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2 CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

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5 BANK COMMUNITY REINVESTMENT

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47 AUTHORITY: Implementing and authorized by the Illinois Community Reinvestment Act [205
48 ILCS 735].

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50 SOURCE: Adopted at 48 Ill. Reg. _____, effective _____.

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52 SUBPART A: GENERAL

53
54 **Section 345.10 Authority, Purposes, and Scope**

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- 56 a) The Illinois Community Reinvestment Act (ILCRA) [205 ILCS 735] authorizes
57 this Part.
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59 b) Purposes. This Part is intended to carry out the purposes of the Illinois
60 Community Reinvestment Act (ILCRA) by establishing the framework and
61 criteria by which the Secretary assesses the ILCRA record of a bank, as defined
62 by Section 345.10. Without limiting the aforementioned purpose, specific
63 purposes of this Part include:
 - 64
65 1) Establishment of rules pursuant to Section 35-10(b) of the ILCRA, which
66 requires that this Part incorporate federal rules promulgated under the
67 federal Community Reinvestment Act [12 U.S.C. 2901; see also 12 CFR
68 345]. Specifically, Section 35-10(b) of the ILCRA states, in relevant part:
69 *To assist in carrying out this Act, the Secretary shall adopt rules*
70 *incorporating the regulations applicable to covered financial institutions*
71 *under federal law, and the Secretary may make such adjustments and*
72 *exceptions thereto as are deemed necessary.* [205 ILCS 735/35-10(b)]
 - 73
74 2) Accordingly, this Part
 - 75
76 A) may include references to federal statutes or administrative rules
77 established pursuant to the federal Community Reinvestment Act;
78 and
 - 79
80 B) except where this Subpart makes adjustments or exceptions to the
81 federal rules established pursuant to the federal Community
82 Reinvestment Act or where inconsistent with the ILCRA or this
83 Subpart, this Subpart shall be construed and interpreted
84 consistently with the appropriate federal financial supervisory
85 agency's construction and interpretation of the federal rules.
- 86

- 87 3) Establishment of rules as required by Section 35-10(c) of the ILCRA.
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89 4) Establishment of rules as the Secretary may deem appropriate as
90 authorized by the Act under Section 35-15(a), Section 35-35, or otherwise.
91 These rules shall be liberally construed to effectuate their purpose.
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93 c) Scope.
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95 1) General. Except for certain special purpose banks described in subsection
96 (c)(3), this Part applies to all State banks and savings banks.
97
98 2) Foreign Bank Corporations. In the case of banking offices of a foreign
99 banking corporation, as defined in Section 2 of the Foreign Banking
100 Office Act [205 ILCS 645/2], references in this Part to "main office" mean
101 the principal branch within the State and the term "branch" or "branches"
102 refers to any branch or branches located within the State. The "assessment
103 area" of a banking office is the community or communities located within
104 the State served by the branch as described in Section 345.400.
105
106 3) Certain special purpose banks. This Part does not apply to special purpose
107 banks that do not perform commercial or retail banking services by
108 granting credit to the public in the ordinary course of business, other than
109 as incident to their specialized operations. These banks include banker's
110 banks, as defined in Section 5c of the Illinois Banking Act [205 ILCS
111 5/5c], and banks that engage only in one or more of the following
112 activities: providing cash management controlled disbursement services or
113 serving as correspondent banks, trust companies, or clearing agents.
114

115 **Section 345.20 Definitions**

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117 For purposes of this Part, the following definitions apply:

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119 "Affiliate" means any company that controls, is controlled by, or is under
120 common control with another company. The term "control" has the meaning
121 given to that term in 12 U.S.C. 1841(a)(2), and a company is under common
122 control with another company if both companies are directly or indirectly
123 controlled by the same company.
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125 "Alternative financial products or services" means financial products or services
126 offered by persons other than an insured depository institution at a higher cost
127 than comparable services offered by an insured depository institution.
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129 "Area median income" means:

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the median family income for the Metropolitan Statistical Area (MSA), if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or

the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

"Assessment area" means a geographic area delineated in accordance with Section 345.400.

"Remote Service Facility (RSF)" means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank, such as an automated teller machine, cash dispensing machine, point-of-sale terminal, or other remote electronic facility, at which deposits are received, cash dispersed, or money lent.

"Bank" means a bank that has a charter issued under the Illinois Banking Act [205 ILCS 5], a savings bank that has a charter issued under the Savings Bank Act [205 ILCS 205], and an FDIC-insured banking office of a foreign banking corporation issued a certificate of authority under the Foreign Banking Office Act [205 ILCS 645].

"Branch" means a staffed banking facility defined as a branch under Section 2 of the Illinois Banking Act [205 ILCS 5/2] or Section 1007.20 of the Illinois Savings Bank Act [205 ILCS 205/1007.20], and a branch of a banking office of a foreign banking corporation issued a certificate of authority under the Foreign Banking Office Act [205 ILCS 645], whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

"Community development" means:

Affordable housing (including multifamily rental housing) for low- or moderate-income individuals;

Community services targeted to low- or moderate-income individuals;

Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or

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Activities that revitalize or stabilize –

Low-or moderate-income geographies;

Designated disaster areas;

Distressed or underserved nonmetropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC, and Office of the Comptroller of the Currency, based on –

Rates of poverty, unemployment, and population loss; or

Population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals; or

Unbanked or underbanked geographies.

Activities targeted to directly and tangibly –

Increase climate resilience in low-income to moderate-income neighborhoods; or

Mitigate environmental harm in low-income to moderate-income neighborhoods.

"Community development loan" means a loan that:

Has as its primary purpose community development; and

Except in the case of a wholesale or limited purpose bank:

Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless the loan is for a multifamily dwelling (as defined in 12 CFR 1003.2(n)); and

Benefits the bank's assessment area or a broader statewide or regional area that includes the bank's assessment area.

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"Community development service" means a service that:

Has as its primary purpose community development;

Is related to the provision of financial services; and

Has not been considered in the evaluation of the bank's retail banking services under Section 345.240(d).

"Consumer loan" means a loan to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. Consumer loans include the following categories of loans:

Motor vehicle loan, which is a consumer loan extended for the purchase of and secured by a motor vehicle;

Credit card loan, which is a line of credit for household, family, or other personal expenditures that is accessed by a borrower's use of a "credit card," as this term is defined in 12 CFR 1026.2;

Other secured consumer loan, which is a secured consumer loan that is not included in one of the other categories of consumer loans; and

Other unsecured consumer loan, which is an unsecured consumer loan that is not included in one of the other categories of consumer loans.

"Department" means the Illinois Department of Financial and Professional Regulation.

"Geography" means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

"Home mortgage loan" means a closed-end mortgage loan or an open-end line of credit as these terms are defined under Section 1003.2 and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (10) and (13).

"Income level" includes:

Low-income, which means an individual income that is less than 50 percent of the area median income or a median family income that is less than 50 percent in the case of a geography.

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Moderate-income, which means an individual income that is at least 50 percent and less than 80 percent of the area median income or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-income, which means an individual income that is at least 80 percent and less than 120 percent of the area median income or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-income, which means an individual income that is 120 percent or more of the area median income or a median family income that is 120 percent or more in the case of a geography.

"Limited purpose bank" means a bank that offers only a narrow product line (such as credit card or motor vehicle loans) to a regional or broader market and for which a designation as a limited purpose bank is in effect, in accordance with Section 345.250(b).

"Loan location". A loan is located as follows:

A consumer loan is located in the geography where the borrower resides;

A home mortgage loan is located in the geography where the property to which the loan relates is located; and

A small business or small farm loan is located in the geography where the main business facility or farm is located or where the loan proceeds otherwise will be applied, as indicated by the borrower.

"Loan production office" means a staffed facility of a bank, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

"Metropolitan division" means a metropolitan division as defined by the United States Director of the Office of Management and Budget.

"Metropolitan Statistical Area (MSA)" means a metropolitan statistical area as defined by the United States Director of the Office of Management and Budget.

"Nonmetropolitan area" means any area that is not located in an MSA.

302 "Qualified investment" means a lawful investment, deposit, membership share, or
303 grant that has as its primary purpose community development.
304

305 "Small Bank" means a bank that is a small bank under federal administrative rules
306 established by the bank's primary federal financial supervisory agency pursuant to
307 the federal Community Reinvestment Act and an intermediate small bank means a
308 bank that is an intermediate small bank under federal administrative rules
309 established by the bank's primary federal financial supervisory agency pursuant to
310 the federal Community Reinvestment Act.

311 "Small business loan" means a loan included in "loans to small businesses" as
312 defined in the instructions for preparation of the Consolidated Report of
313 Condition and Income (Federal Financial Institution Examination Council
314 (FFIEC) 031 and 041).
315

316 "Substantial Majority" means a portion of the bank's lending activity so
317 significant by number and dollar volume of loans that the lending test evaluation
318 would not meaningfully reflect its lending performance if consumer loans were
319 excluded.
320

321 "Small farm loan" means a loan included in "loans to small farms" as defined in
322 the instructions for preparation of the Consolidated Report of Condition and
323 Income (FFIEC 031 and 041).
324

325 "Special credit program" means any credit program offered by a bank to meet
326 special social needs which is in conformity with and explicitly authorized by the
327 Equal Credit Opportunity Act (15 U.S.C. 1691(c)) and Regulation B (12 C.F.R.
328 1002.8).
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330 "Unbanked person" means an individual that does not have a checking or savings
331 account with an insured depository institution.
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333 "Underbanked person" means an individual that has a checking or saving account
334 with an insured depository institution but that used financial products or services
335 from a person other than an insured depository institution in the past 12 months.
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337 "Very Small Bank" means a bank that is eligible for the Very Small Bank
338 Examination Procedure set forth in Section 345.450(b).
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340 "Wholesale bank" means a bank that is not in the business of extending home
341 mortgage, small business, small farm, or consumer loans to retail customers, and
342 for which a designation as a wholesale bank is in effect, in accordance with
343 Section 345.250(b).
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SUBPART B: STANDARDS OF ASSESSING PERFORMANCE

Section 345.200 Assessment Factors

As used in this Part, "assessment factors" means the assessment of the following factors to determine whether a bank is meeting the financial services needs of local communities:

- a) activities to ascertain the financial services needs of the community, including communication with community members regarding the financial services provided;
- b) extent of marketing to make members of the community aware of the financial services offered;
- c) origination of mortgage loans including, but not limited to, home improvement and rehabilitation loans, and other efforts to assist existing low-income and moderate-income resident to be able to remain in affordable housing in their neighborhoods;
- d) for small business lenders, the origination of loans to businesses with gross annual revenues of \$1,000,000.00 or less, particularly those in low-income and moderate-income neighborhoods;
- e) participation, including investments, in community development and redevelopment programs, small business technical assistance programs, minority-owned depository institutions, community development financial institutions, and mutually owned financial institutions;
- f) efforts working with delinquent customers to facilitate a resolution of the delinquency;
- g) origination of loans that show an under concentration and a systemic pattern of lending resulting in the loss of affordable housing units;
- h) evidence of discriminatory and prohibited practices; and
- i) offering retail banking services to unbanked and underbanked persons.

Section 345.210 Performance Tests, Standards, and Ratings, in General

- a) Performance tests and standards. The Secretary assesses the ILCRA performance of a bank in an examination as follows:

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- 1) Lending, investment, and service tests. The Secretary applies the assessment factors, as provided in Section 345.200, and lending, investment, and service tests, as provided in Section 345.220 through 345.240, in evaluating the performance of a bank, except as provided in subsections (a)(2), (a)(3), and (a)(4).
 - 2) Community development test for wholesale or limited purpose banks. The Secretary applies the community development test for a wholesale or limited purpose bank, as provided in Section 345.250, except as provided in subsection (a)(4).
 - 3) Small bank performance standards. The Secretary applies the small bank performance standards as provided in Section 345.260 in evaluating the performance of a small bank or a bank that was a small bank during the prior calendar year, unless the bank elects to be assessed as provided in subsections (a)(1), (a)(2), or (a)(4). The bank may elect to be assessed as provided in subsection (a)(1) only if it collects and reports the data required for other banks under Section 345.410.
 - 4) Strategic plan. The Secretary evaluates the performance of a bank under a strategic plan if the bank submits, and the Secretary approves, a strategic plan as provided in Section 345.270.
- b) Performance context. The Secretary applies the tests and standards in subsection (a) and also considers whether to approve a proposed strategic plan in the context of:
- 1) Demographic data on median income levels, distribution of household income, nature of housing stock, housing costs, and other relevant data pertaining to a bank's assessment area;
 - 2) Any information about lending, investment, and service opportunities in the bank's assessment area maintained by the bank or obtained from community organizations, state, local, and tribal governments, economic development agencies, or other sources;
 - 3) The bank's product offerings and business strategy as determined from data provided by the bank;
 - 4) Institutional capacity and constraints, including the size and financial condition of the bank, the economic climate (national, regional, and local), safety and soundness limitations, and any other factors that significantly

- 431 affect the bank's ability to provide lending, investments, or services in its
 432 assessment area;
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- 434 5) The bank's past performance and the performance of similarly situated
 435 lenders;
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- 437 6) The bank's public file, as described in Section 345.420, and any written
 438 comments about the bank's ILCRA performance submitted to the bank or
 439 the Secretary;
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- 441 7) The bank's public file, as described in 12 CFR 345.43, and any written
 442 comments about the bank's federal Community Reinvestment Act
 443 performance submitted to the bank or its federal regulator; and
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- 445 8) Any other information deemed relevant by the Secretary.
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- 447 c) Assigned ratings. The Secretary assigns to a bank one of the following four
 448 ratings pursuant to Section 345.280 and 345.APPENDIX A: "outstanding";
 449 "satisfactory"; "needs to improve"; or "substantial noncompliance" as provided in
 450 Section 35-15(c) of the ILCRA. The rating assigned by the Secretary reflects the
 451 bank's record of helping to meet the credit needs of its entire community,
 452 including low- and moderate-income neighborhoods, consistent with the safe and
 453 sound operation of the bank.
 454
- 455 d) Safe and sound operations. This Part and the ILCRA do not require a bank to
 456 make loans or investments or to provide services that are inconsistent with safe
 457 and sound operations. To the contrary, the Secretary anticipates banks can meet
 458 the standards of this Part with safe and sound loans, investments, and services on
 459 which the banks expect to make a profit. Banks are permitted and encouraged to
 460 develop and apply flexible underwriting standards for loans that benefit low- or
 461 moderate-income geographies or individuals, only if consistent with safe and
 462 sound operations.
 463
- 464 e) Low-cost education loans provided to low-income borrowers. In assessing and
 465 taking into account the record of a bank under this Part, the Secretary considers,
 466 as a factor, low-cost education loans originated by the bank to borrowers,
 467 particularly in its assessment area, who have an individual income that is less than
 468 50 percent of the area median income. For purposes of this subsection, "low-cost
 469 education loans" means any education loan, as defined in section 140(a)(7) of the
 470 Truth in Lending Act (15 U.S.C. 1650(a)(7)) (including a loan under a state or
 471 local education loan program), originated by the bank for a student at an
 472 "institution of higher education", as that term is generally defined in sections 101
 473 and 102 of the Higher Education Act of 1965 (20 U.S.C. 1001 and 1002) and the

474 implementing regulations published by the U.S. Department of Education, with
 475 interest rates and fees no greater than those of comparable education loans offered
 476 directly by the U.S. Department of Education. Such rates and fees are specified in
 477 section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e).

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 479 f) Activities in cooperation with minority- or women-owned financial institutions
 480 and low-income credit unions. In assessing and taking into account the record of
 481 a nonminority-owned and nonwomen-owned bank under this Part, the Secretary
 482 considers as a factor capital investment, loan participation, and other ventures
 483 undertaken by the bank in cooperation with minority- and women-owned
 484 financial institutions and low-income credit unions, and the Secretary may
 485 consider favorably whether the minority- and women-owned financial institutions
 486 and low-income credit unions are organized under the laws of Illinois and/or are
 487 mutually-owned. Such activities must help meet the credit needs of local
 488 communities in which the minority- and women-owned financial institutions and
 489 low-income credit unions are chartered. To be considered, such activities need not
 490 also benefit the bank's assessment area or the broader Statewide or regional area
 491 that includes the bank's assessment area.

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 493 **Section 345.220 Lending Test**

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 495 a) Scope of test.
- 496
 497 1) The lending test evaluates a bank's record of helping to meet the credit
 498 needs of its assessment area through its lending activities by considering a
 499 bank's home mortgage, small business, small farm, and community
 500 development lending. If consumer lending constitutes a substantial
 501 majority of a bank's business, the Secretary will evaluate the bank's
 502 consumer lending in one or more of the following categories: motor
 503 vehicle, credit card, other secured, and other unsecured loans. In addition,
 504 at a bank's option, the Secretary will evaluate one or more categories of
 505 consumer lending, if the bank has collected and maintained, as required in
 506 Section 345.410(c)(1), the data for each category that the bank elects to
 507 have the Secretary evaluate.
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 509 2) The Secretary considers originations and initial purchases of loans. The
 510 Secretary will also consider any other loan data the bank may choose to
 511 provide, including data on loans outstanding, commitments and letters of
 512 credit.
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 514 3) A bank may ask the Secretary to consider loans originated or purchased by
 515 consortia in which the bank participates or by third parties in which the
 516 bank has invested only if the loans meet the definition of community

517 development loans and only in accordance with subsection (d). The
518 Secretary will not consider these loans under any criterion of the lending
519 test except the community development lending criterion.
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521 b) Performance criteria. The Secretary evaluates a bank's lending performance
522 considering the assessment factors in Section 345.200 and pursuant to the
523 following criteria:
524

- 525 1) Lending activity. The number and amount of the bank's home mortgage,
526 small business, small farm, and consumer loans, if applicable, in the
527 bank's assessment area;
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- 529 2) Geographic distribution. The geographic distribution of the bank's home
530 mortgage, small business, small farm, and consumer loans, if applicable,
531 based on the loan location, including:
532
 - 533 A) The proportion of the bank's lending in the bank's assessment area;
 - 534 B) The dispersion of lending in the bank's assessment area; and
 - 535 C) The number and amount of loans in low-, moderate-, middle-, and
536 upper-income geographies in the bank's assessment area.
- 537 3) Borrower characteristics. The distribution, particularly in the bank's
538 assessment area, of the bank's home mortgage, small business, small farm,
539 and consumer loans, if applicable, based on borrower characteristics,
540 including the number and amount of:
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 - 542 A) Home mortgage loans to low-, moderate-, middle-, and upper-
543 income individuals;
 - 544 B) Small business and small farm loans to businesses and farms with
545 gross annual revenues of \$1 million or less;
 - 546 C) Small business and small farm loans by loan amount at origination;
547 and
 - 548 D) Consumer loans, if applicable, to low-, moderate-, middle-, and
549 upper-income individuals.
- 550 4) Community development lending. The bank's community development
551 lending, including the number and amount of community development
552 loans, and their complexity and innovativeness; and
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- 5) Innovative or flexible lending practices. The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies. Such lending practices may include efforts working with delinquent customers to facilitate a resolution of the delinquency, in which case the bank shall maintain written loss mitigation/workout policies and procedures. In assessing performance pursuant to this Part, the Secretary shall consider whether a bank offers special credit programs. The bank must be able to show that the program will fall under any of the following:
 - A) Any credit assistance program expressly authorized by federal or state law for the benefit of an economically disadvantaged class of persons;
 - B) Any credit assistance program offered by a not-for-profit organization for the benefit of its members or an economically disadvantaged class of persons; or
 - C) Any special credit program offered by a for-profit organization, or in which such an organization participates to meet special social needs, if it meets certain standards prescribed in 12 C.F.R. 1002.8(a)(3)(i).

c) Affiliate lending.

- 1) At a bank's option, the Secretary will consider loans by an affiliate of the bank, if the bank provides data on the affiliate's loans pursuant to Section 345.410.
- 2) The Secretary considers affiliate lending subject to the following constraints:
 - A) No affiliate may claim a loan origination or loan purchase if another institution claims the same loan origination or purchase and in this regard the bank shall monitor and keep records of whether such claims exist; and
 - B) If a bank elects to have the Secretary consider loans within a particular lending category made by one or more of the bank's affiliates in a particular assessment area, the bank shall elect to have the Secretary consider, in accordance with subsection (c)(1),

602 all the loans within that lending category in that particular
603 assessment area made by all of the bank's affiliates.

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- 605 3) The Secretary does not consider affiliate lending in assessing a bank's
606 performance under subsection (b)(2)(A).
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- 608 d) Lending by a consortium or a third party. Community development loans
609 originated or purchased by a consortium in which the bank participates or by a
610 third party in which the bank has invested:
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- 612 1) Will be considered, at the bank's option, if the bank reports the data
613 pertaining to these loans under Section 345.410(b)(2); and
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- 615 2) May be allocated among participants or investors, as they choose, for
616 purposes of the lending test, except that no participant or investor:
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- 618 A) May claim a loan origination or loan purchase if another
619 participant or investor claims the same loan origination or purchase
620 and in this regard the bank shall monitor and keep records of
621 whether such claims exist; or
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- 623 B) May claim loans accounting for more than its percentage share
624 (based on the level of its participation or investment) of the total
625 loans originated by the consortium or third party.
626
- 627 e) Lending performance rating. The Secretary rates a bank's lending performance as
628 provided in Section 345.APPENDIX A.
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630 **Section 345.230 Investment Test**

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- 632 a) Scope of test. The investment test evaluates a bank's record of helping to meet
633 the credit needs of its assessment area through qualified investments that benefit
634 its assessment area or a broader statewide or regional area that includes the bank's
635 assessment area.
636
- 637 b) Exclusion. Activities considered under the lending or service tests may not be
638 considered under the investment test.
639
- 640 c) Affiliate investment. At a bank's option, the Secretary will consider, in its
641 assessment of a bank's investment performance, a qualified investment made by
642 an affiliate of the bank, if the qualified investment is not claimed by any other
643 institution. If a bank has established a foundation, the Secretary will consider, at
644 the bank's option, qualified investments and donations of any such foundation if

- 645 those investments or donations have the primary purpose of community
646 development.
647
- 648 d) Disposition of branch premises. Donating, selling on favorable terms, or making
649 available on a rent-free basis a branch of the bank that is located in a
650 predominantly minority neighborhood to a minority depository institution or
651 women's depository institution (as these terms are defined in 12 U.S.C. 2907(b))
652 will be considered as a qualified investment.
653
- 654 e) Performance criteria. The Secretary evaluates the investment performance of a
655 bank considering the assessment factors in Section 345.200 and pursuant to the
656 following criteria:
657
- 658 1) The dollar amount of qualified investments;
 - 659 2) The innovativeness or complexity of qualified investments;
 - 660 3) The responsiveness of qualified investments to credit and community
661 development needs; and
 - 662 4) The degree to which the qualified investments are not routinely provided
663 by private investors.
664
- 665 f) Investment performance rating. The Secretary rates a bank's investment
666 performance as provided in Section 345.APPENDIX A.
667

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670
671 **Section 345.240 Service Test**
672

- 673 a) Scope of test. The service test evaluates a bank's record of helping to meet the
674 credit needs of its assessment area by analyzing both the availability and
675 effectiveness of a bank's systems for delivering retail banking services and the
676 extent and innovativeness of its community development services.
677
- 678 b) Area benefited. Community development services must benefit a bank's
679 assessment area or a broader Statewide or regional area that includes the bank's
680 assessment area.
681
- 682 c) Affiliate service. At a bank's option, the Secretary will consider, in its assessment
683 of a bank's service performance, a community development service provided by
684 an affiliate of the bank, if the community development service is not claimed by
685 any other institution and in this regard the bank shall monitor and keep records of
686 whether such claims exist.
687

- 688 d) Performance criteria--retail banking services. The Secretary evaluates the
 689 availability and effectiveness of a bank's systems for delivering retail banking
 690 services, considering the assessment factors in Section 345.200 and pursuant to
 691 the following criteria:
 692
- 693 1) The current distribution of the bank's branches among low-, moderate-,
 694 middle-, and upper-income geographies;
 - 695 2) In the context of its current distribution of the bank's branches, the bank's
 696 record of opening and closing branches, particularly branches located in
 697 low- or moderate-income geographies or primarily serving low- or
 698 moderate-income individuals;
 - 700 3) The availability and effectiveness of alternative systems for delivering
 701 retail banking services (e.g., RSFs, surcharge-free RSFs within its
 702 network, RSFs not owned or operated by or exclusively for the bank,
 703 banking by telephone or computer, loan production offices, and bank-at-
 704 work or bank-by-mail programs) in low- and moderate-income
 705 geographies and to low- and moderate-income individuals; and
 706
 707
 - 708 4) The range of services provided in low-, moderate-, middle-, and upper-
 709 income geographies and the degree to which the services are tailored to
 710 meet the needs of those geographies.
 - 711 5) The bank's record of effectively marketing its retail banking services to
 712 unbanked or underbanked persons and offering retail banking services
 713 targeted to meet the needs of unbanked and underbanked persons. In
 714 determining whether a bank offers retail banking products and services
 715 targeted to meet the needs of unbanked and underbanked persons, the
 716 Department shall consider:
 717
 718
 - 719 A) whether the bank offers accounts substantially and materially
 720 similar to BankOn certified accounts; or
 721
 - 722 B) whether the bank offers financial services and products to users of
 723 alternative financial products or services, provided that, that the
 724 bank has affirmatively and reasonably demonstrated that:
 725
 - 726 i) the bank offers such accounts or such financial services and
 727 products in conjunction with focused and sustained
 728 marketing efforts reasonably designed to reach unbanked
 729 and underbanked persons;
- 730

- 731 ii) unbanked and underbanked persons may reasonably
732 conveniently obtain or use such accounts or such financial
733 services and products; and
734
735 iii) the bank offers such accounts or such financial services and
736 products at a cost to the unbanked and underbanked
737 persons that is significantly lower than would otherwise be
738 incurred by the users of alternative financial products or
739 services.
740
741 e) Performance criteria--community development services. The Secretary evaluates
742 community development services considering the assessment factors in Section
743 345.200 and pursuant to the following criteria:
744
745 1) The extent to which the bank provides community development services;
746 and
747
748 2) The innovativeness and responsiveness of community development
749 services.
750
751 f) Service performance rating. The Secretary rates a bank's service performance as
752 provided in Section 345.APPENDIX A.
753

754 **Section 345.250 Community Development Test for Wholesale or Limited Purpose Banks**
755

- 756 a) Scope of test. The FDIC assesses a wholesale or limited purpose bank's record of
757 helping to meet the credit needs of its assessment area under the community
758 development test through its community development lending, qualified
759 investments, or community development services.
760
761 b) Designation as a wholesale or limited purpose bank. In order to receive a
762 designation as a wholesale or limited purpose bank, a bank shall file a request, in
763 writing, with the Department, at least three months prior to the proposed effective
764 date of the designation. If the Department approves the designation, it remains in
765 effect until the bank requests revocation of the designation or until one year after
766 the Department notifies the bank that the Department has revoked the designation
767 on its own initiative.
768
769 c) Performance criteria. The Secretary evaluates the community development
770 performance of a wholesale or limited purpose bank considering the assessment
771 factors in Section 345.200 and pursuant to the following criteria:
772

- 773 1) The number and amount of community development loans (including
774 originations and initial purchases of loans and other community
775 development loan data provided by the bank, such as data on loans
776 outstanding, commitments, and letters of credit), qualified investments, or
777 community development services;
778
779 2) The use of innovative or complex qualified investments, community
780 development loans, or community development services and the extent to
781 which the investments are not routinely provided by private investors; and
782
783 3) The bank's responsiveness to credit and community development needs.
784
785 d) Indirect activities. At a bank's option, the Secretary will consider in its
786 community development performance assessment:
787
788 1) Qualified investments or community development services provided by an
789 affiliate of the bank, if the investments or services are not claimed by any
790 other institution; and
791
792 2) Community development lending by affiliates, consortia and third parties,
793 subject to the requirements and limitations in Section 345.220(c) and (d).
794
795 e) Benefit to assessment area.
796
797 1) Benefit inside assessment area. The Secretary considers all qualified
798 investments, community development loans, and community development
799 services that benefit areas within the bank's assessment area or a broader
800 Statewide or regional area that includes the bank's assessment area.
801
802 2) Benefit outside assessment area. The Secretary considers the qualified
803 investments, community development loans, and community development
804 services that benefit areas outside the bank's assessment area, if the bank
805 has adequately addressed the needs of its assessment area.
806
807 f) Community development performance rating. The Secretary rates a bank's
808 community development performance as provided in Section 345.APPENDIX A.
809

810 **Section 345.260 Small Bank Performance Standards**

- 811 a) Performance criteria.
812
813 1) Small banks that are not intermediate small banks. The Secretary
814 evaluates the record of a small bank that is not, or that was not during the
815

816 prior calendar year, an intermediate small bank, of helping to meet the
817 credit needs of its assessment area by considering the assessment factors
818 in Section 345.200 and pursuant to the criteria set forth in subsection (b).
819

820 2) Intermediate small banks. The Secretary evaluates the record of a small
821 bank that is, or that was during the prior calendar year, an intermediate
822 small bank, of helping to meet the credit needs of its assessment area by
823 considering the assessment factors in Section 345.200 and pursuant to the
824 criteria set forth in subsections (b) and (c).
825

826 b) Lending test. A small bank's lending performance is evaluated pursuant to the
827 following criteria:
828

829 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as
830 appropriate, other lending-related activities, such as loan originations for
831 sale to the secondary markets, community development loans, or qualified
832 investments;
833

834 2) The percentage of loans, and as appropriate, other lending-related
835 activities located in the bank's assessment area;
836

837 3) The bank's record of lending to and, as appropriate, engaging in other
838 lending-related activities for borrowers of different income levels and
839 businesses and farms of different sizes;
840

841 4) The geographic distribution of the bank's loans; and
842

843 5) The bank's record of taking action, if warranted, in response to written
844 complaints about its performance in helping to meet credit needs in its
845 assessment area.
846

847 c) Community development test. An intermediate small bank's community
848 development performance also is evaluated pursuant to the following criteria:
849

850 1) The number and amount of community development loans;
851

852 2) The number and amount of qualified investments;
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854 3) The extent to which the bank provides community development services;
855 and
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857 4) The bank's responsiveness through such activities to community
858 development lending, investment, and services needs.

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- d) Small bank performance rating. The Secretary considers the assessment factors in Section 345.200 and rates the performance of a bank evaluated under this section as provided in Section 345.APPENDIX A.

Section 345.270 Strategic Plan

- a) Alternative election. The Secretary will assess a bank's record of helping to meet the credit needs of its assessment area considering the assessment factors in Section 345.200 under a strategic plan if:
 - 1) The bank has submitted the plan to the Secretary as provided for in this section;
 - 2) The Secretary has approved the plan;
 - 3) The plan is in effect; and
 - 4) The bank has been operating under an approved plan for at least one year.
- b) Data reporting. The Secretary's approval of a plan does not affect the bank's obligation, if any, to report data as required by Section 345.410.
- c) Plans in general.
 - 1) Term. A plan may have a term of no more than five years, and any multi-year plan must include annual interim measurable goals under which the Secretary will evaluate the bank's performance.
 - 2) Multiple assessment areas. A bank with more than one assessment area may prepare a single plan for all of its assessment areas or one or more plans for one or more of its assessment areas.
 - 3) Treatment of affiliates. Affiliated institutions may prepare a joint plan if the plan provides measurable goals for each institution. Activities may be allocated among institutions at the institutions' option, provided that the same activities are not considered for more than one institution.
- d) Public participation in plan development. Before submitting a plan to the Secretary for approval, a bank shall:
 - 1) Informally seek suggestions from members of the public in its assessment areas covered by the plan while developing the plan;

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- 2) Once the bank has developed a plan, formally solicit public comment on the plan for at least 30 days by publishing notice in at least one newspaper of general circulation in each assessment area covered by the plan; and
 - 3) During the period of formal public comment, make copies of the plan available for review by the public at no cost at all offices of the bank in any assessment area covered by the plan and provide copies of the plan upon request for a reasonable fee to cover copying and mailing, if applicable.
- 913 e) Submission of plan. The bank shall submit its plan to the Secretary at least four
914 months prior to the proposed effective date of the plan. The bank shall also submit
915 with its plan a description of its informal efforts to seek suggestions from
916 members of the public, any written public comment received, and, if the plan was
917 revised in light of the comment received, the initial plan as released for public
918 comment.
- 919 f) Plan content.
- 920
921
922 1) Measurable goals.
- 923 A) A bank shall specify in its plan measurable goals for helping to
924 meet the credit needs of each assessment area covered by the plan,
925 particularly the needs of low- and moderate-income geographies
926 and low- and moderate-income individuals, through lending,
927 investment, and services as appropriate and considering the
928 assessment factors in Section 345.200.
 - 929 B) A bank shall address in its plan all three performance categories
930 and, unless the bank has been designated as a wholesale or limited
931 purpose bank, shall emphasize lending and lending-related
932 activities. Nevertheless, a different emphasis, including a focus on
933 one or more performance categories, may be appropriate if
934 responsive to the characteristics and credit needs of its assessment
935 areas, considering public comment and the bank's capacity and
936 constraints, product offerings, and business strategy.
- 937
938
939
940 2) Confidential information. A bank may submit additional information to
941 the Secretary on a confidential basis, but the goals stated in the plan must
942 be sufficiently specific to enable the public and the Secretary to judge the
943 merits of the plan.
944

- 945 3) Satisfactory and outstanding goals. A bank shall specify in its plan
946 measurable goals that constitute "satisfactory" performance. A plan may
947 specify measurable goals that constitute "outstanding" performance. If a
948 bank submits, and the Secretary approves, both "satisfactory" and
949 "outstanding" performance goals, the Secretary will consider the bank
950 eligible for an "outstanding" performance rating.
951
- 952 4) Election if satisfactory goals not substantially met. A bank may elect in its
953 plan that, if the bank fails to meet substantially its plan goals for a
954 satisfactory rating, the Secretary will evaluate the bank's performance
955 under the lending, investment, and service tests, the community
956 development test, or the small bank performance standards, as appropriate.
957
- 958 g) Plan approval.
- 959
- 960 1) Timing. The Secretary will act upon a plan within 90 calendar days after
961 the Secretary receives the complete plan and other material required under
962 subsection (e). If the Secretary fails to act within this time period, the plan
963 shall be deemed approved unless the Secretary extends the review period
964 in writing.
965
- 966 2) Public participation. In evaluating the plan's goals, the Secretary
967 considers the public's involvement in formulating the plan, written public
968 comment on the plan, and any response by the bank to public comment on
969 the plan.
970
- 971 3) Criteria for evaluating plan. The Secretary considers the assessment
972 factors in Section 345.200 and evaluates a plan's measurable goals using
973 the following criteria, as appropriate:
974
- 975 A) The extent and breadth of lending or lending-related activities,
976 including, as appropriate, the distribution of loans among different
977 geographies, businesses and farms of different sizes, and
978 individuals of different income levels, the extent of community
979 development lending, and the use of innovative or flexible lending
980 practices to address credit needs;
981
- 982 B) The amount and innovativeness, complexity, and responsiveness of
983 the bank's qualified investments; and
984
- 985 C) The availability and effectiveness of the bank's systems for
986 delivering retail banking services and the extent and
987 innovativeness of the bank's community development services.

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- h) Plan amendment. During the term of a plan, a bank may request the Secretary to approve an amendment to the plan on grounds that there has been a material change in circumstances. The bank shall develop an amendment to a previously approved plan in accordance with the public participation requirements of subsection (d).
- i) Plan assessment. The Secretary approves the goals and assesses performance under a plan as provided for in Section 345.APPENDIX A.

Section 345.280 Assigned Ratings

- a) Ratings in general. Subject to subsections (b) and (c), the Secretary assigns to a bank a rating of "outstanding", "satisfactory", "needs to improve", or "substantial noncompliance" based on the bank's performance under the lending, investment and service tests, the community development test, the small bank performance standards, or an approved strategic plan, as applicable.
- b) Lending, investment, and service tests. The Secretary assigns a rating for a bank assessed under the lending, investment, and service tests in accordance with the following principles:
 - 1) A bank that receives an "outstanding" rating on the lending test receives an assigned rating of at least "satisfactory";
 - 2) A bank that receives an "outstanding" rating on both the service test and the investment test and a rating of at least "high satisfactory" on the lending test receives an assigned rating of "outstanding"; and
 - 3) No bank may receive an assigned rating of "satisfactory" or higher unless it receives a rating of at least "low satisfactory" on the lending test.
- c) Effect of evidence of discriminatory or other illegal credit practices.
 - 1) The Secretary's evaluation of a bank's ILCRA performance is adversely affected by evidence of discriminatory or other illegal credit practices in any geography by the bank or in any assessment area by any affiliate whose loans have been considered as part of the bank's lending performance. In connection with any type of lending activity described in Section 345.220(a), evidence of discriminatory or other credit practices that violate an applicable law, rule, or regulation includes, but is not limited to:

- 1031 A) Discrimination against applicants on a prohibited basis in
1032 violation, for example, of the Equal Credit Opportunity Act (15
1033 U.S.C. 1691-1691f) or the Fair Housing Act (42 U.S.C. 3601-19),
1034 including, for example, relying on or giving force or effect to
1035 discriminatory appraisals to deny loan applications where the
1036 covered financial institution knew or should have known of the
1037 discrimination;
1038
1039 B) Violations of the Home Ownership and Equity Protection Act (15
1040 U.S.C. 1639 and 1648);
1041
1042 C) Violations of section 5 of the Federal Trade Commission Act (15
1043 U.S.C. 45);
1044
1045 D) Violations of section 8 of the Real Estate Settlement Procedures
1046 Act (12 U.S.C. 2607);
1047
1048 E) Violations of the Truth in Lending Act provisions regarding a
1049 consumer's right of rescission (15 U.S.C. 1635);
1050
1051 F) Violations of Article 4 (Financial Credit) of the Illinois Human
1052 Rights Act [775 ILCS 5/Art. 4];
1053
1054 G) Violations of the Illinois High Risk Home Loan Act [815 ILCS
1055 137]; and
1056
1057 H) Violations of the Illinois Fairness in Lending Act [815 ILCS 120].
1058
1059 2) In determining the effect of evidence of practices described in subsection
1060 (c)(1) on the bank's assigned rating, the Secretary considers the nature,
1061 extent, and strength of the evidence of the practices; the policies and
1062 procedures that the bank (or affiliate, as applicable) has in place to prevent
1063 the practices; any corrective action that the bank (or affiliate, as
1064 applicable) has taken or has committed to take, including voluntary
1065 corrective action resulting from self-assessment; and any other relevant
1066 information.
1067

1068 **Section 345.290 Effect of ILCRA Performance on Applications**
1069

- 1070 a) ILCRA performance. Among other factors, the Secretary takes into account the
1071 record of performance under the ILCRA of each applicant bank in considering an
1072 application for approval of:
1073

- 1074 1) The relocation of the bank's main office or a branch, but only when
1075 express prior approval is otherwise required under applicable State law or
1076 administrative rule; and
1077
1078 2) The merger, consolidation, acquisition of assets, or assumption of
1079 liabilities.
1080
1081 b) New financial institutions. A newly chartered bank shall submit with its
1082 application for a permit to organize a description of how it will meet its ILCRA
1083 objectives. The Secretary takes the description into account in considering the
1084 application and may deny or condition approval on that basis.
1085
1086 c) Interested parties. The Secretary takes into account any views submitted by
1087 interested parties in accordance with the public notice posted pursuant to Section
1088 35-20 of ILCRA.
1089
1090 d) Denial or conditional approval of application. A bank's record of performance
1091 may be the basis for denying or conditioning approval of an application listed in
1092 subsection (a).
1093

1094 **SUBPART C: RECORDS, REPORTING, AND DISCLOSURE REQUIREMENTS;**
1095 **EXAMINATIONS**
1096

1097 **Section 345.400 Assessment Area Delineation**
1098

- 1099 a) In general. A bank shall delineate one or more assessment areas within which the
1100 Secretary evaluates the bank's record of helping to meet the credit needs of its
1101 community. The Secretary does not evaluate the bank's delineation of its
1102 assessment area as a separate performance criterion, but the Secretary reviews the
1103 delineation for compliance with the requirements of this Section.
1104
1105 b) Geographic areas for wholesale or limited purpose banks. The assessment area
1106 for a wholesale or limited purpose bank must consist generally of one or more
1107 MSAs or metropolitan divisions (using the MSA or metropolitan division
1108 boundaries that were in effect as of January 1 of the calendar year in which the
1109 delineation is made) or one or more contiguous political subdivisions, such as
1110 counties, cities, or towns, in which the bank has its main office, branches, and
1111 deposit-taking ATM's.
1112
1113 c) Geographic areas for other banks. The assessment area for a bank other than a
1114 wholesale or limited purpose bank must:
1115

- 1116 1) Consist generally of one or more MSAs or metropolitan divisions (using
 1117 the MSA or metropolitan division boundaries that were in effect as of
 1118 January 1 of the calendar year in which the delineation is made) or one or
 1119 more contiguous political subdivisions, such as counties, cities, or towns;
 1120 and
 1121
- 1122 2) Include the geographies in which the bank has its main office, its
 1123 branches, and its deposit-taking RSFs, as well as the surrounding
 1124 geographies in which the bank has originated or purchased a substantial
 1125 portion of its loans (including home mortgage loans, small business and
 1126 small farm loans, and any other loans the bank chooses, such as those
 1127 consumer loans on which the bank elects to have its performance
 1128 assessed).
 1129
- 1130 d) Adjustments to geographic areas. A bank may adjust the boundaries of its
 1131 assessment area to include only the portion of a political subdivision that it
 1132 reasonably can be expected to serve. An adjustment is particularly appropriate in
 1133 the case of an assessment area that otherwise would be extremely large, of
 1134 unusual configuration, or divided by significant geographic barriers.
 1135
- 1136 e) Limitations on the delineation of an assessment area. Each bank's assessment
 1137 area:
 1138
- 1139 1) Must consist only of whole geographies;
 1140
- 1141 2) May not reflect illegal discrimination;
 1142
- 1143 3) May not arbitrarily exclude low- or moderate-income geographies, taking
 1144 into account the bank's size and financial condition; and
 1145
- 1146 4) May not extend substantially beyond an MSA boundary or beyond a state
 1147 boundary unless the assessment area is located in a multistate MSA. If a
 1148 bank serves a geographic area that extends substantially beyond a state
 1149 boundary, the bank shall delineate separate assessment areas for the areas
 1150 in each state. If a bank serves a geographic area that extends substantially
 1151 beyond an MSA boundary, the bank shall delineate separate assessment
 1152 areas for the areas inside and outside the MSA.
 1153
- 1154 f) Banks serving military personnel. Notwithstanding the requirements of this
 1155 Section, a bank whose business predominantly consists of serving the needs of
 1156 military personnel or their dependents who are not located within a defined
 1157 geographic area may delineate its entire deposit customer base as its assessment
 1158 area.

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- g) Use of assessment areas. The Secretary uses the assessment area delineated by a bank in its evaluation of the bank's ILCRA performance unless the Secretary determines that the assessment areas do not comply with the requirements of this Section.

Section 345.410 Data Collection, Reporting, and Disclosure

- a) Loan information required to be collected and maintained. A bank, except a small bank, shall collect, and maintain in machine readable form (as prescribed by the Secretary) until the completion of its next ILCRA examination, the following data for each small business or small farm loan originated or purchased by the bank:
 - 1) A unique number or alpha-numeric symbol that can be used to identify the relevant loan file;
 - 2) The loan amount at origination;
 - 3) The loan location; and
 - 4) An indicator whether the loan was to a business or farm with gross annual revenues of \$1 million or less.

- b) Loan information required to be reported. A bank, except a small bank or a bank that was a small bank during the prior calendar year, shall report annually by March 1 to the Secretary in machine readable form (as prescribed by the Secretary) the following data for the prior calendar year:
 - 1) Small business and small farm loan data. For each geography in which the bank originated or purchased a small business or small farm loan, the aggregate number and amount of loans:
 - A) With an amount at origination of \$100,000 or less;
 - B) With an amount at origination of more than \$100,000 but less than or equal to \$250,000;
 - C) With an amount at origination of more than \$250,000; and
 - D) To businesses and farms with gross annual revenues of \$1 million or less (using the revenues that the bank considered in making its credit decision);

- 1202 2) Community development loan data. For each geography in which the
 1203 bank originated or purchased a community development loan, the
 1204 aggregate number and aggregate amount of loans; and
 1205
- 1206 3) Home mortgage loans. If the bank is subject to reporting under 12 CFR
 1207 1003 (Home Data Disclosure), the location of each home mortgage loan
 1208 application, origination, or purchase outside the MSAs in which the bank
 1209 has a home or branch office (or outside any MSA) in accordance with the
 1210 requirements of 12 CFR 1003 (Home Data Disclosure).
 1211
- 1212 c) Optional data collection and maintenance.
 1213
- 1214 1) Consumer loans. A bank may collect and maintain in machine readable
 1215 form (as prescribed by the Secretary) data for consumer loans originated
 1216 or purchased by the bank for consideration under the lending test. A bank
 1217 may maintain data for one or more of the following categories of
 1218 consumer loans: motor vehicle, credit card, other secured, and other
 1219 unsecured. If the bank maintains data for loans in a certain category, it
 1220 shall maintain data for all loans originated or purchased within that
 1221 category. The bank shall maintain data separately for each category,
 1222 including for each loan:
 1223
- 1224 A) A unique number or alpha-numeric symbol that can be used to
 1225 identify the relevant loan file;
 1226
- 1227 B) The loan amount at origination or purchase;
 1228
- 1229 C) The loan location; and
 1230
- 1231 D) The gross annual income of the borrower that the bank considered
 1232 in making its credit decision.
 1233
- 1234 2) Other loan data. At its option, a bank may provide other information
 1235 concerning its lending performance, including additional loan distribution
 1236 data.
 1237
- 1238 d) Data on affiliate lending. A bank that elects to have the Secretary consider loans
 1239 by an affiliate, for purposes of the lending or community development test or an
 1240 approved strategic plan, shall collect, maintain, and report for those loans the data
 1241 that the bank would have collected, maintained, and reported pursuant to
 1242 subsections (a), (b), and (c) had the loans been originated or purchased by the
 1243 bank. For home mortgage loans, the bank shall also be prepared to identify the

- 1244 home mortgage loans reported under 12 CFR 1003 (Home Data Disclosure) by
 1245 the affiliate.
 1246
- 1247 e) Data on lending by a consortium or a third party. A bank that elects to have the
 1248 Secretary consider community development loans by a consortium or third party,
 1249 for purposes of the lending or community development tests or an approved
 1250 strategic plan, shall report for those loans the data that the bank would have
 1251 reported under subsection (b)(2) had the loans been originated or purchased by the
 1252 bank.
 1253
- 1254 f) Small banks electing evaluation under the lending, investment, and service tests.
 1255 A bank that qualifies for evaluation under the small bank performance standards
 1256 but elects evaluation under the lending, investment, and service tests shall collect,
 1257 maintain, and report the data required for other banks pursuant to subsections (a)
 1258 and (b).
 1259
- 1260 g) Assessment area data. A bank, except a small bank or a bank that was a small
 1261 bank during the prior calendar year, shall collect and report to the Secretary by
 1262 March 1 of each year a list for each assessment area showing the geographies
 1263 within the area.
 1264

1265 **Section 345.420 Content and Availability of Public File**
 1266

- 1267 a) Information available to the public. A bank shall maintain a public file that
 1268 includes the following information:
 1269
- 1270 1) All written comments received from the public for the current year and
 1271 each of the prior two calendar years that specifically relate to the bank's
 1272 performance in helping to meet community credit needs, and any response
 1273 to the comments by the bank, if neither the comments nor the responses
 1274 contain statements that reflect adversely on the good name or reputation of
 1275 any persons other than the bank or publication of which would violate
 1276 specific provisions of law;
 1277
- 1278 2) A copy of the public section of the bank's most recent ILCRA
 1279 Performance Evaluation prepared by the Secretary. The bank shall place
 1280 this copy in the public file within 30 business days after its receipt from
 1281 the Secretary;
 1282
- 1283 3) A list of the bank's branches, their street addresses, and geographies;
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- 4) A list of branches opened or closed by the bank during the current year and each of the prior two calendar years, their street addresses and geographies;
 - 5) A list of services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at the bank's branches and descriptions of material differences in the availability or cost of services at particular branches, if any. At its option, a bank may include information regarding the availability 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);
 - 6) A map of each assessment area showing the boundaries of the area and identifying the geographies contained within the area, either on the map or in a separate list; and
 - 7) Any other information the bank chooses.
- b) Additional information available to the public.
- 1) Banks other than small banks. A bank, except a small bank or a bank that was a small bank during the prior calendar year, shall include in its public file the following information pertaining to the bank and its affiliates, if applicable, for each of the prior two calendar years:
 - A) If the bank has elected to have one or more categories of its consumer loans considered under the lending test, for each of these categories, the number and amount of loans:
 - i) To low-, moderate-, middle-, and upper-income individuals;
 - ii) Located in low-, moderate-, middle-, and upper-income census tracts; and
 - iii) Located inside the bank's assessment area and outside the bank's assessment area; and
 - B) The bank's federal Community Reinvestment Act Disclosure Statement. The bank shall place the statement in the public file within three business days of its receipt from its appropriate federal financial supervisory agency.

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- 2) Banks required to report Home Mortgage Disclosure Act (HMDA) data. A bank required to report home mortgage loan data pursuant 12 CFR 1003 (Home Disclosure Data) shall include in its public file a written notice that the institution's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (Bureau's) Web site at www.consumerfinance.gov/hmda. In addition, a bank that elected to have the Secretary consider the mortgage lending of an affiliate shall include in its public file the name of the affiliate and a written notice that the affiliate's HMDA Disclosure Statement may be obtained at the Bureau's Web site. The bank shall place the written notice in the public file within three business days after receiving notification from the Federal Financial Institutions Examination Council of the availability of the disclosure statement.
 - 3) Small banks. A small bank or a bank that was a small bank during the prior calendar year shall include in its public file:
 - A) The bank's loan-to-deposit ratio for each quarter of the prior calendar year and, at its option, additional data on its loan-to-deposit ratio; and
 - B) The information required for other banks by subsection (b)(1), if the bank has elected to be evaluated under the lending, investment, and service tests.
 - 4) Banks with strategic plans. A bank that has been approved to be assessed under a strategic plan shall include in its public file a copy of that plan. A bank need not include information submitted to the Secretary on a confidential basis in conjunction with the plan.
 - 5) Banks with less than satisfactory ratings. A bank that received a less than satisfactory rating during its most recent examination shall include in its public file a description of its current efforts to improve its performance in helping to meet the credit needs of its entire community. The bank shall update the description quarterly.
- c) Location of public information. A bank shall make available to the public for inspection upon request and at no cost the information required in this Section as follows:
- 1) At the main office and, if an interstate bank, at one branch office in each state, all information in the public file; and

- 1371
1372 2) At each branch:
1373
1374 A) A copy of the public section of the bank's most recent ILCRA
1375 Performance Evaluation and a list of services provided by the
1376 branch; and
1377
1378 B) Within five calendar days of the request, all the information in the
1379 public file relating to the assessment area in which the branch is
1380 located.
1381
1382 d) Copies. Upon request, a bank shall provide copies, either on paper or in another
1383 form acceptable to the person making the request, of the information in its public
1384 file. The bank may charge a reasonable fee not to exceed the cost of copying and
1385 mailing (if applicable).
1386
1387 e) Updating. Except as otherwise provided in this Section, a bank shall ensure that
1388 the information required by this Section is current as of April 1 of each year.
1389

1390 **Section 345.430 Public Notice by Banks**

1391
1392 A bank shall provide in the public lobby of its main office and each of its branches, if any, and
1393 on its website the appropriate public notice set forth in Section 345.APPENDIX B. Only a
1394 branch of a bank having more than one assessment area shall include the bracketed material in
1395 the notice for branch offices. Only a bank that is an affiliate of a holding company shall include
1396 the next to the last sentence of the notices. A bank shall include the last sentence of the notices
1397 only if it is an affiliate of a holding company that is not prevented by statute from acquiring
1398 additional banks.
1399

1400 **Section 345.440 Publication of Planned Examination Schedule**

1401
1402 The Secretary publishes at least 30 days in advance of the beginning of each calendar quarter a
1403 list of banks scheduled for ILCRA examinations in that quarter.
1404

1405
1406 **Section 345.450 Alternative Examination Procedures**

- 1407
1408 a) The Secretary may establish alternative examination procedures for banks which
1409 were rated "outstanding" as of their most recent ILCRA or federal Community
1410 Reinvestment Act examination. The purpose of such alternative procedures shall
1411 be to reduce the cost to such banks. The alternative procedures shall in no way
1412 limit public participation.
1413

- 1414 b) At the time of examination any bank that satisfies either of the following
 1415 eligibility standards as shown in its Year-end Call report and other related
 1416 documentation may elect to use the Very Small Bank Examination Procedures set
 1417 forth in section 345.450(j):
 1418
 1419 1) Total assets less than \$25,000,000; or
 1420
 1421 2) Total assets less than \$100,000,000 that lent or originated less than 50
 1422 residential mortgage loans reportable under the Home Mortgage
 1423 Disclosure Act in the previous calendar year. The \$100,000,000 threshold
 1424 shall be adjusted so that it is equivalent to the corresponding threshold for
 1425 state-chartered credit unions based on amendments made by the National
 1426 Credit Union Administration from time to time in its definition of "small
 1427 entity" for purposes of the federal Regulatory Flexibility Act (5 U.S.C.
 1428 Section 601, et seq.). For purposes of this subsection (b), "lent" or
 1429 "originated" means the bank was responsible for underwriting, making
 1430 credit decisions for, issuing commitments for, or funding for the
 1431 residential mortgage loan; "residential mortgage loan" means any loan
 1432 primarily for personal, family or household use that is secured by a
 1433 mortgage, deed of trust or other equivalent consensual security interest on
 1434 a dwelling or residential real estate upon which is constructed or intended
 1435 to be constructed a dwelling; and "dwelling" means a residential structure
 1436 or mobile home which contains one to four family housing units or
 1437 individual units of condominiums or cooperatives. For purposes of this
 1438 subsection (a), "lent" or "originated" does not include the performance of
 1439 brokerage or referral activities.
 1440
 1441 c) For any bank which elects to use the Very Small Bank Examination Procedures
 1442 set forth in section 345.450(j), the Secretary shall apply the assessment factors, as
 1443 provided in Section 345.200. The written evaluation shall comply with all
 1444 requirements for a written evaluation set forth in Section 15(b) of the ILCRA.
 1445
 1446 d) Any bank which receives an overall rating of "substantial noncompliance" on its
 1447 last examination shall not be eligible to use the Very Small Credit Union
 1448 Examination Procedures set forth in 185.APPENDIX D on its next examination.
 1449
 1450 e) Nothing contained in this Section, prohibits the Secretary from considering other
 1451 sources of information including, but not limited to, evidence of discriminatory or
 1452 other illegal credit practices, or public comments in assessing whether a bank is
 1453 meeting the financial services needs of local communities pursuant to Section
 1454 345.200.
 1455

- 1456 f) The Very Small Bank Examination Procedures set forth in section 345.450(j)
1457 shall in no way limit public participation.
1458
- 1459 g) A bank electing to use the Very Small Bank Examination Procedures set forth in
1460 section 345.450(j) does not affect the bank's obligation, if any, to report data as
1461 required by Section 345.410.
1462
- 1463 h) A bank electing to use the Very Small Bank Examination Procedures set forth in
1464 section 345.450(j) does not affect the bank's obligation to maintain an ILCRA file
1465 as required by Section 345.420.
1466
- 1467 i) A bank that elects to use the Very Small Bank Examination Procedures set forth
1468 in section 345.450(j) shall have at least three months to complete the examination.
1469 The bank shall have the opportunity to review its proposed examination response
1470 with an examiner prior to the due date.
1471
- 1472 j) Very Small Bank Examination Procedures
1473
- 1474 1) Describe your activities to ascertain the financial services needs of your
1475 assessment area, if any, and provide supporting documentation.
1476
- 1477 2) Describe the extent of marketing, if any, to make your assessment area
1478 aware of the financial services offered and provide supporting
1479 documentation.
1480
- 1481 3) Describe efforts and successes, if any, to assist existing low-income and
1482 moderate-income residents in your assessment area to be able to remain in
1483 affordable housing in their neighborhoods including, but not limited to,
1484 origination of mortgage loans including and home improvement and
1485 rehabilitation loans. At the discretion of the Secretary, a bank shall also
1486 be required to submit to the Department:
1487
- 1488 A) HMDA-LAR Quarterly Reports; or
1489
- 1490 B) The following applicant information:
1491
- 1492 i) Application date
1493
- 1494 ii) Loan Type
1495
- 1496 iii) Property Type
1497
- 1498 iv) Purpose

- 1499
- 1500 v) Owner Occupancy
- 1501
- 1502 vi) Pre-approval
- 1503
- 1504 vii) Loan Action Taken (details and date)
- 1505
- 1506 viii) Property Address
- 1507
- 1508 ix) Applicant's Ethnicity
- 1509
- 1510 x) Applicant's Race
- 1511
- 1512 xi) Applicant's Sex
- 1513
- 1514 xii) Gross Annual Income
- 1515
- 1516 C) For small business lenders, the application and loan details
- 1517 regarding origination of loans to businesses in your assessment
- 1518 area with gross annual revenues of \$1,000,000.00 or less,
- 1519 particularly those in low-income and moderate-income
- 1520 neighborhoods in your assessment area.
- 1521
- 1522 D) Describe your participation, if any, including investments, in
- 1523 community development and redevelopment programs, small
- 1524 business technical assistance programs, minority-owned depository
- 1525 institutions, community development financial institutions, and
- 1526 mutually-owned financial institutions, if any, and provide
- 1527 supporting documentation.
- 1528
- 1529 E) Describe your efforts and successes working with delinquent
- 1530 customers in your assessment area to facilitate a resolution of the
- 1531 delinquency and provide supporting documentation. At the
- 1532 discretion of the Secretary, a credit union shall also be required
- 1533 submit to the Department:
- 1534
- 1535 i) A delinquency report for the last six months;
- 1536
- 1537 ii) Collection notes for loans delinquent for sixty or more
- 1538 days; and
- 1539
- 1540 iii) Current loan status.
- 1541

- 1542 F) Describe your efforts and successes, if any, to offer retail banking
1543 services to unbanked and underbanked persons in your assessment
1544 area and provide supporting documentation.
1545
- 1546 G) Provide a written response to any public comments, if any,
1547 received since your last ILCRA examination.
1548
- 1549 H) Provide any other information you believe is relevant to assessing
1550 whether you are meeting the financial services needs of your
1551 assessment area.
1552

1553 **Section 345.460 Examination Authority and Cooperation**
1554

- 1555 a) Pursuant to the Secretary's authority under the ILCRA, including, but not limited
1556 to, Sections 35-15 and 35-25 of ILCRA, the Secretary or the Secretary's
1557 appointees may examine the entire books, records, documents, and operations of
1558 each bank or its affiliates or agents, and may examine any banks' or affiliates' or
1559 agents' officers, directors, employees, and agents under oath.
1560
- 1561 b) A bank shall be required to fully cooperate in any examination conducted
1562 pursuant to this Part. Cooperation includes, but is not limited to:
1563
- 1564 1) timely and full production of books, records, and documents, in any
1565 reasonable format requested by the Department; and
1566
- 1567 2) ensuring all officers, directors, employees, and agents of the bank are
1568 available for depositions or interviews upon reasonable notice.
1569
- 1570 c) Except as otherwise specified in ILCRA or this Part, examination related to this
1571 Part shall be conducted consistent with 205 ILCS 5/48(2.1), 38 Ill. Adm. Code
1572 381, and accompanying guidelines.
1573

1574 **Section 345.470 Examination Frequency and Coordination**
1575

- 1576 a) Subject to the provisions of this Section, the Secretary shall conduct examinations
1577 under the ILCRA or this Part in coordination with a bank's primary federal
1578 financial supervisory agency.
1579
- 1580 b) Initial ILCRA examinations of banks shall be conducted according to the
1581 following schedule.
1582
- 1583 1) Initial ILCRA examinations of banks with total assets of \$1 billion or
1584 more, as shown by its Year-end Call Report, shall not be conducted until

- 1585 at least nine months after the rules contained in this Part are filed with the
 1586 Secretary of the State and shall be conducted within 3 years.
- 1587 2) Initial ILCRA examinations of banks with total assets of \$391,000,000 to
 1588 less than \$1 billion, as shown by its Year-end Call Report, shall not be
 1589 conducted until at least nine months after the rules contained in this Part
 1590 are filed with the Secretary of State and shall be conducted within 4 years.
- 1591 3) Initial ILCRA examinations of banks with total assets of \$10,000,000 but
 1592 less than \$391,000,000, as shown by its Year-end Call Report, shall not be
 1593 conducted until at least fifteen months after the rules contained in this Part
 1594 are filed with the Secretary of State and shall be conducted within 5 years.
- 1595 4) Initial ILCRA examinations of banks with total assets of less than
 1596 \$10,000,000, as shown by its Year-end Call Report, shall not be conducted
 1597 until at least fifteen months after the rules contained in this Part are filed
 1598 with the Secretary of State and shall be conducted within 6 years.
- 1599 c) For banks with total assets greater than \$391 million, and notwithstanding
 1600 subsection (a), the Secretary shall conduct examinations under the ILCRA with
 1601 the following frequency:
 1602
 1603 1) For a bank that is assigned an "outstanding" or "satisfactory" rating in its
 1604 most recent prior examination under the ILCRA, the next examination
 1605 shall be initiated within three years of the issuance of the report of
 1606 examination of its most recent prior examination under the ILCRA.
 1607
 1608 2) For a bank that is assigned a "needs to improve" rating in its most recent
 1609 prior examination under the ILCRA, the next examination shall be
 1610 initiated within two years of the issuance of the report of examination of
 1611 its most recent prior examination under the ILCRA.
 1612
 1613 3) For a bank that is assigned a "substantial noncompliance" rating in its
 1614 most recent prior examination under the ILCRA, the next examination
 1615 shall be initiated within one year of the issuance of the report of
 1616 examination of its most recent prior examination under the ILCRA.
 1617
 1618 d) For banks with total assets of \$391 million or less, and notwithstanding
 1619 subsection (a), the Secretary shall conduct examinations under the ILCRA with
 1620 the following frequency:
 1621
 1622 1) For a bank that is assigned an "outstanding" rating in its most recent prior
 1623 examination under the ILCRA, the next examination shall be initiated
 1624

- 1625 within five years of the issuance of the report of examination of its most
1626 recent prior examination under the ILCRA.
1627
- 1628 2) For a bank that is assigned a "satisfactory" rating in its most recent prior
1629 examination under the ILCRA, the next examination shall be initiated
1630 within four years of the issuance of the report of examination of its most
1631 recent prior examination under the ILCRA.
1632
- 1633 3) For a bank that is assigned a "needs to improve" rating in its most recent
1634 prior examination under the ILCRA, the next examination shall be
1635 initiated within two years of the issuance of the report of examination of
1636 its most recent prior examination under the ILCRA.
1637
- 1638 4) For a bank that is assigned "substantial noncompliance" rating in its most
1639 recent prior examination under the ILCRA, the next examination shall be
1640 initiated within one year of the issuance of the report of examination of its
1641 most recent prior examination under the ILCRA.
1642
- 1643 d) Notwithstanding the provisions of this Section, the Secretary may:
1644
- 1645 1) conduct an examination at any time upon finding:
1646
- 1647 A) a bank's primary federal financial supervisory agency has rated the
1648 bank, as of its most recent examination, in "substantial
1649 noncompliance" with the federal Community Reinvestment Act;
1650
- 1651 B) substantial evidence of discriminatory or other illegal credit
1652 practices; or
1653
- 1654 C) the Secretary otherwise finds sufficient cause; or
1655
- 1656 2) notwithstanding subsections (b)(1) and (c)(1), extend by one year the time
1657 between examination of any bank or banks with an "outstanding" or
1658 "satisfactory" rating if the Secretary finds that an extension is necessitated
1659 by:
1660
- 1661 A) the need to examine or investigate a bank or banks with a "needs to
1662 improve" or "substantial noncompliance" rating; or
1663
- 1664 B) the need to examine or investigate a bank or banks showing
1665 substantial evidence of illegal credit practices.
1666

- 1667 e) Notwithstanding any other provision of this Section, the Secretary may examine a
- 1668 bank at any time as authorized by the ILCRA. In the case of an examination
- 1669 pursuant to this Section 345.470(d)(1), the procedures in Section 345.450(b)-(j)
- 1670 shall not apply.
- 1671
- 1672 f) For purposes of this Section, a bank's total assets shall be as reported on the
- 1673 bank's Consolidated Report of Condition and Income contemporaneous with the
- 1674 bank's most recent prior examination.
- 1675

Section 345.480 Examination Fees

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- 1677
- 1678 a) Annual Fees. Each fiscal year, banks shall pay an annual ILCRA fee to the
- 1679 Department based upon its total assets as shown by its Consolidated Report of
- 1680 Condition and Income for the quarter ending March 31, at the following rates:
- 1681

TOTAL ASSETS	ILCRA ANNUAL FISCAL YEAR 2025 FEE	ILCRA ANNUAL FISCAL YEAR 2026 FEE
\$1,000,000 or less	No charge	No charge
Over \$1,000,000 and not over \$10,000,000	No charge	No charge
Over \$10,000,000 and not over \$30,000,000	\$1,000	\$1,050
Over \$30,000,000 and not over \$50,000,000	\$2,000	\$2,100
Over \$50,000,000 and not over \$100,000,000	\$3,000	\$3,150
Over \$100,000,000 and not over \$350,000,000	\$4,500	\$4,725
Over \$350,000,000 and over \$500,000,000	\$9,000	\$9,450
Over \$500,000,000 and not over \$1,000,000,000	\$13,000	\$13,650
Over \$1,000,000,000 and not over \$10,000,000,000	\$18,000	\$18,900
Over \$10,000,000,000	\$24,000	\$25,000

- 1682
- 1683 b) Out-of-State Travel Expenses. When out-of-state travel occurs in the conduct of
- 1684 any examination, the bank shall make arrangements to reimburse the Department
- 1685 all charges for services such as travel expenses, including airfare, hotel and per

1686 diem incurred by the employee. These expenses are to be in accord with
1687 applicable travel regulations published by the Department of Central Management
1688 Services and approved by the Governor's Travel Control Board (80 Ill. Adm.
1689 Code 2800).

1690
1691 c) All fees received pursuant to this Part shall be deposited in the Bank and Trust
1692 Company Fund and subject to Section 48(3) of the Illinois Banking Act [205
1693 ILCS 5/48(3)].

1694
1695 d) Notwithstanding Section 345.490, the fee for fiscal year 2025 shall be due on
1696 September 1, 2024. The fee for each fiscal year thereafter shall be due within
1697 thirty (30) days of the start of each fiscal year. For purposes of this Section,
1698 "fiscal year" means a period beginning on July 1 of any calendar year and ending
1699 on June 30 of the next calendar year.

1700

1701 **Section 345.490 Implementation Period**

1702

1703 a) Banks with total assets of \$391,000,000 or more shall have nine months from the
1704 effective date of this Part to comply with the requirements of this Part.

1705

1706 b) Banks with total assets of less than \$391,000,000 shall have fifteen months from
1707 the effective date of this Part to comply with the requirements of this Part.

1708

1709 c) The Secretary may conduct an examination at any time upon finding:

1710

1711 1) a bank's primary federal financial supervisory agency has rated the bank,
1712 as of its most recent examination, in "substantial noncompliance" with the
1713 federal Community Reinvestment Act;

1714

1715 2) substantial evidence of discriminatory or other illegal credit practices; or

1716

1717 3) the Secretary otherwise finds sufficient cause.

1718

1719 d) For purposes of Section 345.470, with regard to the timing of the initial
1720 examination of a bank under ILCRA, the "most recent prior exam under the
1721 ILCRA" shall be read as the most recent examination under the federal
1722 Community Reinvestment Act.

1723

1724 **Section 345.500 Enforcement**

1725

1726 Failure to comply with any requirement under the ILCRA, this Part or other law referenced in
1727 the ILCRA, shall be grounds for enforcement actions as authorized under the ILCRA and under
1728 the Illinois Banking Act, Savings Bank Act, or Foreign Banking Office Act, as applicable to the

1729 particular bank. Any such failure to comply with a requirement of the ILCRA may also be
1730 grounds for referral to law enforcement or an administrative authority with jurisdiction over the
1731 subject matter. In addition to any other action authorized by law, the Secretary may enter agreed
1732 orders, stipulations, or settlement agreements for the purpose of resolving any such failure to
1733 comply.
1734

1735 **Section 345.APPENDIX A Ratings**

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- a) Ratings in general.
 - 1) In assigning a rating, the Secretary evaluates a bank's performance under the applicable performance criteria in this part, in accordance with Sections 345.210 and 345.280. This includes consideration of low-cost education loans provided to low-income borrowers activities in cooperation with minority- or women-owned financial institutions and low-income credit unions, and the offering of Special Credit Programs, as well as adjustments on the basis of evidence of discriminatory or other illegal credit practices.
 - 2) A bank's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. The bank's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate rating profile as follows.
- b) Banks evaluated under the lending, investment, and service tests.
 - 1) Lending performance rating. The Secretary assigns each bank's lending performance one of the five following ratings.
 - A) Outstanding. The Secretary rates a bank's lending performance "outstanding" if, in general, it demonstrates:
 - i) Excellent responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;
 - ii) A substantial majority of its loans are made in its assessment area;
 - iii) An excellent geographic distribution of loans in its assessment area;
 - iv) An excellent distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;

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- v) An excellent record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
 - vi) Extensive use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
 - vii) It is a leader in making community development loans.
- B) High satisfactory. The Secretary rates a bank's lending performance "high satisfactory" if, in general, it demonstrates:
- i) Good responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;
 - ii) A high percentage of its loans are made in its assessment area;
 - iii) A good geographic distribution of loans in its assessment area;
 - iv) A good distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
 - v) A good record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
 - vi) Use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and

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- vii) It has made a relatively high level of community development loans.
 - C) Low satisfactory. The Secretary rates a bank's lending performance "low satisfactory" if, in general, it demonstrates:
 - i) Adequate responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;
 - ii) An adequate percentage of its loans are made in its assessment area;
 - iii) An adequate geographic distribution of loans in its assessment area;
 - iv) An adequate distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
 - v) An adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
 - vi) Limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
 - vii) It has made an adequate level of community development loans.
 - D) Needs to improve. The Secretary rates a bank's lending performance "needs to improve" if, in general, it demonstrates:
 - i) Poor responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;

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- ii) A small percentage of its loans are made in its assessment area;
 - iii) A poor geographic distribution of loans, particularly to low- or moderate-income geographies, in its assessment area;
 - iv) A poor distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
 - v) A poor record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
 - vi) Little use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
 - vii) It has made a low level of community development loans.
- E) Substantial noncompliance. The Secretary rates a bank's lending performance as being in "substantial noncompliance" if, in general, it demonstrates:
- i) A very poor responsiveness to credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area;
 - ii) A very small percentage of its loans are made in its assessment area;
 - iii) A very poor geographic distribution of loans, particularly to low- or moderate-income geographies, in its assessment area;
 - iv) A very poor distribution, particularly in its assessment area, of loans among individuals of different income levels and

- 1905 businesses (including farms) of different sizes, given the
1906 product lines offered by the bank;
1907
1908 v) A very poor record of serving the credit needs of highly
1909 economically disadvantaged areas in its assessment area,
1910 low-income individuals, or businesses (including farms)
1911 with gross annual revenues of \$1 million or less, consistent
1912 with safe and sound operations;
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1914 vi) No use of innovative or flexible lending practices in a safe
1915 and sound manner to address the credit needs of low- or
1916 moderate-income individuals or geographies; and
1917
1918 vii) It has made few, if any, community development loans.
1919
1920 2) Investment performance rating. The Secretary assigns each bank's
1921 investment performance one of the five following ratings:
1922
1923 A) Outstanding. The Secretary rates a bank's investment performance
1924 "outstanding" if, in general, it demonstrates:
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1926 i) An excellent level of qualified investments, particularly
1927 those that are not routinely provided by private investors,
1928 often in a leadership position;
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1930 ii) Extensive use of innovative or complex qualified
1931 investments; and
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1933 iii) Excellent responsiveness to credit and community
1934 development needs.
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1936 B) High satisfactory. The Secretary rates a bank's investment
1937 performance "high satisfactory" if, in general, it demonstrates:
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1939 i) A significant level of qualified investments, particularly
1940 those that are not routinely provided by private investors,
1941 occasionally in a leadership position;
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1943 ii) Significant use of innovative or complex qualified
1944 investments; and
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1946 iii) Good responsiveness to credit and community development
1947 needs.

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- C) Low satisfactory. The Secretary rates a bank's investment performance "low satisfactory" if, in general, it demonstrates:
 - i) An adequate level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position;
 - ii) Occasional use of innovative or complex qualified investments; and
 - iii) Adequate responsiveness to credit and community development needs.

- D) Needs to improve. The Secretary rates a bank's investment performance "needs to improve" if, in general, it demonstrates:
 - i) A poor level of qualified investments, particularly those that are not routinely provided by private investors;
 - ii) Rare use of innovative or complex qualified investments; and
 - iii) Poor responsiveness to credit and community development needs.

- E) Substantial noncompliance. The Secretary rates a bank's investment performance as being in "substantial noncompliance" if, in general, it demonstrates:
 - i) Few, if any, qualified investments, particularly those that are not routinely provided by private investors;
 - ii) No use of innovative or complex qualified investments; and
 - iii) Very poor responsiveness to credit and community development needs.

- 3) Service performance rating. The Secretary assigns each bank's service performance one of the five following ratings.
 - A) Outstanding. The Secretary rates a bank's service performance "outstanding" if, in general, the bank demonstrates:

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- i) Its service delivery systems are readily accessible to geographies and individuals of different income levels in its assessment area;
 - ii) To the extent changes have been made, its record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;
 - iii) Its services (including, where appropriate, business hours) are tailored to the convenience and needs of its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals; and
 - iv) It is a leader in providing community development services.
- B) High satisfactory. The Secretary rates a bank's service performance "high satisfactory" if, in general, the bank demonstrates:
- i) Its service delivery systems are accessible to geographies and individuals of different income levels in its assessment area;
 - ii) To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals;
 - iii) Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals; and
 - iv) It provides a relatively high level of community development services.

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- C) Low satisfactory. The Secretary rates a bank's service performance "low satisfactory" if, in general, the bank demonstrates:
 - i) Its service delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area;
 - ii) To the extent changes have been made, its record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals;
 - iii) Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals; and
 - iv) It provides an adequate level of community development services.

- D) Needs to improve. The Secretary rates a bank's service performance "needs to improve" if, in general, the bank demonstrates:
 - i) Its service delivery systems are unreasonably inaccessible to portions of its assessment area, particularly to low- or moderate-income geographies or to low- or moderate-income individuals;
 - ii) To the extent changes have been made, its record of opening and closing branches has adversely affected the accessibility its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;
 - iii) Its services (including, where appropriate, business hours) vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals; and

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- iv) It provides a limited level of community development services.
 - E) Substantial noncompliance. The Secretary rates a bank's service performance as being in "substantial noncompliance" if, in general, the bank demonstrates:
 - i) Its service delivery systems are unreasonably inaccessible to significant portions of its assessment area, particularly to low- or moderate-income geographies or to low- or moderate-income individuals;
 - ii) To the extent changes have been made, its record of opening and closing branches has significantly adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;
 - iii) Its services (including, where appropriate, business hours) vary in a way that significantly inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals; and
 - iv) It provides few, if any, community development services.
 - c) Wholesale or limited purpose banks. The Secretary assigns each wholesale or limited purpose bank's community development performance one of the four following ratings.
 - 1) Outstanding. The Secretary rates a wholesale or limited purpose bank's community development performance "outstanding" if, in general, it demonstrates:
 - A) A high level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
 - B) Extensive use of innovative or complex qualified investments, community development loans, or community development services; and
 - C) Excellent responsiveness to credit and community development needs in its assessment area.

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- 2) Satisfactory. The Secretary rates a wholesale or limited purpose bank's community development performance "satisfactory" if, in general, it demonstrates:
 - A) An adequate level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
 - B) Occasional use of innovative or complex qualified investments, community development loans, or community development services; and
 - C) Adequate responsiveness to credit and community development needs in its assessment area.

- 3) Needs to improve. The Secretary rates a wholesale or limited purpose bank's community development performance as "needs to improve" if, in general, it demonstrates:
 - A) A poor level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
 - B) Rare use of innovative or complex qualified investments, community development loans, or community development services; and
 - C) Poor responsiveness to credit and community development needs in its assessment area.

- 4) Substantial noncompliance. The Secretary rates a wholesale or limited purpose bank's community development performance in "substantial noncompliance" if, in general, it demonstrates:
 - A) Few, if any, community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
 - B) No use of innovative or complex qualified investments, community development loans, or community development services; and

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- C) Very poor responsiveness to credit and community development needs in its assessment area.
 - d) Banks evaluated under the small bank performance standards –
 - 1) Lending test ratings.
 - A) Eligibility for a satisfactory lending test rating. The Secretary rates a small bank's lending performance "satisfactory" if, in general, the bank demonstrates:
 - i) A reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments;
 - ii) A majority of its loans and, as appropriate, other lending-related activities, are in its assessment area;
 - iii) A distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses and farms of different sizes that is reasonable given the demographics of the bank's assessment area;
 - iv) A record of taking appropriate action, when warranted, in response to written complaints, if any, about the bank's performance in helping to meet the credit needs of its assessment area; and
 - v) A reasonable geographic distribution of loans given the bank's assessment area.
 - B) Eligibility for an "outstanding" lending test rating. A small bank that meets each of the standards for a "satisfactory" rating under this subsection and exceeds some or all of those standards may warrant consideration for a lending test rating of "outstanding."
 - C) Needs to improve or substantial noncompliance ratings. A small bank may also receive a lending test rating of "needs to improve"

2203 or "substantial noncompliance depending on the degree to which
2204 its performance has failed to meet the standard for a "satisfactory"
2205 rating.
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2207 2) Community development test ratings for intermediate small banks.
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2209 A) Eligibility for a satisfactory community development test rating.
2210 The Secretary rates an intermediate small bank's community
2211 development performance "satisfactory" if the bank demonstrates
2212 adequate responsiveness to the community development needs of
2213 its assessment area through community development loans,
2214 qualified investments, and community development services. The
2215 adequacy of the bank's response will depend on its capacity for
2216 such community development activities, its assessment area's need
2217 for such community development activities, and the availability of
2218 such opportunities for community development in the bank's
2219 assessment area.
2220

2221 B) Eligibility for an outstanding community development test rating.
2222 The Secretary rates an intermediate small bank's community
2223 development performance "outstanding" if the bank demonstrates
2224 excellent responsiveness to community development needs in its
2225 assessment area through community development loans, qualified
2226 investments, and community development services, as appropriate,
2227 considering the bank's capacity and the need and availability of
2228 such opportunities for community development in the bank's
2229 assessment area.
2230

2231 C) Needs to improve or substantial noncompliance ratings. An
2232 intermediate small bank may also receive a community
2233 development test rating of "needs to improve" or "substantial
2234 noncompliance" depending on the degree to which its performance
2235 has failed to meet the standards for a "satisfactory" rating.
2236

2237 3) Overall rating.
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2239 A) Eligibility for a satisfactory overall rating. No intermediate small
2240 bank may receive an assigned overall rating of "satisfactory"
2241 unless it receives a rating of a least "satisfactory" on both the
2242 lending test and the community development test.
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2244 B) Eligibility for an outstanding overall rating.
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- i) An intermediate small bank that receives an "outstanding" rating on one test and at least "satisfactory" on the other test may receive an assigned overall rating of "outstanding."
 - ii) A small bank that is not an intermediate small bank that meets each of the standards for a "satisfactory" rating under the lending test and exceeds some or all of those standards may warrant consideration for an overall rating of "outstanding." In assessing whether a bank's performance is "outstanding," the Secretary considers the extent to which the bank exceeds each of the performance standards for a "satisfactory" rating and its performance in making qualified investments and its performance in providing branches and other services and delivery systems that enhance credit availability in its assessment area.
- C) Needs to improve or substantial noncompliance overall ratings. A small bank may also receive a rating of "needs to improve" or "substantial noncompliance" depending on the degree to which its performance has failed to meet the standards for a "satisfactory" rating.
- e) Strategic plan assessment and rating.
- 1) Satisfactory goals. The Secretary approves as "satisfactory" measurable goals that adequately help to meet the credit needs of the bank's assessment area.
 - 2) Outstanding goals. If the plan identifies a separate group of measurable goals that substantially exceed the levels approved as "satisfactory," the Secretary will approve those goals as "outstanding."
 - 3) Rating. The Secretary assesses the performance of a bank operating under an approved plan to determine if the bank has met its plan goals:
 - A) If the bank substantially achieves its plan goals for a satisfactory rating, the Secretary will rate the bank's performance under the plan as "satisfactory."
 - B) If the bank exceeds its plan goals for a satisfactory rating and substantially achieves its plan goals for an outstanding rating, the

2288 Secretary will rate the bank's performance under the plan as
2289 "outstanding."
2290
2291 C) If the bank fails to meet substantially its plan goals for a
2292 satisfactory rating, the Secretary will rate the bank as either "needs
2293 to improve" or "substantial noncompliance," depending on the
2294 extent to which it falls short of its plan goals, unless the bank
2295 elected in its plan to be rated otherwise, as provided in Section
2296 345.270(f)(4).
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2298 **Section 345.APPENDIX B ILCRA Notice**

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a) Notice for main offices and, if an interstate bank, one branch office in each state.

Community Reinvestment Act Notice

Under the Illinois Community Reinvestment Act (ILCRA), the Secretary of the Department of Financial and Professional Regulation (Secretary) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Secretary also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the ILCRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent ILCRA Performance Evaluation, prepared by the Secretary; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the Secretary publishes a list of the banks that are scheduled for ILCRA examination in that quarter. This list is available from the Secretary at 320 West Washing Street, 3rd Floor Springfield, IL 62786 and 555 West Monroe Street, Suite 500 Chicago, IL 60661. You may send written comments about our performance in helping to meet community credit needs to (name and address of official at bank) and Secretary. You may also submit comments electronically through the Department's Web site at <https://idfpr.illinois.gov/admin/cra.html>. Your letter, together with any response by us, will be considered by the Secretary in evaluating our ILCRA performance and may be made public.

You may ask to look at any comments received by the Secretary. You may also request from the Secretary an announcement of our applications covered by the ILCRA filed with the Secretary.

We are an affiliate of (name of holding company), a bank holding company. You may request from the (title of responsible official), Federal Reserve Bank of _____ (address) an announcement of applications covered by the ILCRA filed by bank holding companies.

b) Notice for branch offices.

Illinois Community Reinvestment Act Notice

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Under the Illinois Community Reinvestment Act (ILCRA), the Secretary evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Secretary also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the ILCRA. You may review today the public section of our most recent ILCRA evaluation, prepared by the Secretary, and a list of services provided at this branch. You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us:

- 1) a map showing the assessment area containing this branch, which is the area in which the Secretary evaluates our ILCRA performance in this community;
- 2) information about our branches in this assessment area;
- 3) a list of services we provide at those locations;
- 4) data on our lending performance in this assessment area; and
- 5) copies of all written comments received by us that specifically relate to our ILCRA performance in this assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

(If you would like to review information about our ILCRA performance in other communities served by us, the public file for our entire bank is available at (name of office located in state), located at (address).)

At least 30 days before the beginning of each quarter, the Secretary publishes a nationwide list of the banks that are scheduled for ILCRA examination in that quarter. This list is available from the Secretary (address). You may send written comments about our performance in helping to meet community credit needs to (name and address of official at bank) and the Secretary. You may also submit comments electronically through the Department's Web site at [web address]. Your letter, together with any response by us, will be considered by the Secretary in evaluating our ILCRA performance and may be made public.

2383 You may ask to look at any comments received by the Secretary. You may also request
2384 from the Secretary an announcement of our applications covered by the ILCRA filed with
2385 the Secretary. We are an affiliate of (name of holding company), a bank holding
2386 company. You may request from the (title of responsible official), Federal Reserve Bank
2387 of _____ (address) an announcement of applications covered by the ILCRA filed by
2388 bank holding companies.
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2390 **Section 345.APPENDIX C Examples of Community Development**
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2392 Examples of services, programs, sponsorships, donations, lawful investments, deposits,
 2393 membership shares, grants, and other activities which may be deemed to have the primary
 2394 purpose of community development include, but are not limited to the following:
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- 2396 a) Establishment of or material support of charitable donation accounts and donor
 2397 advised funds that benefit charitable organizations which help meet the financial
 2398 services needs of low-income and moderate-income neighborhoods or individuals
 2399 within the bank's assessment area;
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- 2401 b) Establishment of or material support of foundations and other affiliated
 2402 companies that provide programs and services to meet the credit needs of low-
 2403 income to moderate- income neighborhoods;
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- 2405 c) Material support of small banks as defined in Section 345.20 that provide
 2406 programs, products and services to meet the credit needs of low-income to
 2407 moderate-income individuals or families;
- 2408 c) Offering products and services targeted to expand access to safe and affordable
 2409 banking services;
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- 2411 d) Provision or support of community development services that directly and
 2412 tangibly benefit the assessment area;
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- 2414 e) Offering products and services and/or provision of investments targeted to
 2415 directly and tangibly increase climate resilience in low-income to moderate-
 2416 income neighborhoods;
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- 2418 f) Offering products and services and or provision of investments targeted to
 2419 directly and tangibly mitigate environmental harm in low-income to moderate-
 2420 income neighborhoods;
 2421
- 2422 h) Offering products and services and/or the provision of investments targeted to
 2423 directly and tangibly mitigate the digital divide in low-income and moderate-
 2424 income neighborhoods;
- 2425 h) Participating in Invest in Illinois or other similar state or federal programs which
 2426 have the primary purpose of community development;
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- 2428 i) Participating in an activity listed on the Office of the Comptroller of the
 2429 Currency's CRA Illustrative List of Qualifying Activities (May 20, 2020) as
 2430 amended from time to time. The Secretary shall post a link to the Office of the

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Comptroller of the Currency's CRA Illustrative List of Qualifying Activities
(May 20, 2020) as amended from time to time on the Department's website.