

## XI. Community Reinvestment Act – Intermediate Small Bank

- “Substantial Noncompliance” -- in accordance with step 6 below. To determine the relative significance of each MSA and non-MSA area to the institution’s preliminary rating, consider:
- a. The significance of the institution’s activities in each compared to the institution’s overall activities;
  - b. The retail lending and community development opportunities in each;
  - c. The importance of the institution to each, particularly in light of the number of other institutions and the extent of their activities in each; and
  - d. Demographic and economic conditions in each.
5. For other institutions, assign one of the four preliminary ratings -- “Satisfactory,” “Outstanding,” “Needs to Improve,” or “Substantial Noncompliance” -- for each state in which the institution has at least one branch and for each multi-state MSA in which the institution has branches in two or more states in accordance with step #6 below. To determine the relative significance of each MSA and the non-MSA area on the institution’s preliminary state rating, consider:
- a. The significance of the institution’s activities in each compared to the institution’s overall activities;
  - b. The retail lending and community development opportunities in each;
  - c. The importance of the institution in each, particularly in light of the number of other institutions and the extent of their activities in each; and
  - d. Demographic and economic conditions in each.
6. Consult the intermediate small institution ratings matrices (lending and community development) and information in work papers to assign a preliminary rating of:
- a. “Satisfactory” if the institution’s performance is rated as “Satisfactory” in each test.
  - b. “Needs to Improve” or “Substantial Noncompliance,” depending upon the degree to which the institution’s performance has failed to meet the standards for a “Satisfactory” rating on a test; or
  - c. “Outstanding” if the institution is rated an “Outstanding” on both tests; or “Outstanding” on one test and the extent to which the institution meets or exceeds the “Satisfactory” criteria on the other test.
7. For an institution with branches in more than one state or multi-state MSA, assign a preliminary rating to the institution as a whole taking into account the institution’s record in different states or multi-state MSAs by considering:
- a. The significance of the institution’s activities in each compared to the institution’s overall activities;
  - b. The retail lending and community development opportunities in each;
  - c. The importance of the institution in providing loans to each, particularly in light of the number of other institutions and the extent of their activities in each; and
  - d. Demographic and economic conditions in each.

<b>Community Development Test Ratings Matrix— Intermediate Small Institutions</b>			
<b>Outstanding</b>	<b>Satisfactory</b>	<b>Needs to Improve</b>	<b>Substantial Noncompliance</b>
The institution’s community development performance demonstrates excellent responsiveness to community development needs in its assessment area(s) through community development loans, qualified investments, and community development services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area(s).	The institution’s community development performance demonstrates adequate responsiveness to the community development needs of its assessment area(s) through community development loans, qualified investments, and community development services as appropriate, considering the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area(s).	The institution’s community development performance demonstrates poor responsiveness to the community development needs of its assessment area(s) through community development loans, qualified investments, and community development services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area(s).	The institution’s community development performance demonstrates very poor responsiveness to the community development needs of its assessment area(s) through community development loans, qualified investments, and community development services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area(s).