bank renew the lease at the lessee’s option, and the bank cannot reasonably avoid its commitment to do so; and (3) The bank determines in good faith, and demonstrates by appropriate documentation, that renewal of the lease is necessary to avoid financial loss and to recover its investment in, and its cost of financing, the leased property.

PART 24—COMMUNITY AND ECONOMIC DEVELOPMENT ENTITIES, COMMUNITY DEVELOPMENT PROJECTS, AND OTHER PUBLIC WELFARE INVESTMENTS

§ 24.2 Definitions.

For purposes of this part, the following definitions apply:

(a) Adequately capitalized has the same meaning as adequately capitalized in 12 CFR 6.4.

(b) Capital and surplus means:

(1) A bank’s Tier 1 and Tier 2 capital calculated under the OCC’s risk-based capital standards set out in appendix A to 12 CFR part 3 as reported in the bank’s Consolidated Report of Condition and Income as filed under 12 U.S.C. 161; plus

(2) The balance of a bank’s allowance for loan and lease losses not included in the bank’s Tier 2 capital, for purposes of the calculation of risk-based capital under appendix A to 12 CFR part 3, as reported in the bank’s Consolidated Report of Condition and Income as filed under 12 U.S.C. 161.

(c) Community and economic development entity (CEDE) means an entity that makes investments or conducts activities that primarily benefit low- and moderate-income individuals, low- and moderate-income areas, or other areas targeted by a governmental entity for redevelopment, or would receive consideration as “qualified investments” under 12 CFR 25.23. The following is a non-exclusive list of examples of the types of entities that may be CEDEs:

(1) National bank community development corporation subsidiaries;

(2) Private or nonbank community development corporations;

(3) CDFI Fund-certified Community Development Financial Institutions or Community Development Entities;