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!

Performance Context for Dummies

Are you looking at your Performance Context? Examiners are!

Wow! I got an Outstanding!

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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
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
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
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?????