

§II.12(h)–6: *Must there be some immediate or direct benefit to the institution's assessment area(s) to satisfy the regulations' requirement that qualified investments and community development loans or services benefit an institution's assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s)?*

A6. No. The regulations recognize that community development organizations and programs are efficient and effective ways for institutions to promote community development. These organizations and programs often operate on a statewide or even multistate basis. Therefore, an institution's activity is considered a community development loan or service or a qualified investment if it supports an organization or activity that covers an area that is larger than, but includes, the institution's assessment area(s). The institution's assessment area(s) need not receive an immediate or direct benefit from the institution's specific participation in the broader organization or activity, provided that the purpose, mandate, or function of the organization or activity includes serving geographies or individuals located within the institution's assessment area(s). In addition, a retail institution that has received on its most recent CRA examination a satisfactory or better rating with respect to both (1) the assessment area(s) with which a regional community development activity is to be associated, and (2) the applicable lending, investment or services test for the institution overall will receive full consideration without discount for certain other community development activities. These community development activities must benefit geographies or individuals located somewhere within a broader statewide or regional area that includes the institution's assessment area(s). Examiners will consider these activities even if they will not benefit the institution's assessment area(s).

**Deleted:** , considering its performance context, has adequately addressed the community development needs of its assessment area(s)

§II.12(h)–7: *What is meant by the term "regional area"?*

A7. A "regional area" may be as large as a multistate area or a quadrant of the country. For example, the "mid-Atlantic states" or "the northeastern quadrant of the U.S." may comprise a regional area. Community development loans and services and qualified investments benefiting statewide or regional organizations or activities that have a bona fide purpose, mandate, or function that includes serving the geographies or individuals within the institution's assessment area(s) will be considered as addressing assessment area needs. In addition, as long as an institution has received on its most recent CRA examination a satisfactory or better rating with respect to both (1) the assessment area(s) with which a regional community development activity is to be associated, and (2) the applicable lending, investment or services test for the institution overall, then it will also receive full consideration without discount for community development activities that benefit geographies or individuals located somewhere within the broader statewide or regional area that includes the institution's assessment area(s), even if those activities do not benefit its assessment area(s).

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**Deleted:** When examiners evaluate community development loans and services and qualified investments that benefit a regional area that includes the institution's assessment area(s), they will consider the institution's performance context as well as the size of the regional area and the actual or potential benefit to the institution's assessment area(s). With larger regional areas, benefit to the institution's assessment area(s) may be diffused and, thus, less responsive to assessment area needs.

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