



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!**

www.txt2pic.com

The image is a parody of the 'For Dummies' book cover. It features a yellow background with a black diagonal band. At the top left, a yellow banner says 'BE PREPARED!' in red. At the top right, a red banner says '2008 EDITION' in white. The main title 'PERFORMANCE CONTEXT FOR DUMMIES' is written in white and yellow. Below the title, a yellow section contains the text 'ARE YOU LOOKING AT YOUR PERFORMANCE CONTEXT? EXAMINERS ARE!' in red. To the right, a red speech bubble says 'WOW! I GOT AN OUTSTANDING!' in white. At the bottom, a cartoon character with spiky black hair and large eyes is shown. The website 'www.txt2pic.com' is at the bottom left.

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????

