

PERFORMANCE CONTEXT

Small Banks (SB) and Intermediate Small Banks (ISB)

Steps to build the documentation that establishes the needs of the community for credit and financial services

Performance Context

- The Performance Context could be considered as your “CRA Fingerprint”!
- Framing Performance Context
 - Description of institution
 - Description of assessment areas
 - Other considerations



Topics

- **Performance Context Consideration**
- **Components of Performance Context**
- **Performance Context Resources**
- **Action Steps**

How is Performance Context Considered?

Examiners will consider performance context data and/or other pertinent information provided by your institution.



Performance Context Components

- **Institution Background**
- **Assessment Area Description**
- **CRA Related Complaints**
- **Community Contacts**



Description of YOUR Institution

● **Background**

- Year established
- Structure
- Business strategy, products, services
- Corporate activities
- Delivery systems
- Market share

Description of YOUR Institution

- **Financial capacity**

- Asset size and mix
- Capital levels
- Liquidity
- Profit margins



Description of YOUR Assessment Area

- **Geographic boundaries**

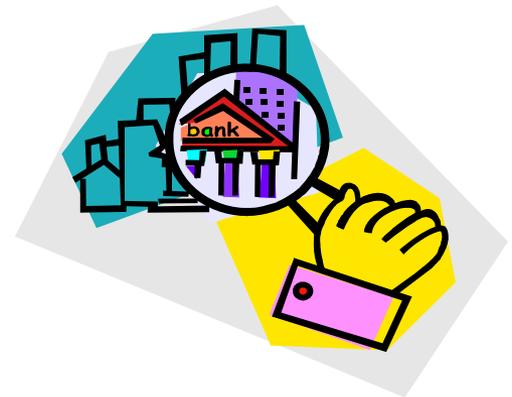
- Number of census tracts
- Census tract anomalies

- **Demographics**

- Low-, moderate-, middle- and upper-income tracts & families (households if considering consumer loans)

Description of YOUR Assessment Area

- **Economic Conditions**
 - Employers and employment trends
 - Major employers
 - Housing



Description of YOUR Assessment Area

- **Competition**

- Similarly situated institutions
- Non-depository institutions



- **Resources that exist in the community**

- CD groups with a mission that aligns with bank's

Review of CRA Related Complaints

- **CRA-Related Complaints**
 - Institution-received complaints
 - Regulator-received complaints



Community Contacts

Conducting community contacts can be beneficial to your institution's performance context.



Conducting Community Contacts

- Identify local officials, groups, or individuals
- Ask those you contact about their background, area of expertise, and community role
 - Identify opportunities for involvement (partnerships)



Conducting Community Contacts

- **Learn local perspective and obtain insight into:**
 - Area's economic conditions
 - Changes in area's description
 - Area's credit needs
 - Institutions' response to needs



QUESTION?

What information can be obtained from conducting a community contact?

ACTION STEPS



1. Develop a performance context for your institution.
2. Develop a strategy to maintain contact with various sectors of the community.
3. Maintain an updated performance context.

Resources

- Consolidated Interagency Procedures
 - Small Bank, Intermediate Small Bank, Large Bank, Limited Purpose, and Strategic Plan issued in July 2007.
 - www.ffiec.gov
- Supervisory agency community affairs departments & examination procedures
- OCC Bulletin 97-26 Performance Context

Resources

- <http://www.ffiec.gov>: HMDA data, CRA data, geocoding/mapping system, rate spread calculator, links to CRA Performance Evaluations
- <http://www.fdic.gov>: Deposit market share data, list of branches, Bank Call Reports
- <http://www.bls.gov>: Employment/unemployment data

QUESTIONS?



Performance Context

THANK YOU!