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(4) The degree to which the qualified investments are not routinely provided by private investors.

(f) Investment performance rating. The FDIC rates a bank’s investment performance as provided in Appendix A of this part.

§345.24 Service test.

(a) Scope of test. The service test evaluates a bank’s record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of a bank’s systems for delivering retail banking services and the extent and innovativeness of its community development services.

(b) Area(s) benefited. Community development services must benefit a bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

(c) Affiliate service. At a bank’s option, the FDIC will consider, in its assessment of a bank’s service performance, a community development service provided by an affiliate of the bank, if the community development service is not claimed by any other institution.

(d) Performance criteria—retail banking services. The FDIC evaluates the availability and effectiveness of a bank’s systems for delivering retail banking services, pursuant to the following criteria:

(1) The current distribution of the bank’s branches among low-, moderate-, middle-, and upper-income geographies;

(2) In the context of its current distribution of the bank’s branches, the bank’s record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;

(3) The availability and effectiveness of alternative systems for delivering retail banking services (e.g., RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and

(4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

(e) Performance criteria—community development services. The FDIC evaluates community development services pursuant to the following criteria:

(1) The extent to which the bank provides community development services; and

(2) The innovativeness and responsiveness of community development services.

(f) Service performance rating. The FDIC rates a bank’s service performance as provided in Appendix A of this part.

§345.25 Community development test for wholesale or limited purpose banks.

(a) Scope of test. The FDIC assesses a wholesale or limited purpose bank’s record of helping to meet the credit needs of its assessment area(s) under the community development test through its community development lending, qualified investments, or community development services.

(b) Designation as a wholesale or limited purpose bank. In order to receive a designation as a wholesale or limited purpose bank, a bank shall file a request, in writing, with the FDIC, at least three months prior to the proposed effective date of the designation. If the FDIC approves the designation, it remains in effect until the bank requests revocation of the designation or until one year after the FDIC notifies the bank that the FDIC has revoked the designation on its own initiative.

(c) Performance criteria. The FDIC evaluates the community development performance of a wholesale or limited purpose bank pursuant to the following criteria:

(1) The number and amount of community development loans (including originations and purchases of loans and other community development loan data provided by the bank, such as data on loans outstanding, commitments, and letters of credit), qualified investments, or community development services;
§ 345.26 Small bank performance standards.

(a) Performance criteria—(1) Small banks that are not intermediate small banks. The FDIC evaluates the record of a small bank that is not, or that was not during the prior calendar year, an intermediate small bank, of helping to meet the credit needs of its assessment area(s) pursuant to the criteria set forth in paragraph (b) of this section.

(b) Lending test. A small bank’s lending performance is evaluated pursuant to the following criteria:

(1) The bank’s loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;

(2) The percentage of loans and, as appropriate, other lending-related activities located in the bank’s assessment area(s);

(3) The bank’s record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;

(4) The geographic distribution of the bank’s loans; and

(5) The bank’s record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

(c) Community development test. An intermediate small bank’s community development performance also is evaluated pursuant to the following criteria:

(1) The number and amount of community development loans;

(2) The number and amount of qualified investments;

(3) The extent to which the bank provides community development services; and

(4) The bank’s responsiveness through such activities to community development lending, investment, and services needs.

(d) Small bank performance rating. The FDIC rates the performance of a bank evaluated under this section as provided in appendix A of this part.


§ 345.27 Strategic plan.

(a) Alternative election. The FDIC will assess a bank’s record of helping to meet the credit needs of its assessment area(s) under a strategic plan if: