



CRA PERFORMANCE CONTEXT

Objectives:

Upon completion, you should understand:

- What your performance context is;
- How it's considered; and
- How you can contribute to the examiners' understanding of your institution and assessment area.

Or...

BE PREPARED!

2008 EDITION

**PERFORMANCE
CONTEXT
FOR
DUMMIES**

**ARE YOU
LOOKING AT
YOUR
PERFORMANCE
CONTEXT?
EXAMINERS
ARE!**

**WOW! I GOT
AN OUTSTANDING!**

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The image is a parody of the 'For Dummies' book cover. It features a yellow background with a black diagonal band. The title 'PERFORMANCE CONTEXT FOR DUMMIES' is written in large, bold, white and yellow letters. A cartoon character with spiky black hair and large eyes is shown at the bottom, with a red speech bubble containing the text 'WOW! I GOT AN OUTSTANDING!'. The text 'ARE YOU LOOKING AT YOUR PERFORMANCE CONTEXT? EXAMINERS ARE!' is written in red on the yellow background. At the top left, it says 'BE PREPARED!' and at the top right, '2008 EDITION'.

Performance Context

- CRA Fingerprint



- Framing Performance Context
 - Description of Institution
 - Description of Assessment Area
 - Other Considerations

Performance Context

- Description of Institution
 1. Background
 2. Ability and Capacity
 3. Holding Company / Affiliates / Subsidiary



Description of Institution

1. Background

- Year Established
- General Business Strategy
- Assessment Areas / Number of Offices
- Other Facilities (ATMs / LPOs)

Description of Institution

2. Ability and Capacity

- Financial Data
 - Asset Size and Mix
 - Capital Levels
 - Liquidity Levels
 - Profit Margins
- Lending Focus
 - Loan Portfolio Mix (Originations & Purchases)



Description of Institution

3. Holding Company / Affiliate / Subsidiary

- Size and Nature of Business
- Influence on Bank's CRA Activities



Performance Context

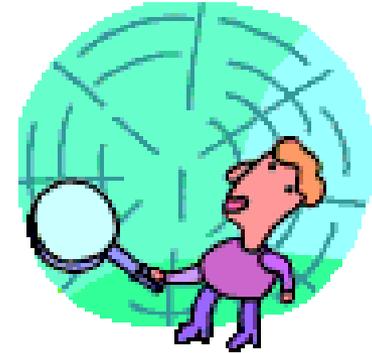
- Description of Assessment Area
 1. Specific Description & Demographic Data
 2. Economic Data
 3. Community Contacts



Description of Assessment Area

1. Specific Description

- Physical Description
 - Number of Census Tracts
 - Census Tract Anomalies
- Demographics
 - LOW, MOD, MID, UPP tracts & families
 - Housing Data
 - Small Business / Small Farm Data



Description of Assessment Area

2. Economic Data

- Area's Economic Condition
 - Employment Data
- Economic Forces
 - Major Employers
- Competition
 - Comparable Institutions

Description of Assessment Area

3. Community Contacts

- Insight Into Area's Economic Condition
- Insight Into Changes in Area's Description
- Insight Into Area's Credit Needs
- Insight Into Institutions' Response



Other Performance Context Considerations

- **CRA-Related Complaints**
 - Institution-received complaints
 - Regulator-received complaints
- **Discriminatory or Illegal Credit Practices**
 - ECOA or FHA discrimination violations
 - HOEPA violations
 - FTC Act Section 5 violations
 - RESPA Section 8 violations
 - TILA Right of Rescission violations



ACTION STEPS



1. **Develop a performance context** for your institution;
2. **Expand your realm of contacts and questions** beyond potential customers and customer-related questions;
3. Finally, once you have developed your **performance context, keep it updated.**

QUESTIONS????

