

# Community Development Loan

- Definition
  - Primary purpose is community development; and
  - No double counting (exception for multifamily dwelling loan).

# Community Development

- Definition
  - Affordable housing (including multifamily rental housing) for low- or moderate-income individuals;
  - Community services targeted to low- or moderate-income individuals;
  - Activities that promote economic development; or
  - Activities that revitalize or stabilize low- or moderate-income geographies.

# Community Development Loan

- Examples
  - Loans for affordable housing rehabilitation and construction, including construction and permanent financing of multifamily rental property serving low- or moderate-income persons;
  - Loans to not-for-profit organizations serving primarily low- and moderate-income housing or other community development needs;

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- Examples (continued)
  - Loans to construct or rehabilitate community facilities that are located in low- and moderate-income areas or that serve primarily low- and moderate-income individuals;

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- Examples (continued)
  - Loans to financial intermediaries including Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs), minority- and women-owned financial institutions, community loan funds or pools, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;

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- Examples (continued)
  - Loans to local, state, and tribal governments for community development activities; and
  - Loans to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the low- or moderate-income community in which the property is located.

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- Helpful Hints
  - Loan must have one of the four community development hooks.
  - Bank should have a tracking mechanism in place to capture community development loans. This will ensure you receive credit during an evaluation and accurate reporting.

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- Helpful Hints (continued)
  - Be prepared to support why a loan qualifies.
  - Examiners are not required to review an institution's loan portfolio for qualifying loans.
  - CRA Questions and Answers provide useful guidance.