

# Preparing for Large Bank CRA

Margaret Tyndall

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# What is a Large Bank?



- Current:
  - Assets  $\geq$  \$250MM at Dec. 31 last 2 years or
  - Owned by HC w/assets  $\geq$  \$1B at Dec. 31 last 2 years
- Proposed change to:
  - Assets  $\geq$  \$500 million at Dec.31 last two years regardless of HC size

# What does it mean?



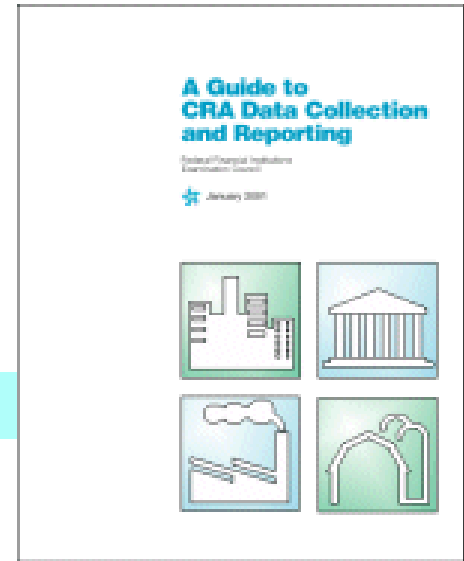
- Data collection and reporting
- Lending, investment & service tests
  - “Community Development” as defined by CRA

# Data Collection

- Small business loans
- Small farm loans
- Community development loans
- Consumer loans (optional)
- Other data

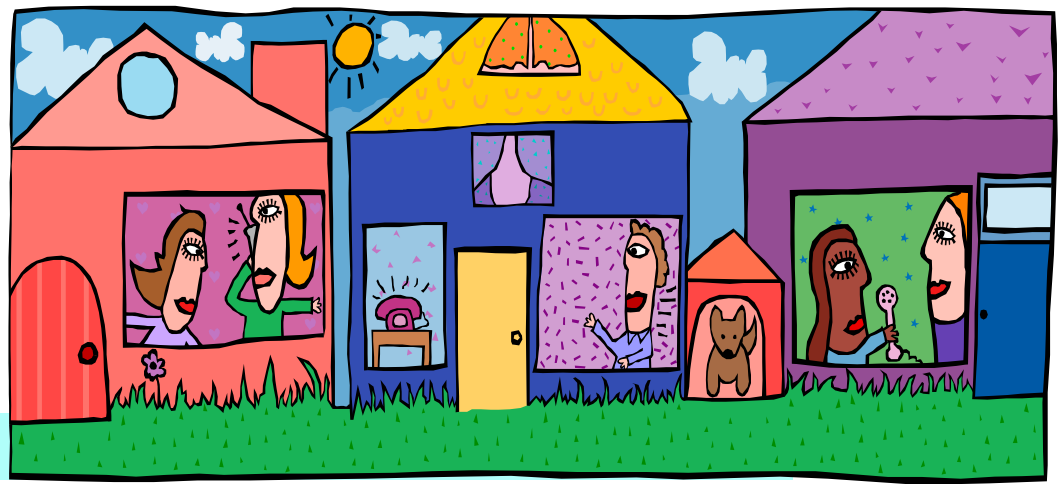


# Data Collection & Reporting



- Guide to CRA Data Collection and Reporting
  - [www.ffiec.gov/cra/howtofile.htm](http://www.ffiec.gov/cra/howtofile.htm)
- Data collection software available (Free!)
  - Call FR Board's CRA Hotline (202) 872-7584
  - Or email [crahelp@frb.gov](mailto:crahelp@frb.gov)
  - [www.ffiec.gov/cra/softinfo.htm](http://www.ffiec.gov/cra/softinfo.htm) for free download

# Community Development



- Loans, investments, services
- Primary purpose of activities must benefit:
  - Low- and moderate-income people or
  - Low- and moderate-income places

# Four Community Development Activities



- Affordable housing for LMI individuals
- Community services targeted to LMI individuals
- Promote economic development by financing small businesses/farms that provide jobs for LMI people or in LMI areas or areas targeted for redevelopment
- Revitalize/stabilize LMI geographies

# Lending Test

- Performance criteria
  - Lending activity (in/out)
  - Geographic distribution
  - Borrower characteristics
  - Innovative/flexible lending practices
  - Community development lending
    - No double counting



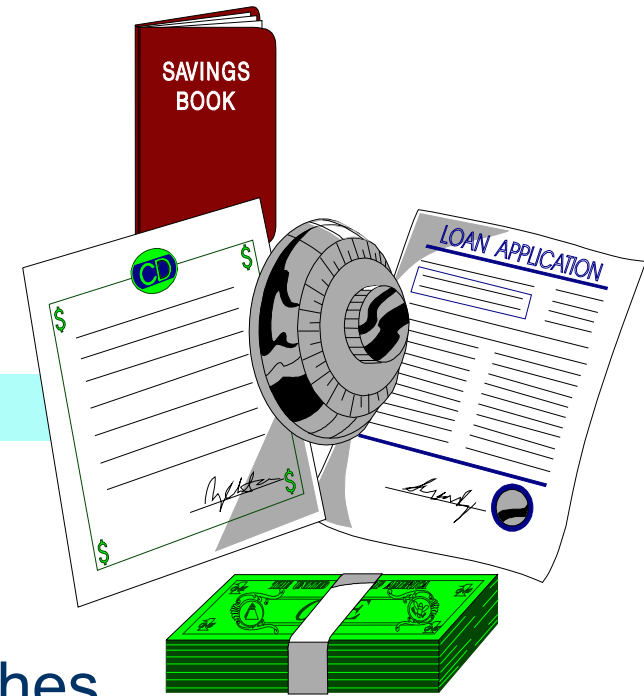
# Investment Test

- Qualified investments
  - Lawful equity investment, deposit, membership share, grant or donation
  - Primary purpose is community development as defined by CRA

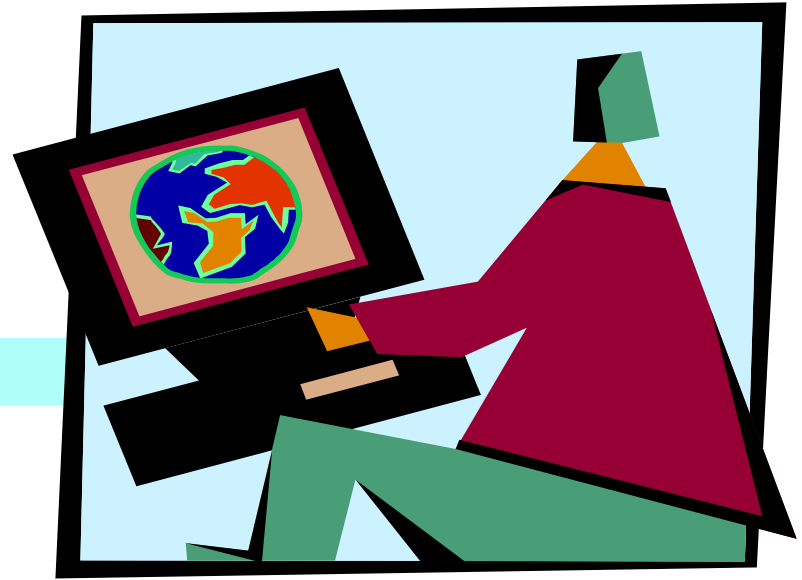


# Service Test

- Retail banking services
  - Distribution of branches
  - Record of opening/closing branches
  - Alternate delivery systems
  - Range of services provided in various income areas
- Community development services
  - Related to provision of financial services



# CRA Resources



- [www.ffiec.gov](http://www.ffiec.gov)
  - CRA Regulation
  - Interagency Q&A (official staff interpretation)
  - Guide to CRA Data Collection and Reporting
  - CRA Exam Schedules
  - CRA Ratings and links to Public Evaluations
  - CRA Data on small business and small farm loans
  - Home Mortgage Disclosure Act (HMDA) data

# CRA Resources



- [www.frbsf.org/cdinvestments/index.html](http://www.frbsf.org/cdinvestments/index.html)
- [www.minneapolisfed.org/community/pubs/](http://www.minneapolisfed.org/community/pubs/)
- [www.federalreserve.gov/communityaffairs/national/](http://www.federalreserve.gov/communityaffairs/national/)

**Federal Reserve Bank of Chicago  
230 South LaSalle  
Chicago, IL 60604**

**Phone: (312) 322-5822  
Email: [margaret.tyndall@chi.frb.org](mailto:margaret.tyndall@chi.frb.org)**