

ASSESSMENT AREA

Defined as a geographic area delineated in accordance with the regulation.

GENERAL

- A bank shall delineate one or more assessment areas within which the regulator evaluates performance.
- Delineation is not reviewed as a separate performance criterion.

DELINEATION

- Geographic Area must:
 - Consist generally of one or more MSAs or one or more contiguous political subdivisions.
 - Include the geographies in which the bank has its main office, its branches, and its deposit-taking RSFs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans.

ADJUSTMENTS TO GEOGRAPHIC AREA

- A bank may adjust the boundaries of its assessment areas to include only the portion of a political subdivision that it reasonably can be expected to serve.

LIMITATIONS ON THE DELINEATION

- Assessment Area:
 - Must consist only of whole geographies;
 - May not reflect illegal discrimination;
 - May not arbitrarily exclude low- or moderate-income geographies;
 - May not extend substantially beyond a CMSA boundary or beyond a state boundary unless the assessment area is located in a multistate MSA.

USE OF ASSESSMENT AREA

- Regulators use the assessment area delineated by a bank in evaluating CRA performance.
- Adjustments made to a bank's delineation to comply with requirements of regulation.

CENSUS DATA

- Assessment Area should be defined using current census data.
- The geographic income level of a census tract can change.

ADVANCE NOTICE OF PROPOSED RULEMAKING

- ANPR published in Federal Register on February 6, 2004.
- Although considered, no changes regarding Assessment Areas.