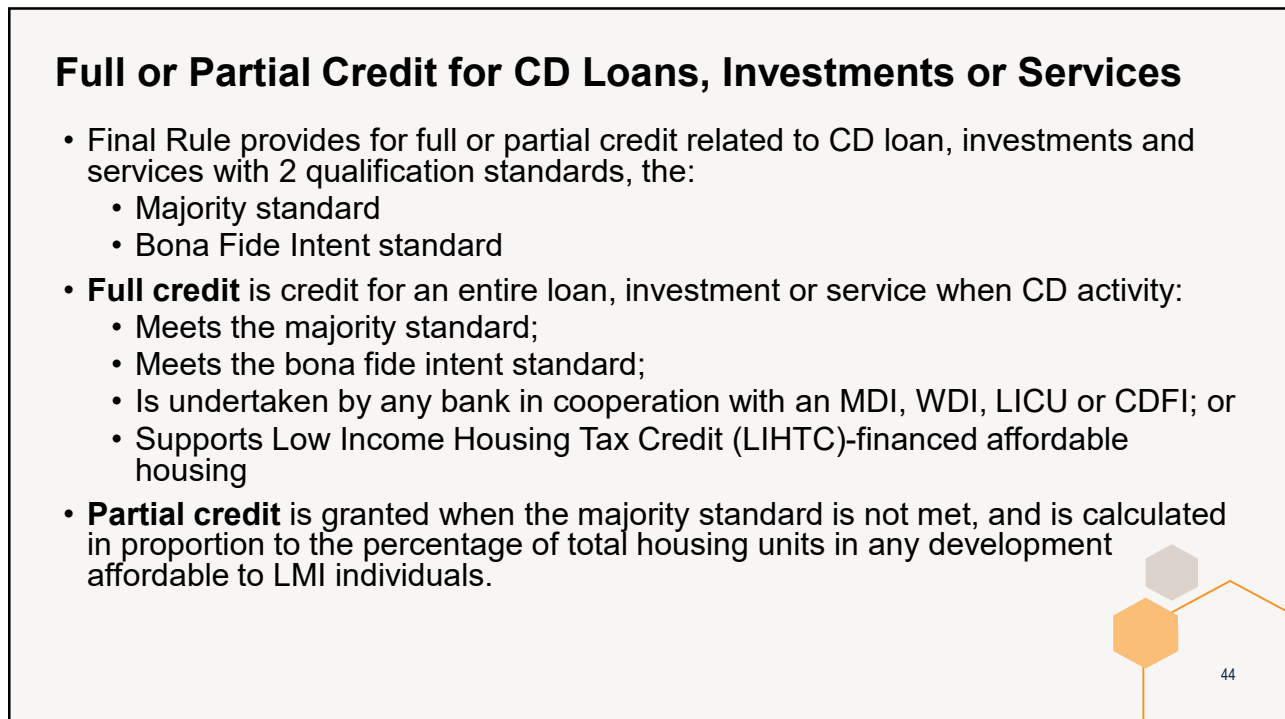
A graphic titled "Community Development (CD)" featuring a large orange hexagon labeled "Definitions" surrounded by several smaller hexagons in blue, orange, and grey. To the right of the hexagons is a list of 11 categories of CD activities. The page number "43" is located in the bottom right corner of the graphic area.

Community Development (CD)

The identified § __.13 CD subsections in the 2023 Rule address 11 categories of CD activities intended to provide more specific explanation of which loans, investments and services are CD eligible:

1. Affordable housing
2. Economic development
3. Community supportive services
4. Revitalization or stabilization
5. Essential community facilities
6. Essential community infrastructure
7. Recovery of designated disaster areas
8. Disaster preparedness and weather resiliency
9. Revitalization or stabilization, essential community facilities, essential community infrastructure, and disaster preparedness and weather resiliency in Native Land Areas
10. Activities with MDIs, WDIs, LICUs, or CDFIs
11. Financial literacy

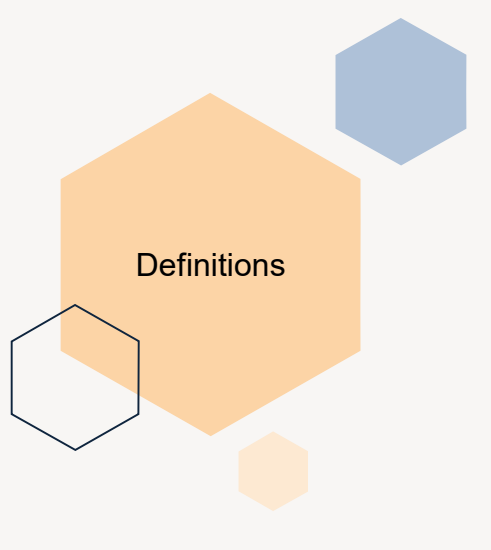
43

A graphic titled "Full or Partial Credit for CD Loans, Investments or Services" containing a bulleted list of qualification standards and credit rules. The page number "44" is located in the bottom right corner of the graphic area.

Full or Partial Credit for CD Loans, Investments or Services

- Final Rule provides for full or partial credit related to CD loan, investments and services with 2 qualification standards, the:
 - Majority standard
 - Bona Fide Intent standard
- **Full credit** is credit for an entire loan, investment or service when CD activity:
 - Meets the majority standard;
 - Meets the bona fide intent standard;
 - Is undertaken by any bank in cooperation with an MDI, WDI, LICU or CDFI; or
 - Supports Low Income Housing Tax Credit (LIHTC)-financed affordable housing
- **Partial credit** is granted when the majority standard is not met, and is calculated in proportion to the percentage of total housing units in any development affordable to LMI individuals.

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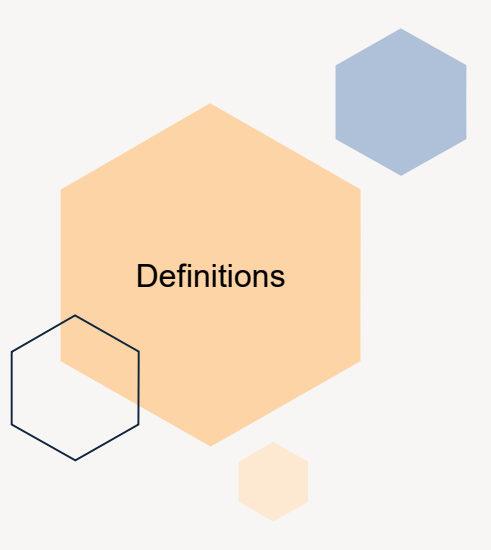


Product Line

A bank's loans in one of the following categories in a particular Retail Lending Test Area:

1. Closed-End Home Mortgage Loans
2. Small Business Loans;
3. Small Farm Loans; and
4. Automobile Loans, if a bank is a majority Automobile Lender or opts-in to include its auto loans in its CRA evaluation.

Definitions



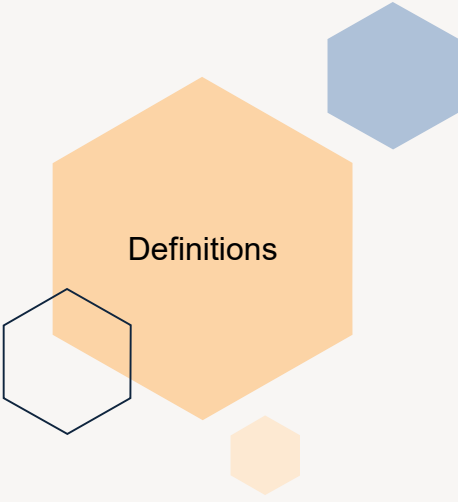
Major Product Line

A product line that the applicable Agency evaluates in a particular Retail Lending Test Area. The term is intended to identify a bank's product lines that are most important to both the bank and to the community.

The Agencies specify the types of loans eligible for consideration as "major product lines" and the applicable standards:

- **Loan type: closed-end home mortgages, small business loans, or small farm loans**
- **Geography: in a Facility-Based Assessment Area (FBAA) or an Outside Retail Lending Area (ORLA)**
- Standard for each respective line: at least 15% of the bank's reported loans and other loans considered across all product lines in the same geographic area during the evaluation period. The percentage is calculated based on a combination of loan dollars and loan volume (count).

Definitions



Definitions

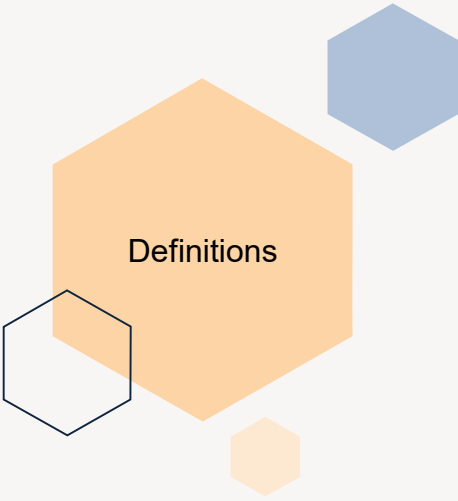
Major Product Line

A product line that the applicable Agency evaluates in a particular Retail Lending Test Area. The term is intended to identify a bank's product lines that are most important to both the bank and to the community.

The Agencies specify the types of loans eligible for consideration as "major product lines" and the applicable standards:

- **Loan type: closed-end home mortgages or small business loans**
- **Geography: in a Retail Lending Assessment Area (RLAA)**
- Standard for each respective line in the calendar year meets or exceeds the threshold requiring delineation of a RLAA (i.e., 150 reported closed-end home mortgages, or 400 reported small business loans, in each of the prior 2 calendar years)

47



Definitions

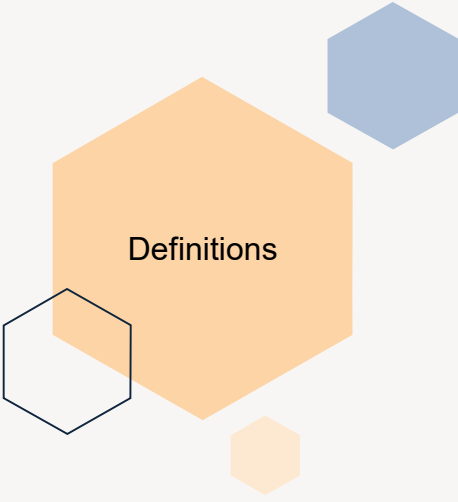
Major Product Line

A product line that the applicable Agency evaluates in a particular Retail Lending Test Area. The term is intended to identify a bank's product lines that are most important to both the bank and to the community.

The Agencies specify the types of loans eligible for consideration as "major product lines" and the applicable standards:

- **Loan type: automobile loans**
- **Geography: in a Facility-Based Assessment Area (FBAA) or an Outside Retail Lending Area (ORLA)**
- Standard for each respective line: at least 15% of the bank's reported loans and other loans considered across all product lines in the same geographic area during the evaluation period, if the bank is a majority automobile lender for the institution as a whole, or opts into having its auto lending evaluated. The percentage is calculated based on a combination of loan dollars and loan volume (count).

48



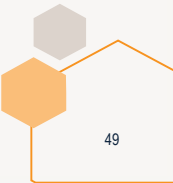
Combination of Loan Dollars and Loan Count

Defined term means when applied to a particular ratio, the average of:

1. Ratio calculated using loans measured in dollar volume; AND
2. Ratio calculated using loans measured in number of loans.

Used in calculations for:

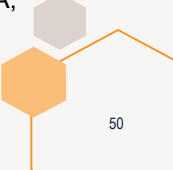
- a. Retail Lending Test - Appendix A and § __24
- b. Community Development Financing Test - Appendix B Sections II and IV and § __24
- c. Community Development Services Test - Appendix B Section IV and § __25
- d. Retail Services and Products Test – Appendix C and § __23



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Combination of Loan Dollars and Loan Count

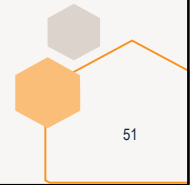
- The agencies indicate the new definition enhances understanding of the following calculations in Appendix A of the Final Rule’s Retail Lending Test:
 - Retail Lending Assessment Area (RLAA) 80% exemption threshold (Appendix A, paragraph II.A.1);
 - Outside retail lending area 50% exemption threshold for intermediate banks (Appendix A, paragraph II.A.2);
 - 15% major product line threshold for Facility-Based Assessment Areas (FBAA) and Outside Retail Lending Areas (ORLA) (Appendix A, paragraph II.B.1);
 - Standard for determining whether a bank is a Majority Automobile Lender (Appendix A, paragraph II.B.3);
 - Weighted performance conclusions for major product lines in Facility-based Assessment Areas (FBAA), Retail Lending Assessment Areas (RLAA), and Outside Retail Lending Areas (ORLA) to develop corresponding area performance conclusions (Appendix A, paragraph VII.B); and
 - Weighted average performance scores for different areas in which banks are evaluated to develop performance test conclusions for states, multistate MSAs, and the institution (Appendix A, paragraph VIII.B.2).



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Combination of Loan Dollars and Loan Count

- The agencies also point out that the new definition helps improve the understanding of the following calculations in Appendices B and C of the Final Rule (which are related to the Community Development Financing Test, the Community Development Services Test, and the Retail Services and Products Test):
 - Weighting of benchmarks (Appendix B, paragraph II.O);
 - Combined score for Facility-Based Assessment Area (FBAA) conclusions, the metrics and benchmarks analyses, and the Impact and Responsiveness reviews (appendix B, paragraph II.P);
 - Weighting of conclusions (Appendix B, section IV); and
 - Weighting of conclusions (Appendix C, paragraph c).



Definitions

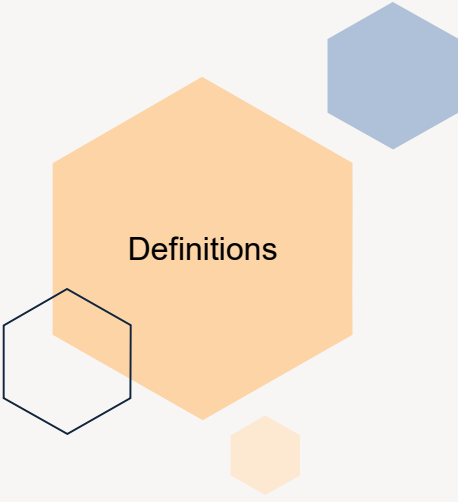
Retail Banking Services

Retail financial services provided by a bank to consumers, small businesses, or small farms.

Includes a bank's systems for delivering retail financial services.

New definition was added to clarify the Retail Services and Products Test which includes evaluation of retail banking services, among other services.

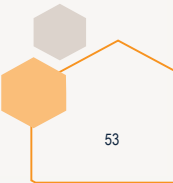
A decorative graphic consisting of several overlapping hexagons in shades of orange and blue. The word 'Definitions' is centered within a large orange hexagon. To the right, the text 'Retail Banking Services' is followed by three paragraphs of descriptive text. In the bottom right corner, there is a smaller decorative graphic of overlapping hexagons in orange and grey, with the number '51'.



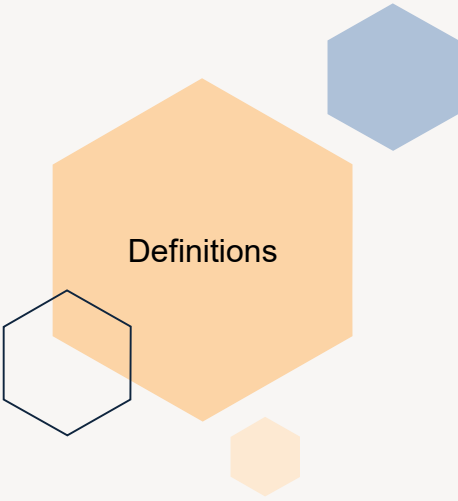
Retail Banking Products

Retail banking products means credit and deposit products or programs that facilitate a lending or depository relationship between the banks and consumers, small businesses, or small farms.

Used in the Retail Services and Products Test which evaluate specific types of credit and deposit products or programs.



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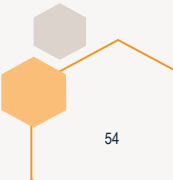


Loan Production Office (LPO)

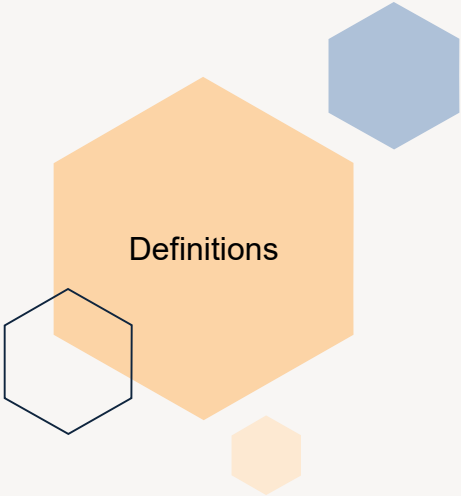
2023 Rule does NOT define LPO because of limited focus on LPOs

Even though not require banks to delineate Facility-based Assessment Areas (FBAA) based solely on an LPO location, they do note that a lbank's geographic area including an LPO may be included as part of a large bank's Retail Lending Assessment Area (RLAA). An LPO may be delineated as part of an Outside Retail Lending Area (ORLA) of a large bank or certain small and intermediate banks when they will be evaluated on their other major product lines.

Loan Production Offices are included as an example of other systems for delivering retail banking services banks may elect to include in the public file.



54

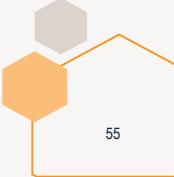


Low Income Credit Union (LICU)

A credit union qualifies as an LICU if a majority of its membership qualifies as low-income members. Very specific standards are noted for identifying "low-income members" which differ from the standards for identifying "low-income" individuals, families or households under the CRA regulations.

Activities with LICUs may qualify for Community Development (CD) consideration, plus may be a relevant factor in evaluating the impact and responsiveness of an activity.

Same definition as given in 12 CFR 701.34



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Military Bank

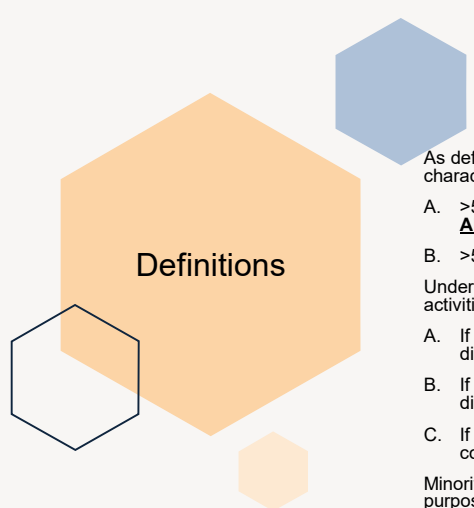
A bank or savings association whose business predominantly consists of serving the needs of military personnel who serve or have served in the US Armed Forces or their dependents.

"Whose business predominantly serves" the needs of military personnel or their dependents means a bank whose most important customer group is military personnel or their dependents.

US Armed Forces includes the Air Force, Army, Coast Guard, Marine Corps, Navy and Space Force.



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Minority Depository Institution (MDI)

As defined in 12 USC 2907(b)(1), a “minority depository institution” generally meets the characteristics of:

- A. >50% of the ownership or control of which is held by one or more minority individuals; **AND**
- B. >50% of the net profit or loss of which accrues to one or more minority individuals.

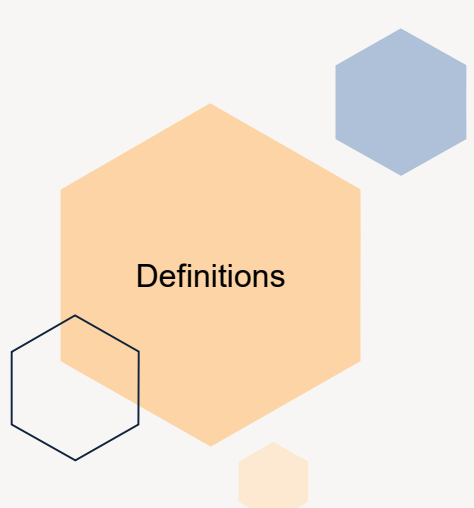
Under FIRREA Section 308 mentioned in the second part of the CRA’s definition applying to activities other than the specified branch-related activities), a MDI meets the following criteria:

- A. If a privately owned institution, 51% is owned by one or more socially or economically disadvantaged individuals; OR
- B. If publicly owned, 51% of the stock is owned by one or more socially or economically disadvantaged individuals; OR
- C. If a mutual institution, the majority of the Board of Directors, account holders, and the community which it services is predominantly minority.

Minority means Black American, Native American, Hispanic American, or Asian American for purposes of Section 308. The Agencies did not include minority credit unions in the definition of MDI in the 2023 Rule.

Activities with MDIs may qualify for community Development (CD) consideration, and CD activities supporting MDIs may be a factor in evaluating the impact and responsiveness of an activity.

57



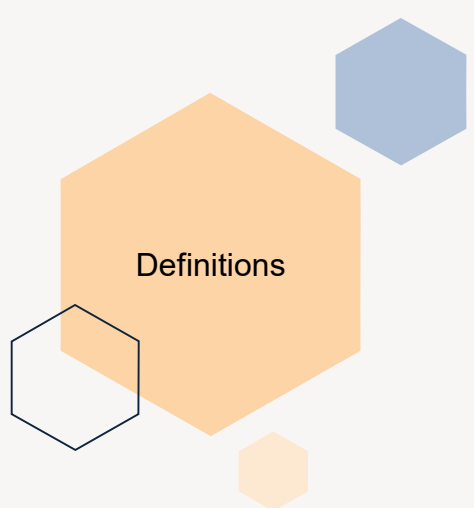
Women’s Depository Institution (WDI)

As defined in 12 USC 2907(b)(2), the term includes a bank or savings association with the following characteristics:

- >50% or the ownership or control is held by 1 or more women;
- >50% of the net profit or loss accrues to 1 or more women; AND
- A significant percentage of senior management positions are held by women.

The Agencies adopted the statutory definition in its entirety and without any alteration, unlike their approach in handling the related term Minority Depository Institution (MDI).

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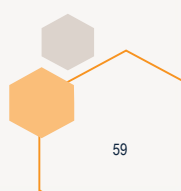
Definitions

Mission-Driven Nonprofit Organization

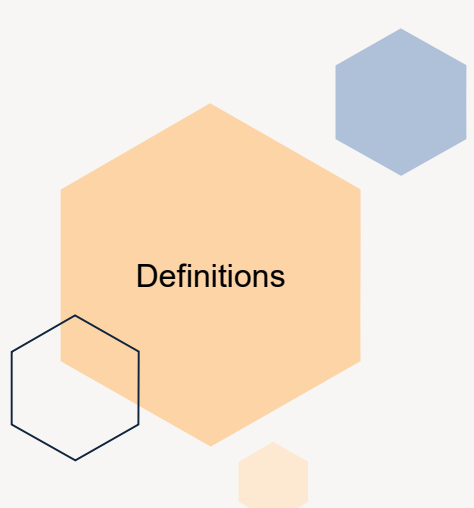
An organization described in Section 501(c)(3) of the Internal Revenue Code and is exempt from taxation. The charitable organization must benefit or serve primarily low- or moderate-income individuals or communities, small businesses, or small farms.

The charitable organizations must be formed and operated exclusively for certain exempt purposes (e.g., religious, charitable, scientific, educational, etc.).

The term is used in describing Community Development (CD) eligibility criteria for CD loans or investments, for example.



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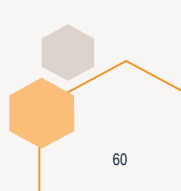


Definitions

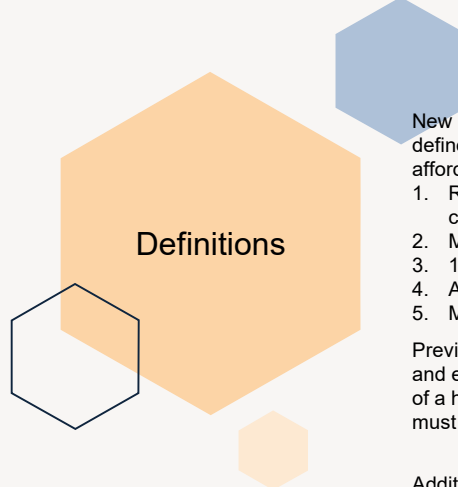
Remote Service Facility (RSF)

An automated, virtually staffed, or unstaffed banking facility (non-branch facility) owned or operated by, or operated exclusively for, a bank or savings association with a public-facing presence that benefits the credit needs of a bank's local community.

The term includes automated teller machines (ATM), interactive teller machines, cash dispensing machines, or other remote electronic facilities open to the general public and at which deposits are accepted, cash dispensed, or money lent.



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Affordable Housing (AH)

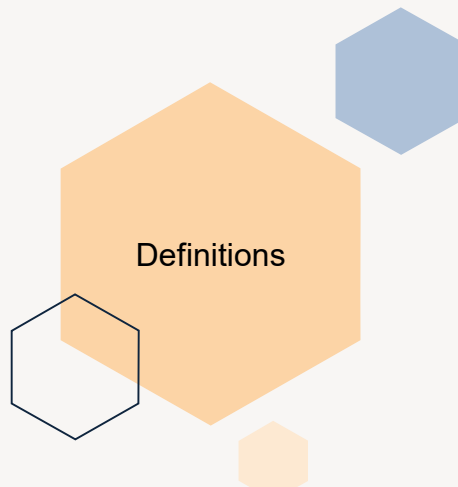
New defined term is used in the context of “Community Development” (CD) and is defined in Section.13(b), encompassing 5 specific categories of activities supporting affordable housing for LMI individuals.

1. Rental housing in conjunction with a government AH plan, program, initiative, tax credit or subsidy
2. Multifamily rental housing with affordable rents
3. 1-4 family rental housing with affordable rents in a nonmetropolitan area
4. Affordable owner-occupied housing for LMI individuals
5. Mortgage-backed securities

Previous CRA regs did not establish a standard for what makes housing affordable, and examiners typically rely on different methods to measure affordability of a house of a housing unit. Interagency guidance clarifies that qualifying affordable housing must either benefit, or is likely to benefit, LMI individuals.

Additional extensive guidance does explain more detailed conditions applicable to single family, multifamily, government-subsidized, unsubsidized, etc. as well as purchases of mortgage-backed securities.

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Closed-End Home Mortgage Loan

Same general meaning as in 12 CFR 1003.2 excluding multifamily loans and transactions defined in (c)(1) through (10) transactions

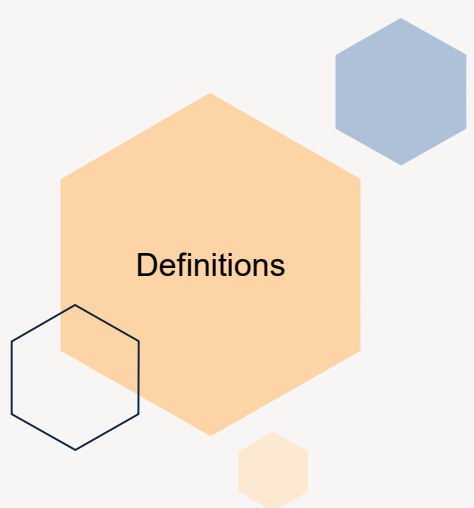
Closed-end mortgage loan means a loan secured by a lien on a dwelling that is not an open-end line of credit per HMDA 12 CFR 1003.2(o)

Open-end line of credit is a line secured by a dwelling lien and is an open-end credit per Reg Z 12 CFR 1026.2(a)(20)

Multifamily loans are excluded (89 FR 6617-6618) because these are separately defined in the 2023 Rule.

These definitions parallel HMDA’s Regulation C since the regulators intend to continue leveraging HMDA Data.

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Economic Development

Qualifying Economic Development (ED) refers to the following activities focused on supporting Small Businesses and Small Farms (i.e., "purpose" test) that meet specific size eligibility criteria:

1. Government related support;
 - Direct loans through government agencies, indirect loans and services "in conjunction with" or "in syndication with" US SBA Development Companies, Small Business Investment Companies (SBICs), New Markets Venture Capital Companies, qualified CD Entities (CDEs), or USDA Rural Business Investment Companies (RBICs), as qualifying economic development activities.
2. Intermediary support; and
 - Loans, investments, or services provided to intermediaries that lend to, invest in, or provide technical assistance to small business or small farms (e.g., financial counseling, shared space, technology, or admin assistance). Examples include nonprofit revolving loan fund or a non-financial intermediary such as a business incubator.
3. Other support.
 - Activities include assistance such as financial counseling, shared space, technology, or admin assistance provided directly by the bank as opposed to support by an intermediary or government-related activities covered under the two other prongs of economic development.

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Small Business

Newly defined term for CRA

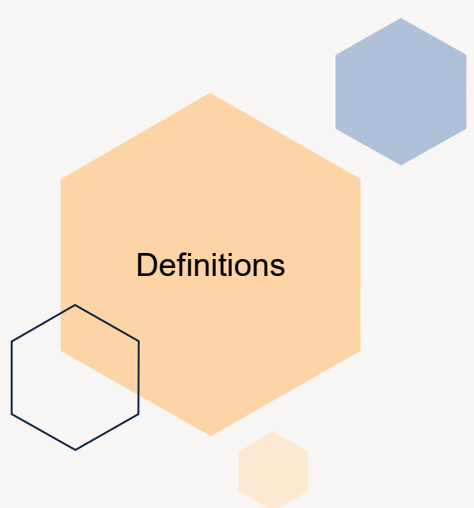
Small business means a business, other than a farm, that had gross annual revenues for its preceding fiscal year of \$5 million or less

FYI: This is a different definition than SBA's size standards.

Agencies were consistent with §1071's definition.

Used in evaluation of retail lending under the Retail Lending Test and CD activities that support small businesses and small farms.

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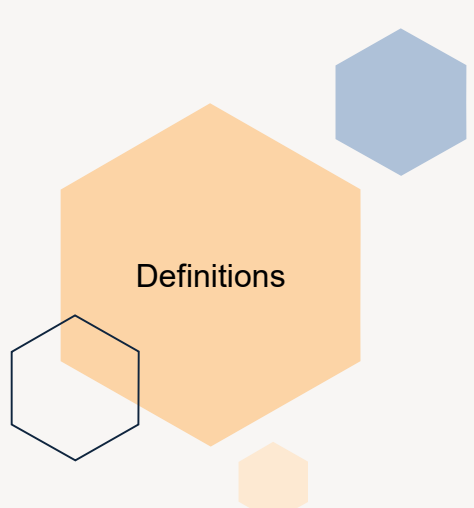
Small Business Loan

Schedule RC-C, part II, is completed only with the June 30 Report of Condition. Schedule RC-C, part II, requests information on the number and amount currently outstanding of "loans to small businesses" and "loans to small farms"

For Schedule RC-C, **"loans to small businesses"** consist of the following:

- (1) Loans with original amounts of \leq \$1 million reported in Schedule RC-C, part I, item 1.e, column B, "Loans secured by nonfarm nonresidential properties" (in domestic offices), and
- (2) Loans with original amounts of \leq \$1 million reported in Schedule RC-C, part I:
 - (1) On the FFIEC 041 for banks with less than \$300 million in total assets, item 4, column B, "Commercial and industrial loans;"
 - (2) On the FFIEC 041 for banks with \$300 million or more in total assets, item 4.a, "Commercial and industrial loans to U.S. addressees;" and
 - (3) On the FFIEC 031, item 4.a, column B, "Commercial and industrial loans to U.S. addressees" in domestic offices.

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Small Farm

Newly defined term for CRA

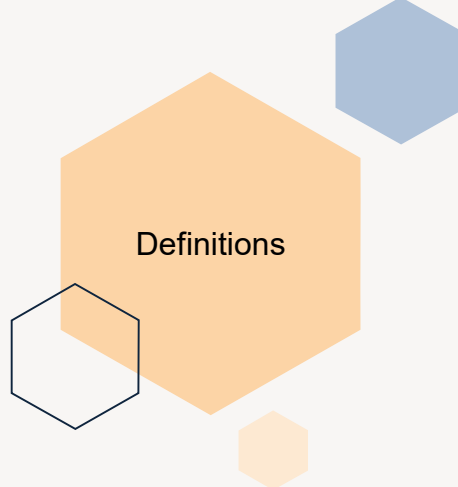
Small farm means a farm with gross annual revenues for its preceding fiscal year of \$5 million or less

FYI: This is a different definition than SBA's size standards.

Agencies were consistent with §1071's definition.

Used in evaluation of retail lending under the Retail Lending Test and CD activities that support small businesses and small farms.

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Small Farm Loan

A loan included in "loans to small farms" per the Call Report Schedule RC-C

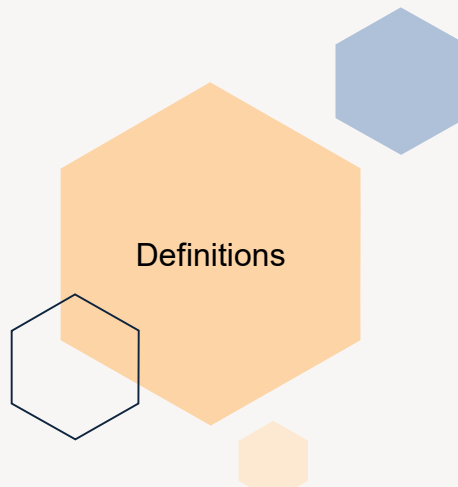
Small farm loan is defined independently of a Small Farm to address a future transition to using the term in CFPB's Section 1071 Rulemaking.

Schedule RC-C, part II, is completed only with the June 30 Report of Condition. Schedule RC-C, part II, requests information on the number and amount currently outstanding of "loans to small businesses" and "loans to small farms"

For purposes of this schedule, **"loans to small farms"** consist of the following:

- (1) Loans with original amounts of \leq \$500,000 reported in Schedule RC-C, part I, item 1.b, column B, "Loans secured by farmland (including farm residential and other improvements)" (in domestic offices), and
- (2) Loans with original amounts of \leq \$500,000 reported in Schedule RC-C, part I, item 3, column B, "Loans to finance agricultural production and other loans to farmers" (in domestic offices).

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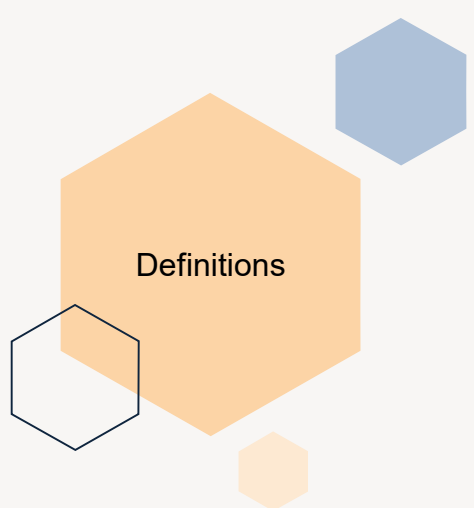


Deposit Location

Defined for two groups of banks,

1. For banks that collect, maintain and report deposits data, use the address on file for CIP address, or another documented address at which the depositor resides or is located.
2. For banks that do NOT collect, maintain and report deposits data, the county of the bank facility to which deposits are assigned in the FDIC's Summary of Deposits.

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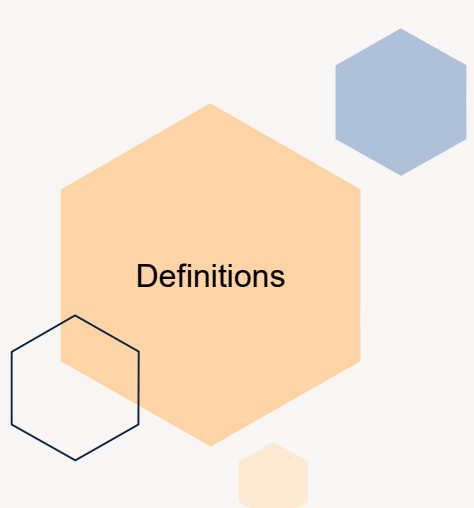
County or County Equivalent

County means any county, county equivalent, or statistically equivalent entity as used by the US Census Bureau

County equivalents (Footnote 144) for Census economic census purposes

- Boroughs
- Census Areas
- Certain Cities in Alaska
- Districts and islands in America Samoa
- Election Districts in Guam
- Independent cities in MD, MO, NV and VA
- Islands in the US Virgin Islands
- Municipalities in the Commonwealth of Northern Mariana Islands
- Municipios* in Puerto Rico
- Parishes in Louisiana
- District of Columbia

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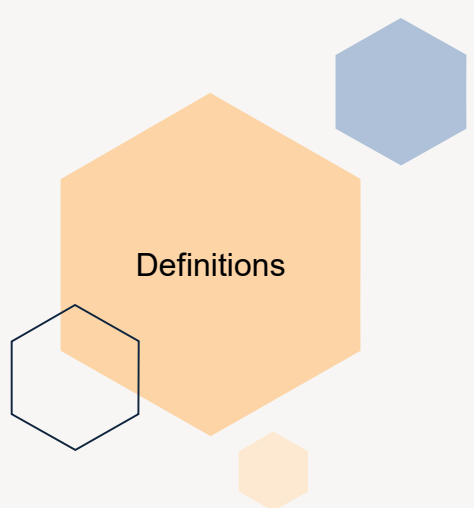


Persistent Poverty County

A county that has had poverty rates of $\geq 20\%$ for 30 years, as publicly designated by the Board, FDIC, and OCC, compiled in a list, published annually by the FFIEC

Used in provisions dealing with evaluation of impact and responsiveness of CD activities and corresponding data collection requirements

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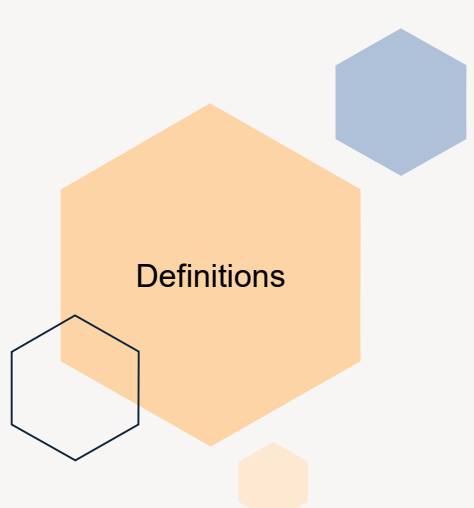
Targeted Census Tract

A targeted census tract means:

1. A low-income census tract or a moderate-income census tract, or
2. A distressed or underserved nonmetropolitan middle-income census tract.

Definition is based on pre-2024 CRA regulations and Interagency Q & A concerning the geographic areas eligible for revitalization and stabilization CD activities

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Native Land Area

- (1) All land within the limits of any Indian reservation under the jurisdiction of the United States, as described in 18 USC 1151(a);
- (2) All dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a State, as described in 18 USC 1151(b);
- (3) All Indian allotments, the Indian titles to which have not been extinguished, including rights-of-way running through the same, as defined in 18 USC 1151(c);
- (4) Any land held in trust by the United States for tribes or Native Americans or tribally held restricted fee land;
- (5) Reservations established by a State government for a tribe or tribes recognized by the State;
- (6) Any **Native Village**, as defined in 43 USC 1602(c), in Alaska;
- (7) Lands with status of **Hawaiian Home Lands** as defined in section 204 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108), as amended;
- (8) Areas defined by the US Census Bureau as **Alaska Native Village Statistical Areas, Oklahoma Tribal Statistical Areas, Tribal-Designated Statistical Areas, or American Indian Joint-Use Areas**; and
- (9) Land areas of State-recognized Indian tribes and heritage groups that are defined and recognized by individual States and included in the US Census Bureau's annual Boundary and Annexation Survey.

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Definitions

Tribal Government

The recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list most recently published in Section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 USC 5131)

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The graphic features a large orange hexagon with the word 'Definitions' inside. To its right is a blue hexagon. Below the orange hexagon are two smaller orange hexagons. In the bottom right corner, there is a cluster of three hexagons (one orange, one grey, one white) with the number 73 next to them.



Definitions

Retail Lending Assessment Area (RLAA)

A geographic area drawn by a Bank per §.17 for purposes of evaluating a Large Bank's retail lending activities in one or more Retail Lending Assessment Areas outside of the Bank's Facility-Based Assessment Areas (FBAA)

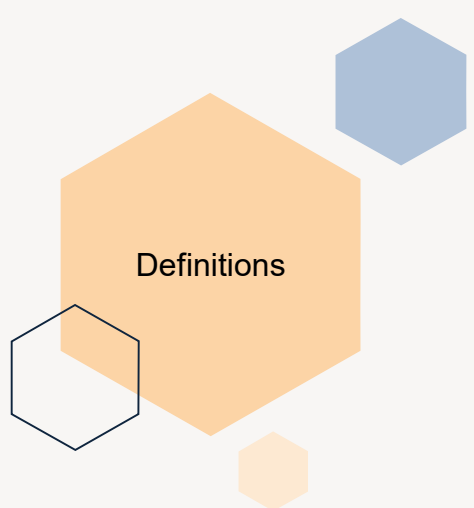
Large Bank must use the MSA boundaries in effect as of January 1 of the calendar year in which the delineation applies. A Retail Lending Assessment Area must meet the following geographic criteria and must consist of:

- The whole single MSA, **excluding** any counties inside the Large Bank's FBAA, OR
- All of the counties in the nonmetropolitan area of a State, **excluding** (if any) counties
 - Inside the Large Bank's FBAA AND
 - In which the Large Bank did not originate any closed-end home mortgage or small business loans that are reported loans during that calendar year.

Can extend beyond a State boundary **only if** it consists of counties in a multistate MSA

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Retail Lending Test Area (RLTA)

Term is used in reference to geographic areas that banks delineate for purposes of the applying the Retail Lending Test.

New term defined to be geographic areas, both individually and collectively, used for the RLT

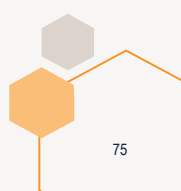
- Facility-Based Assessment Areas (FBAA),
- Retail Lending Assessment Areas (RLAA), and
- Outside Retail Lending Areas.

Performance Metrics

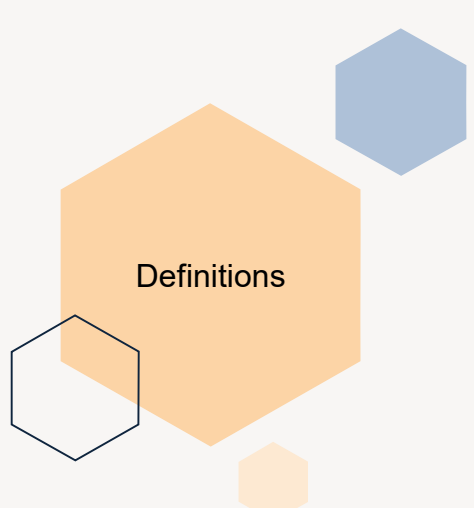
- Retail Lending Volume Screen
- Geographic & Borrower Retail Lending Distribution Metrics

Evaluation Trigger Thresholds

- FBAA and ORLA (15% of Lending)
- RLAA (Loan Count Threshold)



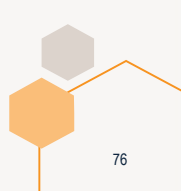
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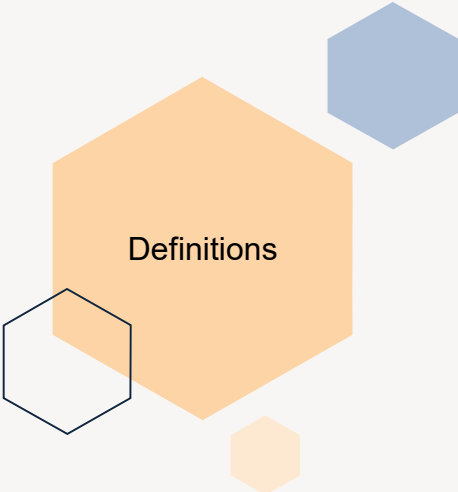
Area Median Income

Area median income means

- The median family income:
 - For the Metropolitan Statistical Area (MSA) if an individual, family, household, or census tract is located in an MSA that has not been divided into metropolitan divisions, or
 - For the metropolitan division if an individual, family, household, or census tract in an MSA that has been subdivided into metropolitan divisions; OR
- The statewide nonmetropolitan median family income, if an individual, family, household, or census tract is located in a nonmetropolitan area.



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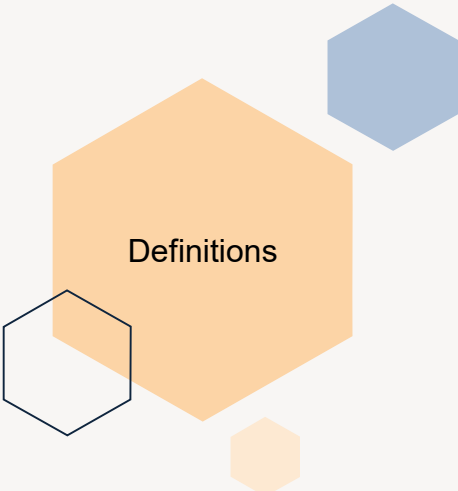


Definitions

Income Level

- (1) **Low-income**, which means:
 - (i) For individuals, families, or households, income <50% AMI; or
 - (ii) For a census tract, a median family income <50% AMI.
- (2) **Moderate-income**, which means:
 - (i) For individuals, families, or households, income ≥50% and <80% AMI; or
 - (ii) For a census tract, a median family income ≥50% and <80% AMI.
- (3) **Middle-income**, which means:
 - (i) For individuals, families, or households, income ≥80% and <120% AMI; or
 - (ii) For a census tract, a median family income ≥80% and <120% AMI.
- (4) **Upper-income**, which means:
 - (i) For individuals, families, or households, income ≥120% AMI; or
 - (ii) For a census tract, a median family income that is ≥120% AMI.

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Definitions

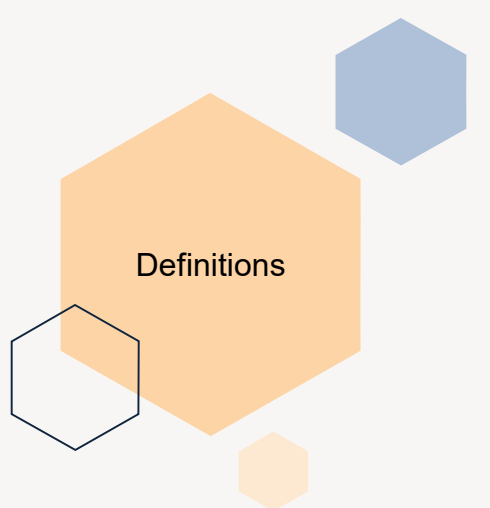
Low-Income Housing Tax Credit (LIHTC)

LIHTC is a Federal tax credit for housing persons of low income per Section 42 of the Internal Revenue Code of 1986 (26 USC 42)

Low-income tax credit is used in the CRA regulations in reference to a consideration of CD loans, investments and services, including a new category evaluating the impact and responsiveness review.

Data collection, reporting and disclosure requirements include projects financed by LIHTCs among the considerations for CD loans or investments.

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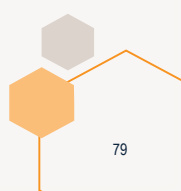
Definitions

New Markets Tax Credit (NMTC)

NMTC means a Federal tax credit per Section 45D of the Internal Revenue Code of 1986 which describes tax incentives for investments in low-income and other economically distressed communities.

The term is used in several provisions for community development relative to impact and responsiveness review of CD loans, investments and services which includes NMTC as a factor.

Data collection, reporting and disclosure requirements includes projects financed by NMTCs among the considerations for CD loans or investments.



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CRA Illustrative List of Qualifying Activities

This list is a non-exhaustive, illustrative list of examples of activities that would qualify under 12 CFR 25.04. The list is intended to identify activities that would meet the criteria in the rule. The OCC is not endorsing any financial institution, fund, organization, program, non-profit, or any other entity. By listing activities that would qualify under section 25.04, the OCC is not making any determination as to whether the activities listed are safe and sound activities, in general, or for any particular financial institution. Moreover, the OCC is not making any determination as to whether the activities listed are/are not legally permissible, in general, or for any particular financial institution. The OCC will add additional activities that meet the qualifying activities criteria consistent with the process outlined in 12 CFR 25.05. Please read the regulations in their entirety for defined terms used in this list and for additional information. 12 CFR part 25.

Qualifying Activities Criteria and Illustrative List Topic Category	Description
§ 25.04(b)(1)(i) Topic A	Retail loans. A home mortgage loan, small loan to a business, small loan to a farm, or consumer loan is a qualifying activity if it is Provided to a: Low- or moderate-income individual or family
A-1	Loan classified on the bank's Call Report as a 1-4 family residential construction loan to a low- or moderate-income (LMI) individual.
A-2	Closed-end loan or open-end line of credit classified on the bank's Call Report as a loan secured by a 1-4 family residential property to an LMI individual.
A-3	Loan classified on the bank's Call Report as secured by a multifamily residential property to an LMI individual.
A-4	Home mortgage loan guaranteed by the Federal Housing Administration to an LMI individual.
A-5	Home mortgage loan guaranteed under the U.S. Department of Housing and Urban Development's (HUD) Indian Home Loan Guarantee Program (Section 184) to an LMI individual.
A-6	Home mortgage loan guaranteed by the U.S. Department of Agriculture's (USDA) Rural Housing Service to an LMI individual.
A-7	Home mortgage guaranteed by the U.S. Department of Veterans Affairs (VA) to an LMI individual.
A-8	Low-cost education loan to an LMI individual, such as to fund school tuition and/or expenses.
A-9	Home equity line of credit to an LMI individual, such as for home improvement.
A-10	Non-credit card revolving credit line, such as for purchase of home appliances, to an LMI individual.
A-11	Consumer loan to an LMI individual for purposes other than purchasing an automobile, such as to fund unexpected medical expenses.
A-12	Automobile loan to an LMI individual to purchase a car.
A-13	Installment loan to an LMI individual to purchase home appliances.

Qualifying Activities Criteria and Illustrative List Topic Category	Description
§ 25.04(b)(1)(i) Topic A	Retail loans. A home mortgage loan, small loan to a business, small loan to a farm, or consumer loan is a qualifying activity if it is Provided to a: Low- or moderate-income individual or family
A-14	Unsecured consumer loan to a moderate-income individual for household assistive technology products and vehicle modifications to improve accessibility.
A-15	Small dollar consumer loan to a low-income individual made under a bank's affordable small dollar loan program.

§ 25.04(b)(1)(ii) Topic B	Retail loans. A home mortgage loan, small loan to a business, small loan to a farm, or consumer loan is a qualifying activity if it is: Provided to a: CRA-eligible business
B-1	Small loan to a business (including a line of credit) that is a CRA-eligible business when the loan is classified on the bank's Call Report as a commercial and industrial loan.
B-2	Small loan to a business (including a line of credit) that is a CRA-eligible business when the loan is classified on the bank's Call Report as a loan secured by nonfarm nonresidential properties.
B-3	Small loan to a business that is a CRA-eligible business under the U.S. Small Business Administration (SBA) 504 Certified Development Company program.
B-4	Small loan to a business that is a CRA-eligible business to make improvements to its manufacturing facility under the SBA 7(a) loan program.
B-5	Small loan to a business that is a CRA-eligible business to finance the purchase of machinery under the USDA's Rural Development Business and Industry Guarantee Loan Program.
B-6	Small loan to a business that is a CRA-eligible business to improve accessibility of its facilities for disabled customers.
B-7	Small loan to a business that is a CRA-eligible business under the SBA Paycheck Protection Program.

§ 25.04(b)(1)(iii) Topic C	Retail loans. A home mortgage loan, small loan to a business, small loan to a farm, or consumer loan is a qualifying activity if it is: Provided to a: CRA-eligible farm
C-1	Small loan to a farm (including a line of credit) that is a CRA-eligible farm when the loan is classified on the bank's Call Report as a loan to finance agricultural production and other loans to farmers.
C-2	Small loan to a farm that is a CRA-eligible farm to finance the purchase of farm equipment.

§ 25.04(b)(2)	Retail loans. A home mortgage loan, small loan to a business, small loan to a farm, or consumer loan is a qualifying activity if it is:
Topic D	Located in Indian country or other tribal and native lands
D-1	Loan or line of credit made in Indian country or other tribal and native lands and classified on the bank's Call Report as a 1-4 family residential construction loan.
D-2	Closed-end loan or open-end line of credit made in Indian country or other tribal and native lands and classified on the bank's Call Report as a loan secured by a 1-4 family residential property.
D-3	Loan made in Indian country or other tribal and native lands and classified on the bank's Call Report as secured by a multifamily residential property.
D-4	Home mortgage loan made in Indian country or other tribal and native lands and guaranteed by the Federal Housing Administration.
D-5	Home mortgage loan made in Indian country or other tribal and native lands and guaranteed under HUD's Indian Home Loan Guarantee Program (Section 184).
D-6	Home mortgage loan made in Indian country or other tribal and native lands and guaranteed by the USDA's Rural Housing Service.
D-7	Home mortgage loan made in Indian country or other tribal and native lands and guaranteed by the Veterans Administration.
D-8	Home equity line of credit extended in Indian country or other tribal and native lands, such as for home improvement.
D-9	Non-credit card revolving credit line, such as for purchase of home appliances, to an individual located in Indian country or other tribal and native lands.
D-10	Consumer loan made to an individual located in Indian country or other tribal and native lands for purposes other than purchasing an automobile, such as to fund unexpected medical expenses.
D-11	Automobile loan to an individual located in Indian country or other tribal and native lands to purchase a car.
D-12	Small loan to a business (including a line of credit) in Indian country or other tribal and native lands when the loan is classified on the bank's Call Report as a commercial and industrial loan.
D-13	Small loan to business (including a line of credit) located in Indian country or other tribal and native lands when the loan is classified on the bank's Call Report as a loan secured by nonfarm nonresidential properties.
D-14	Small loan to a business (including a line of credit) located in Indian country or other tribal and native lands made under the SBA Certified Development Company/504 Loan Program.
D-15	Small loan to a business (including a line of credit) located in Indian country or other tribal and native lands to make improvements to its manufacturing facility under the SBA 7(a) loan program.
D-16	Small loan to a business (including a line of credit) located in Indian country or other tribal and native lands to finance the

§ 25.04(b)(2)	Retail loans. A home mortgage loan, small loan to a business, small loan to a farm, or consumer loan is a qualifying activity if it is:
Topic D	Located in Indian country or other tribal and native lands
	purchase of machinery under the USDA's Rural Development Business and Industry Guarantee Loan Program.
D-17	Small loan to a farm (including a line of credit) located in Indian country or other tribal and native lands when the loan is classified on the bank's Call Report as a loan to finance agricultural production and other loans to farmers.

§ 25.04(b)(3)	Retail loans. A home mortgage loan, small loan to a business, small loan to a farm, or consumer loan is a qualifying activity if it is:
Topic E	A small loan to a business located in a low- or moderate-income census tract
E-1	Small loan to a business to purchase inventory for its business located in a moderate-income census tract.
E-2	Small loan to a business to expand its manufacturing facility located in a low-income census tract.

§ 25.04(b)(4)	Retail loans. A home mortgage loan, small loan to a business, small loan to a farm, or consumer loan is a qualifying activity if it is:
Topic F	A small loan to a farm located in a low- or moderate-income census tract.
F-1	Small loan to a farm located in a low-income census tract to purchase farm equipment.
F-2	Small loan to a farm located in a moderate-income census tract to refinance a construction loan used to expand dairy production facilities.

§ 25.04(c)(1)(i)(A)	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports:
Topic G	Affordable housing, which means: Rental housing: That is likely to be partially or primarily inhabited by low- or moderate-income individuals or families as demonstrated by median rents that do not and are not projected at the time of the transaction to exceed 30 percent of 80 percent of the area median income *Note: Median rents that do not and are not projected at the time of the transaction to exceed 30 percent of 80 percent of the area median income are referred to in the examples as meeting the "median rent standard."
G-1	Loan to a non-profit organization for the purpose of providing affordable housing to LMI individuals where median rents will meet the median rent standard.
G-2	Loan to a for-profit business for the purpose of providing affordable housing to LMI individuals where median rents will meet the median

<p>§ 25.04(c)(1)(i)(A)</p> <p>Topic G</p>	<p>Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports:</p> <p style="padding-left: 40px;">Affordable housing, which means:</p> <p style="padding-left: 80px;">Rental housing:</p> <p style="padding-left: 120px;">That is likely to be partially or primarily inhabited by low- or moderate-income individuals or families as demonstrated by median rents that do not and are not projected at the time of the transaction to exceed 30 percent of 80 percent of the area median income</p> <p>*Note: Median rents that do not and are not projected at the time of the transaction to exceed 30 percent of 80 percent of the area median income are referred to in the examples as meeting the “median rent standard.”</p>
	<p>rent standard.</p>
<p>G-3</p>	<p>Loan to a for-profit developer for construction of multi-family mixed-income rental housing that partially benefits LMI individuals because some units will meet the median rent standard.</p>
<p>G-4</p>	<p>Loan to a non-profit developer to build multi-family rental housing guaranteed under the USDA’s Section 538 Guaranteed Loan Program where median rents will meet the median rent standard.</p>
<p>G-5</p>	<p>Loan to a for-profit developer to build multi-family rental housing guaranteed under the USDA’s Section 538 Guaranteed Loan Program where median rents will meet the median rent standard.</p>
<p>G-6</p>	<p>Public welfare investment, under 12 CFR part 24, that will use tax credits from the Federal Historic Tax Credit Program to finance the adaptive reuse and renovation of a hotel into rental units in a moderate-income area, and many of the units will meet the median rent standard.</p>
<p>G-7</p>	<p>Loan for a mixed-use property in an underserved area that will be used to help seasonal businesses provide affordable housing to seasonal LMI workers at rents that meet the median rent standard.</p>
<p>G-8</p>	<p>Loan to a for-profit developer for construction of multi-family mixed-income rental housing, where many of the units will meet the median rent standard.</p>
<p>G-9</p>	<p>Public welfare investment, under 12 CFR part 24, that will finance the company’s production of cost-effective modular housing, which will be used to supply affordable housing units where rents will meet the median rent standard.</p>
<p>G-10</p>	<p>Investment that supports the abatement of, or remediation to correct, lead-based paint, asbestos, mold, or radon that are present in a multi-family rental housing project where rents meet the median rent standard.</p>

§ 25.04(c)(1)(i)(B) Topic H	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Affordable housing, which means: Rental housing: That is partially or primarily inhabited by low- or moderate-income individuals or families as demonstrated by an affordable housing set-aside required by a federal, state, local, or tribal government
H-1	Investment in a project with housing units made affordable to LMI individuals through local inclusionary zoning.
H-2	Loan to purchase a multifamily dwelling that will partially benefit LMI individuals, including renters who receive assistance under HUD's section 8 rental subsidy program.
H-3	Public welfare investment, under 12 CFR part 24, that provides financing for the construction of a rent-to-own affordable housing complex targeted to LMI individuals and families.

§ 25.04(c)(1)(i)(C) Topic I	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Affordable housing, which means: Rental housing: That is undertaken in conjunction with an explicit federal, state, local, or tribal government affordable housing program for low- or moderate-income individuals or families
I-1	Investment in a limited partnership to develop and operate a Federal Low-Income Housing Tax Credit (LIHTC) multi-family housing project.
I-2	Public welfare investment, under 12 CFR part 24, to finance the conversion and rehabilitation of public housing using HUD's Rental Assistance Demonstration Program that uses a section 8 project-based contract to make the units affordable to LMI individuals and families.
I-3	Loan to a nursing home and assisted living facility that uses HUD's Section 232 loan guarantee and is defined by HUD as multifamily housing that primarily serves or assists LMI individuals or families.
I-4	Investment in a "green" retrofit initiative as part of an explicit local government program used to maintain the affordability of rental housing for LMI individuals through energy efficient measures.
I-5	Loan to facilitate the purchase of existing multifamily housing using a guarantee provided under the HUD Section 207/223(f) program to make the units affordable to LMI individuals and families.
I-6	Loan to facilitate the substantial rehabilitation of multifamily rental housing for moderate-income families, elderly and the handicapped using a guarantee provided under the HUD Section 221(d)(4) mortgage insurance program to make the units affordable to LMI individuals and families.

§ 25.04(c)(1)(i)(C) Topic I	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Affordable housing, which means: Rental housing: That is undertaken in conjunction with an explicit federal, state, local, or tribal government affordable housing program for low- or moderate-income individuals or families
I-7	Loan to a Native American tribe to purchase land and construct infrastructure and affordable rental housing, as identified in the tribe's Indian Housing Plan, using a guarantee provided under the HUD Title VI Tribal Housing Activities Loan Guarantee Program to make the units affordable to LMI individuals and families.
I-8	Loan to a non-profit sponsor to rehabilitate multifamily rental housing for elderly persons (62 or older) and/or persons with disabilities using a guarantee provided under the HUD Program Section 231 to make the units affordable to LMI individuals.
I-9	Investment for Federal Historic Tax Credits to finance the adaptive reuse and renovation of a historic property that also receives financing using Federal Low-Income Housing Tax Credits.
I-10	Loan for the construction of a government-supported accessible rental housing facility for LMI disabled persons.

§ 25.04(c)(1)(ii) Topic J	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Affordable housing, which means: Owner-occupied housing purchased, refinanced, or improved by or on behalf of low- or moderate-income individuals or families, except for home mortgage loans provided directly to individuals or families
J-1	Investment in a mortgage-backed security that is primarily secured by loans to LMI borrowers.
J-2	Bank employees help to build a single-family home for a non-profit organization with an express purpose of providing affordable housing for purchase by LMI individuals or families.
J-3	Down payment and closing cost assistance grants on home purchase loans for LMI borrowers.

§ 25.04(c)(2) Topic K	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Another bank's community development loan, community development investment, or community development service
K-1	Bank employees volunteer to provide technical assistance to another

§ 25.04(c)(2) Topic K	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Another bank's community development loan, community development investment, or community development service
	bank to establish a loan program targeted to LMI individuals and families.

§ 25.04(c)(3) Topic L	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Community support services which means activities, such as child care, education, workforce development and job training programs, health services, and housing services, that partially or primarily serve or assist low- or moderate-income individuals or families
L-1	Public welfare investment, under 12 CFR part 24, in a fund that provides financing for a charter school that will partially or primarily serve LMI children.
L-2	Donation to a non-profit organization that provides transportation to medical treatments for LMI individuals.
L-3	Grant to a non-profit organization that provides housing assistance and counseling to LMI immigrants residing in the United States.
L-4	Providing mentoring/tutoring services to clients of a non-profit organization that serves LMI youth.
L-5	Public welfare investment, under 12 CFR part 24, that supports a non-profit that provides general education degrees partially or primarily to LMI individuals without a high school diploma.
L-6	Loan to a non-profit training center that provides workforce development and job training programs, which primarily serve unemployed, LMI individuals.
L-7	Volunteer service to serve meals at a homeless shelter.
L-8	In-kind donation to a food pantry that provides services to unemployed, LMI families.
L-9	Loan to acquire a child care facility that serves LMI residents of a low-income neighborhood.
L-10	Volunteer service with a non-profit that provides income tax assistance programs for LMI individuals.
L-11	Grant to a non-profit organization that runs a state-funded battered women's shelter for LMI individuals in an underserved area as part of a statewide program.
L-12	Loan, investment, or service that supports an LMI-focused alcohol and drug recovery center.
L-13	Grant to a drug rehabilitation center that primarily serves low-income individuals.

§ 25.04(c)(3) Topic L	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Community support services which means activities, such as child care, education, workforce development and job training programs, health services, and housing services, that partially or primarily serve or assist low- or moderate-income individuals or families
L-14	Loan to a legal assistance program for LMI individuals.
L-15	Grant to an organization that provides resume writing services to LMI formerly incarcerated individuals.
L-16	Loan to a non-profit organization providing affordable child care services to LMI individuals or families.
L-17	Grant to support a program that provides eyeglasses to low-income individuals.
L-18	In-kind contribution of rent-free office space to a local food bank.
L-19	Provision of technical assistance on financial matters to a non-profit organization that will apply for loans or grants under the Federal Home Loan Banks' (FHLBanks) Affordable Housing Program, specifically by serving on a loan review committee, assisting in marketing financial services, and furnishing financial services training for staff and management.
L-20	Grant to a nonprofit community program which assists LMI individuals to find and enroll in free or low-cost home broadband internet services for which they are eligible.
L-21	Grant in support of a nonprofit program which refurbishes used computers in order to provide them to LMI individuals at no cost or at a very low cost.
L-22	Donations to a workforce development program designed to improve employment opportunities for LMI individuals with disabilities.
L-23	Bank loan to a skilled nursing facility that primarily serves low-income persons receiving Medicaid.
L-24	Donation to a school that partially or primarily serves LMI students to purchase technology that enables it to conduct on-line classes for students affected by government mandated stay-at-home orders during a national health emergency.

§ 25.04(c)(4)(i) Topic M	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Economic development, which means activities that provide financing for or support businesses or farms including: Activities that promote job creation or job retention partially or primarily for low- or moderate-income individuals
M-1	Loan to a business to expand its facility and add new employees, including those who will earn wages of between 70 and 80 percent of area median family income.

§ 25.04(c)(4)(i) Topic M	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Economic development, which means activities that provide financing for or support businesses or farms including: Activities that promote job creation or job retention partially or primarily for low- or moderate-income individuals
M-2	Investment in a metal fabrication facility using New Markets Tax Credits that will allow the facility to expand and hire new employees, including those who will earn 80 percent of area median income.

§ 25.04(c)(4)(ii) Topic N	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Economic development, which means activities that provide financing for or support businesses or farms including: Federal, state, local, or tribal government programs, projects, or initiatives that partially or primarily serve small businesses or small farms as those terms are defined in the programs, projects, or initiatives
N-1	Volunteer service providing technical assistance to small businesses on how to create business plans under a state program to support statewide business development.
N-2	Micro-loan for working capital to a small business that is a state-certified Historically Underutilized Business.
N-3	Grant to a non-profit that provides financing for small farms under a federal program to encourage new farm development.
N-4	Loan to a small business incubator that primarily benefits small businesses by providing supportive services to business start-ups and that is funded in part under a statewide community development initiative.
N-5	Loan to a small business under a tribal government loan guarantee program.

§ 25.04(c)(4)(iii) Topic O	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Economic development, which means activities that provide financing for or support businesses or farms including: Retaining existing, or attracting new, businesses, farms, or residents to low- or moderate-income census tracts, underserved areas, distressed areas, designated disaster areas consistent with a disaster recovery plan, or Indian country or other tribal and native lands
O-1	Loan to a business to replace equipment and restore its facilities, thereby retaining employees in a designated disaster area consistent with a disaster recovery plan.
O-2	Donation to an emergency/drought relief fund formed by a community

<p>§ 25.04(c)(4)(iii)</p> <p>Topic O</p>	<p>Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports:</p> <p style="padding-left: 40px;">Economic development, which means activities that provide financing for or support businesses or farms including:</p> <p style="padding-left: 80px;">Retaining existing, or attracting new, businesses, farms, or residents to low- or moderate-income census tracts, underserved areas, distressed areas, designated disaster areas consistent with a disaster recovery plan, or Indian country or other tribal and native lands</p>
	<p>foundation that provides grants to farms that are located in a distressed area to help sustain the farms.</p>
<p>O-3</p>	<p>A loan to a business to finance the development of workforce housing located in an underserved area that is within close proximity to a warehouse owned by a multinational conglomerate.</p>

<p>§ 25.04(c)(4)(iv)</p> <p>Topic P</p>	<p>Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports:</p> <p style="padding-left: 40px;">Economic development, which means activities that provide financing for or support businesses or farms including:</p> <p style="padding-left: 80px;">A Small Business Administration Certified Development Company, as that term is defined in 13 CFR 120.10, a Small Business Investment Company, as described 13 CFR part 107, a New Markets Venture Capital company, as described in 13 CFR part 108, a qualified Community Development Entity, as defined in 26 CFR 45D(c), or a U.S. Department of Agriculture Rural Business Investment Company, as defined in 7 CFR 4290.50</p>
<p>P-1</p>	<p>Investment in a New Markets Venture Capital company that finances businesses that meet the SBA's size standards used to define small business concerns.</p>
<p>P-2</p>	<p>Public welfare investment, under 12 CFR part 24, to a qualified Community Development Entity that will provide financing for a food market to build a refrigerated warehouse and food distribution facility.</p>
<p>P-3</p>	<p>Investment in an SBA-certified Small Business Investment Company (SBIC) to finance businesses that meet the SBIC size standards.</p>
<p>P-4</p>	<p>Investment in a USDA Rural Business Investment Company (RBIC) to fund businesses and farms that meet the RBIC size standards.</p>
<p>P-5</p>	<p>Investment in a New Markets Tax Credit-eligible Community Development Entity to fund a mixed-use project that will include affordable housing for LMI individuals and families and retail space for CRA-eligible businesses.</p>
<p>P-6</p>	<p>Investment eligible for Federal Historic Tax Credits to finance the adaptive reuse and renovation of a historic property that also receives New Markets Tax Credits.</p>
<p>P-7</p>	<p>Investment in a fund that purchases the debentures, guaranteed by the SBA, that are offered by the SBA-certified development companies.</p>
<p>P-8</p>	<p>Loan to a Community Development Financial Institution (CDFI) Fund-</p>

<p>§ 25.04(c)(4)(iv)</p> <p>Topic P</p>	<p>Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports:</p> <p style="padding-left: 40px;">Economic development, which means activities that provide financing for or support businesses or farms including:</p> <p style="padding-left: 80px;">A Small Business Administration Certified Development Company, as that term is defined in 13 CFR 120.10, a Small Business Investment Company, as described 13 CFR part 107, a New Markets Venture Capital company, as described in 13 CFR part 108, a qualified Community Development Entity, as defined in 26 CFR 45D(c), or a U.S. Department of Agriculture Rural Business Investment Company, as defined in 7 CFR 4290.50</p>
	<p>certified Community Development Entity that finances a small business' purchase of real estate related to a New Markets Tax Credit project, as provided for in 26 U.S.C. 45D.</p>

<p>§ 25.04(c)(4)(v)</p> <p>Topic Q</p>	<p>Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports:</p> <p style="padding-left: 40px;">Economic development, which means activities that provide financing for or support businesses or farms including:</p> <p style="padding-left: 80px;">Technical assistance and supportive services, such as shared space, technology, or administrative assistance for businesses or farms that meet the size eligibility standards of the Small Business Investment Company program, as described in 13 CFR part 107</p>
<p>Q-1</p>	<p>Grant to a non-profit that provides technical assistance to businesses that meet the stated size-eligibility standards.</p>
<p>Q-2</p>	<p>Loan to a non-profit entity that provides technical assistance to businesses that meet the size-eligibility standards for an SBA SBIC.</p>
<p>Q-3</p>	<p>Bank employees volunteer through a local Chamber of Commerce to lead a workshop that provides technical assistance to the chamber's business members that meet the stated size-eligibility standards.</p>
<p>Q-4</p>	<p>Providing permanent office space rent-free at a branch for use by the local economic development organization that targets business development, predominantly among start-up and micro-businesses that meet the stated size-eligibility standards.</p>
<p>Q-5</p>	<p>Donation to a CDFI that is providing technical assistance and loans to small businesses adversely impacted by state-mandated business closures during a health emergency.</p>

<p>§ 25.04(c)(5)(i)</p> <p>Topic R</p>	<p>Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports:</p> <p style="padding-left: 40px;">Essential community facilities that partially or primarily serve:</p> <p style="padding-left: 80px;">Low- or moderate-income individuals or families; or</p>
<p>R-1</p>	<p>Construction loan to improve a hospital that is located in a middle-</p>

§ 25.04(c)(5)(i) Topic R	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Essential community facilities that partially or primarily serve: Low- or moderate-income individuals or families; or income census tract adjacent to a low-income census tract that partially benefits LMI individuals who will utilize hospital services.
R-2	Investment in a municipal bond to fund construction of a health center that will primarily serve residents of a moderate-income neighborhood.
R-3	Purchase of a local municipal bond, the proceeds of which will be used to construct a new high school that will partially serve students from LMI families.
R-4	Public welfare investment, under 12 CFR part 24, in a fund that finances supportive housing projects for the chronically homeless and other public funding programs, such as state-issued tax-exempt bonds, HUD's Supportive Housing Program or section 8 Project-Based Rental Assistance, the FHLBanks' Affordable Housing Program, and the LIHTC program.
R-5	Loan to upgrade equipment at a public library to accommodate LMI disabled patrons.
R-6	Grant to an organization to purchase personal or other protective equipment for doctors and nurses treating in a Federally Qualified Health Care Center during a local health emergency.

§ 25.04(c)(5)(ii) Topic S	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Essential community facilities that partially or primarily serve: Low- or moderate-income census tracts, distressed areas, underserved areas, disaster areas consistent with a disaster recovery plan, or Indian country or other tribal and native lands
S-1	Loan to construct a new fire station located in Indian country or other tribal and native lands.
S-2	Loan to a company to build a health clinic in an underserved area, using the USDA's Community Facilities Guaranteed Loan Program.
S-3	Loan to build a police station in a distressed area.
S-4	Purchase of a local municipal bond with a purpose consistent with a local disaster recovery plan, the proceeds of which will be used to construct a new high school in a disaster area.
S-5	Loan to improve a hospital in a distressed area that serves the entire community, including LMI individuals.
S-6	Investment in a fund that finances community facilities in Indian country or other tribal and native lands, such as a community recreational facility.

§ 25.04(c)(6)(i) Topic T	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Essential infrastructure that partially or primarily serves: Low- or moderate-income individuals or families
T-1	Loan to finance construction of a road in a rural community that provides LMI residents of the area access to employment centers outside of the area.
T-2	Investment in a local cooperative to develop broadband infrastructure and expand access to LMI residents in the area.
T-3	Investment in a local municipal bond to improve city-wide water and wastewater systems with benefit to all residents, including LMI residents.
T-4	Loan for infrastructure improvements, including upgrading roads, water supply and sewer services, to a mobile home park that primarily rents space to LMI residents.
T-5	Financing of a community-wide solar plus energy storage system to reduce utility costs and help maintain affordability for a multifamily housing complex in an LMI community.

§ 25.04(c)(6)(ii) Topic U	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Essential infrastructure that partially or primarily serves: Low- or moderate-income census tracts, distressed areas, underserved areas, disaster areas consistent with a disaster recovery plan, or Indian country or other tribal and native lands
U-1	Public welfare investment, under 12 CFR part 24, that will finance construction of a solar energy facility that uses federal renewable energy tax credits and will provide access to reduced cost electrical utilities to LMI census tracts.
U-2	Investment in a local municipal bond to refurbish a bridge that connects a low-income neighborhood with essential services without which residents would otherwise not have access to those services.
U-3	Investment in a state issued bond to reconstruct a tunnel in a disaster area, consistent with the area's disaster recovery plan.
U-4	Purchase of a local municipal bond, the proceeds of which will be used to upgrade a water pipeline that serves an underserved area.
U-5	Loan to a company to build a new flood control system as identified in the community's disaster recovery plan, such as a levee or storm drain that serves the disaster area.
U-6	Public welfare investment, under 12 CFR part 24, to finance the construction of a broadband network to develop reliable internet access in an LMI census tract.
U-7	Investment in a Special City Taxing District Bond with the purpose of renovating city sidewalks in a distressed area to comply with the Americans with Disabilities Act.

§ 25.04(c)(6)(ii) Topic U	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Essential infrastructure that partially or primarily serves: Low- or moderate-income census tracts, distressed areas, underserved areas, disaster areas consistent with a disaster recovery plan, or Indian country or other tribal and native lands
U-8	Purchase of a municipal bond issued to finance infrastructure improvements to enable a coastal community to prevent flooding in LMI neighborhoods negatively impacted by rising sea levels.

§ 25.04(c)(7)(i) Topic V	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: A family farm's: Purchase or lease of farm land, equipment, and other farm-related inputs for the family farm's use in operating the farm
V-1	Loan to a corn and wheat farm that is a family farm to purchase a tractor.
V-2	Loan to a peanut farm that is a family farm to purchase additional land to increase crop production.
V-3	Loan to a vineyard that is a family farm to purchase additional acreage.

§ 25.04(c)(7)(ii) Topic W	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: A family farm's: Receipt of technical assistance and supportive services for the family farm's own production, such as shared space, technology, or administrative assistance through an intermediary
W-1	Grant to a non-profit organization that provides technical assistance to family farms.

§ 25.04(c)(7)(iii) Topic X	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: A family farm's: Sale and trade of family farm products grown or produced by the family farm
X-1	Loan to a vegetable farm that is a family farm to construct a building from which to sell produce.
X-2	Loan to an aquaculture farm that is a family farm to market and sell its products statewide.

§ 25.04(c)(8)(i) Topic Y	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Federal, state, local, or tribal government programs, projects, or initiatives that: Partially or primarily serve low- or moderate-income individuals or families
Y-1	Grant to a non-profit organization to provide a local government sponsored dress for success program for homeless women.
Y-2	Loan to a non-profit organization to provide a state government sponsored after-school program for students from LMI families.

§ 25.04(c)(8)(ii) Topic Z	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Federal, state, local, or tribal government programs, projects, or initiatives that: Are consistent with a bona fide government revitalization, stabilization, or recovery plan for a low- or moderate-income census tract; a distressed area; an underserved area; a disaster area; or Indian country or other tribal and native lands
Z-1	Grant to a non-profit organization that receives funds from a statewide program to revitalize communities in Indian country or other tribal and native lands.
Z-2	Contribution of other real estate owned property to a local government-owned land bank whose primary purpose is consistent with a government revitalization plan that benefits LMI census tracts.
Z-3	Financing to support cleanup of industrial brownfields in a distressed area as part of a city-sponsored revitalization program.
Z-4	Investment in a Tax Increment Financing bond to finance infrastructure improvements consistent with a government revitalization plan in a distressed area.
Z-5	Loan through a state program to a company to purchase and replace equipment as well as rebuild the manufacturing facility that was damaged by flooding in a federally designated disaster area and supported by the community's disaster recovery plan.

§ 25.04(c)(9) Topic AA	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Financial literacy programs or education or homebuyer counseling
AA-1	Financial counseling by bank employees to participants in a workforce development program.
AA-2	Bank employees conduct first-time homebuyer counseling program for bank customers.
AA-3	Bank employees teach financial education or literacy curricula at local

§ 25.04(c)(9) Topic AA	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Financial literacy programs or education or homebuyer counseling community centers.
AA-4	Bank employees delivering the Federal Deposit Insurance Corporation’s Money Smart Program curriculum to residents at a senior living facility.
AA-5	Grant to a non-profit organization that provides financial literacy courses for a foreclosure prevention program.
AA-6	Activities supporting “train the trainer” programs that are designed to train teachers to provide financial literacy education to their students.
AA-7	In-kind donation of computer equipment to a non-profit that conducts personal money management courses for LMI individuals.
AA-8	Bank employees provide financial education in connection with a school savings program.
AA-9	Loan to a non-profit credit counseling organization that conducts personal money management courses.
AA-10	Donation to an organization that conducts elder financial abuse and identity theft prevention programs.
AA-11	In-kind donation of computer equipment to a non-profit that provides financial literacy courses.
AA-12	Bank employees assist in the preparation of tax filings under the Internal Revenue Service’s Volunteer Income Tax Assistance Program.
AA-13	Bank employees provide homebuyer education to potential buyers of single-family housing developed under a state program for middle-income individuals and families in high-cost areas.
AA-14	Volunteer service to open savings accounts offered through a school-based banking program, including financial literacy, to students of a K-12 school that is located in and serves residents of an LMI census tract.
AA-15	Financial support of a nonprofit community program that provides digital literacy training to residents of an LMI neighborhood, in order to increase their ability to use online banking services.
AA-16	Bank employees provide financial capability training to individuals with disabilities.

§ 25.04(c)(10) Topic BB	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Owner-occupied and rental housing development, construction, rehabilitation, improvement, or maintenance in Indian country or other tribal and native lands
BB-1	Loan to develop housing in Indian country or other tribal and native lands that is guaranteed under HUD’s Title VI Loan Guarantee Program.
BB-2	Loan to construct mixed-income housing under a tribal-government

§ 25.04(c)(10) Topic BB	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Owner-occupied and rental housing development, construction, rehabilitation, improvement, or maintenance in Indian country or other tribal and native lands
	sponsored program in Indian country or other tribal and native lands.
BB-3	Loan to a for-profit developer to construct rental housing in Indian country or other tribal and native lands.

§ 25.04(c)(11) Topic CC	Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports: Qualified opportunity funds, as defined in 26 U.S.C. 1400Z-2(d)(1), that benefit low- or moderate-income qualified opportunity zones, as defined in 26 U.S.C. 1400Z-1(a)
CC-1	Investment in a qualified opportunity fund, established to finance construction of a new manufacturing facility that creates jobs for local residents in an opportunity zone that is also an LMI census tract.
CC-2	Investment in a qualified opportunity fund, established to finance renovation of a vacant building into a cultural arts facility in an opportunity zone that is also an LMI census tract.
CC-3	Investment in a qualified opportunity fund, established to finance the rehabilitation of an acute care hospital facility, including the purchase of new medical equipment, in an opportunity zone that is also an LMI census tract.
CC-4	Investment in a qualified opportunity fund, established to finance improvements to an athletic facility owned and operated for community benefit by a local nonprofit in an opportunity zone that is also an LMI census tract.
CC-5	Investment in a qualified opportunity fund that finances construction of a grocery store in an LMI opportunity zone.
CC-6	Investment in a qualified opportunity fund that finances the construction of a commercial building intended for retail and restaurant use in an LMI opportunity zone.

<p>§ 25.04(c)(12)</p> <p>Topic DD</p>	<p>Community development loans, community development investments, and community development services. A community development loan, community development investment, or community development service is a qualifying activity if it provides financing for or supports:</p> <p>Other activities and ventures undertaken, including capital investments and loan participations, by a bank in cooperation with a minority depository institution, women’s depository institution, Community Development Financial Institution, or low-income credit union, if the activity helps to meet the credit needs of local communities in which such institutions are chartered, including activities that indirectly help to meet community credit needs by promoting the sustainability and profitability of those institutions and credit unions.</p>
DD-1	Bank employee time spent facilitating a loan participation with a minority depository institution, which will help the minority depository institution to meet the credit needs of its local community.
DD-2	Bank employees provide training to CDFI staff on underwriting small farm loans to help the CDFI expand its product offerings to its community.
DD-3	Bank provides in-kind services in the form of free or discounted data processing systems that aids a minority depository institution in serving its customers.
DD-4	Bank donates branch space on a rent-free basis to a low-income credit union to better serve the credit union’s customers.
DD-5	Bank certificate of deposit in a minority depository institution.
DD-6	Loan to enable a minority- or women’s depository institution, low-income credit union, or CDFI to partner with schools or universities to offer financial literacy education to members of the local communities in which such institutions are chartered.
DD-7	Under 12 CFR part 24 authority, a bank’s purchase of common stock for an ownership interest in a minority depository institution to help meet the credit needs of the minority-owned bank’s local community.
DD-8	Bank purchase or sale of a loan participation from or to a minority depository institution.