

Evaluation Framework: Separate Retail and Community Development Tests

Retail Test



Small retail banks may remain under current framework, or may elect to be evaluated under only the Retail Lending Subtest. Wholesale and limited purpose banks would not be evaluated under the Retail Test.

Community Development Test



CD Test would only apply to large banks and to wholesale and limited purpose banks.

Review of CD activities would be optional for small retail banks.

Retail Lending Presumption of “Satisfactory” Approach: Applies to Large Retail Banks

Retail Lending Screen

Does the bank engage in sufficient dollar amount of lending relative to its deposits in the assessment area?

If **Yes**, go to distribution metrics

(1) Geographic Distribution Metric

For each major product line, does the bank engage in sufficient lending in LMI census tracts within the assessment area?



(2) Borrower Distribution Metric

For each major product line, does the bank engage in sufficient lending, to LMI borrowers, small businesses, and small farms in the assessment area?

If **Yes** to both, go to Presumption of Satisfactory

YES

Presumption of Satisfactory

If a bank’s Geographic and Borrower Distribution Metrics meet the requisite thresholds for each of its major products lines in an assessment area, it would receive a presumption of “satisfactory” on the Retail Lending Subtest for that assessment area. Banks receiving the presumption of “satisfactory” could also be considered for an “outstanding,” based on an evaluation of performance ranges, performance context, and specific activities.

NO

No Presumption of Satisfactory

If a bank does not receive a presumption of “satisfactory,” it could receive any conclusion, based on an evaluation of performance ranges, performance context, and specific activities.

Note: Performance ranges indicate recommended conclusions based on a bank’s metrics in each product line, and would be used in conjunction with qualitative factors to reach a final conclusion.

Community Development Financing Metric for Large Retail Banks

