

XI. Community Reinvestment Act – Large Bank

mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals.

5. Assess the quantity, quality and accessibility of the institution's service-delivery systems provided in low-, moderate-, middle-, and upper-income geographies. Consider the degree to which services are tailored to the convenience and needs of each geography (e.g., extended business hours, including weekends, evenings or by appointment, providing bi-lingual services in specific geographies, etc.).

Community Development Services

6. Identify the institution's community development services, including at the institution's option, services through affiliates, through discussions with management and a review of materials available from the public. Determine whether the services:
 - a. Qualify under the definition of community development services;
 - b. Benefit the assessment area(s) or a broader statewide or regional area encompassing the institution's assessment area(s); and
 - c. If provided by affiliates of the institution, are not claimed by other affiliated institutions.
7. Evaluate in light of information gathered through the performance context procedures:
 - a. The extent of community development services offered and used;
 - b. Their innovativeness, including whether they serve low- or moderate-income customers in new ways or serve groups of customers not previously served; and
 - c. The degree to which they serve low- or moderate-income areas or individuals and their responsiveness to available opportunities for community development services.
8. Discuss with management the preliminary findings.
9. Summarize conclusions about the institution's system for delivering retail banking and community development services, considering:
 - a. The distribution of branches among low-, moderate-, middle-, and upper-income geographies;
 - b. The institution's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
 - c. The availability and effectiveness of alternative systems for delivering retail banking services;
 - d. The extent to which the institution provides community development services;

- e. The innovativeness and responsiveness of community development services; and
- f. The range and accessibility of services provided in low-, moderate-, middle-, and upper-income geographies.

10. Write comments for the public evaluation and the examination report.

Ratings

1. Group the analyses of the assessment areas examined by MSA³ and nonmetropolitan areas within each state where the institution has branches. If an institution has branches in two or more states of a multistate MSA, group the assessment areas that are in that multistate MSA.
2. Summarize conclusions regarding the institution's performance in each MSA and nonmetropolitan portion of each state in which an assessment area was examined using these procedures. If two or more assessment areas in an MSA or in a nonmetropolitan portion of a state were examined using these procedures, determine the relative significance of the institution's performance in each assessment area by considering:
 - a. The significance of the institution's lending, qualified investments, and lending-related services in each compared to the institution's overall activities;
 - b. The lending, investment, and service opportunities in each;
 - c. The significance of the institution's lending, qualified investments, and lending-related services for 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.
3. Evaluate the institution's performance in those assessment area(s) not selected for examination using the full scope procedures.
 - a. Revisit the demographic and lending, investment, and service data considered in scoping the examination. Also, consider the institution's operations (branches, lending portfolio mix, etc.) in the assessment area;
 - b. Through a review of the public file(s), consider any services that are customized to the assessment area; and
 - c. Consider any other information provided by the institution (e.g., CRA self-assessment) regarding its performance in the area.
4. For MSAs, and the nonmetropolitan portion of the state, where one or more assessment areas were examined using the full scope procedures, ensure that performance in the assessment areas not examined using the full scope procedures is consistent with the conclusions based on the

³ The reference to MSA may also reference MD.

assessment areas examined in step 2, above. Select one of the following options for inclusion in the public evaluation:

- a. The institution’s [lending, investment, service] performance in [the assessment area/these assessment areas] is consistent with the institution’s [lending, investment, service] performance in the assessment areas within [the MSA/non-metropolitan portion of the state] that were reviewed using the examination procedures; and
- b. The institution’s [lending/investment/service] performance in [the assessment area/these assessment areas] [exceeds/is below] the [lending/investment/service] performance in the assessment areas within [the MSA/nonmetropolitan portion of the state] that were reviewed using the examination; however, it does not change the conclusion for the [MSA/nonmetropolitan portion of the state].

5. For MSA, and nonmetropolitan portions of the state, where no assessment area was examined using the full scope procedures, form a conclusion regarding the institution’s lending, investment, and service performance in the assessment area(s). When there are several assessment areas in the MSA, or the nonmetropolitan portion of the state, form a conclusion regarding the institution’s performance in the MSA, or the nonmetropolitan portion of the state. Determine the relative significance of the institution’s performance in each assessment area within the MSA, or the nonmetropolitan portion of the state, by considering:

- a. The significance of the institution’s lending, qualified investments, and lending-related services in each compared to the institution’s overall activities; and
- b. Demographic and economic conditions in each.

Also, select one of the following options for inclusion in the public evaluation:

- a. The institution’s [lending, investment, service] performance in [the assessment area/these assessment areas] is consistent with the institution’s [lending, investment, service] performance [overall/in the state]; and
- b. The institution’s [lending/investment/service] performance in [the assessment area/these assessment areas] [exceeds/is below] the [lending/investment/service] performance for the [institution/state], however, it does not change the [institution’s/state] rating.

6. To determine the relative significance of each MSA and nonmetropolitan area to the institution’s overall performance (institutions operating in one state) or statewide or multistate MSA performance (institutions operating in more than one state), consider:

- a. The significance of the institution’s lending, qualified investments, and lending-related services in each compared to the institution’s overall activities;
 - b. The lending, investment, and service opportunities in each;
 - c. The significance of the institution’s lending, qualified investments, and lending-related services for 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.
7. Using the Component Test Ratings chart below, assign component ratings that reflect the institution’s lending, investment, and service performance. In the case of an institution with branches in just one state, one set of component ratings will be assigned to the institution. In the case of an institution with branches in two or more states and multistate MSAs, component ratings will be assigned for each state or multistate MSA reviewed.

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

8. Assign a preliminary composite rating for the institutions operating in only one state and a preliminary rating for each state or multistate MSA reviewed for institutions operating in more than one state. In assigning the rating, sum the numerical values of the component test ratings for the lending, investment and service tests and refer to the chart, below. No institution, however, may receive an assigned rating of “Satisfactory” or higher unless it receives a rating of at least “Low Satisfactory” on the lending test. In addition, an institution’s assigned rating can be no more than three times the score on the lending test.

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Composite Rating	Points Needed
Outstanding	20 points or over
Satisfactory	11 through 19 points
Needs to Improve	5 through 10 points
Substantial Noncompliance	0 through 4 points

9. Consider an institution's past performance if the prior rating was "Needs to Improve." If the poor performance has continued, an institution could be considered for a "Substantial Noncompliance" rating.
10. For institutions with branches in more than one state or multistate MSA, assign a preliminary overall rating. To determine the relative importance of each state and multistate MSA to the institution's overall rating, consider:
 - a. The significance of the institution's lending, qualified investments, and lending-related services in each compared to the institution's overall activities;
 - b. The lending, investment, and service opportunities in each;
 - c. The significance of the institution's lending, qualified investments, and lending-related services for 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.
11. Review the results of the most recent compliance examination and determine whether evidence of discriminatory or other illegal credit practices that violate an applicable law, rule, or regulation should lower the institution's preliminary overall CRA rating, or the preliminary CRA rating for a state or multistate MSA.⁴ If evidence of discrimination or other illegal credit practices by the institution in any geography, or in any assessment area by any affiliate whose loans have been considered as part of the bank's lending performance, was found, consider the following:
 - a. The nature, extent, and strength of the evidence of the practices;
 - b. The policies and procedures that the institution (or affiliate, as applicable) has in place to prevent the practices;

⁴ "Evidence of discriminatory or other illegal credit practices" includes, but is not limited to: (a) Discrimination against applicants on a prohibited basis in violation, for example, of the Equal Credit Opportunity Act or the Fair Housing Act; (b) Violations of the Home Ownership and Equity Protection Act; (c) Violations of section 5 of the Federal Trade Commission Act; (d) Violations of section 8 of the Real Estate Settlement Procedures Act; and (e) Violations of the Truth in Lending Act regarding a consumer's right of rescission.

- c. Any corrective action the institution (or affiliate, as applicable) has taken, or has committed to take, including voluntary corrective action resulting from self-assessment; and
 - d. Any other relevant information.
12. Assign final overall rating to the institution, considering the preliminary rating and any evidence of discriminatory or other illegal credit practices, and discuss conclusions with management.
13. Write comments and conclusions, and create charts and tables reflecting area demographics, the institution's operation and its lending, investment and service activity in each assessment area for inclusion in the public evaluation and examination report.
14. Prepare recommendations for supervisory strategy and matters that require attention for follow-up activities.

Public File Checklist

1. There is no need to review each branch or each complete public file during every examination. In determining the extent to which the institution's public files will be reviewed, consider the institution's record of compliance with the public file requirements in previous examinations; its branching structure and changes to it since its last examination; complaints about the institution's compliance with the public file requirements, and any other relevant information.
2. In any review of the public file undertaken, determine, as needed, whether branches display an accurate public notice in their lobbies and the file(s) in the main office and in each state contains:
 - a. All written comments from the public relating to the institution's CRA performance and responses to them for the current and preceding two calendar years (except those that reflect adversely on the good name or reputation of any persons other than the institution);
 - b. The institution's most recent CRA Public Performance Evaluation;
 - c. A map of each assessment area showing its boundaries, and on the map or in a separate list, the geographies contained within the assessment area;
 - d. A list of the institution's branches, branches opened and closed during the current and each of the prior two calendar years, and their street addresses and geographies;
 - e. A list of services (loan and deposit products and transaction fees generally offered, and hours of operation at the institution's branches), including a description of any material differences in the availability or cost of services between these locations;