



CRA Investing Survey

8th Edition | October 2023

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Thank you to those who participated in our 8th annual CRA investing survey. We are pleased to have increased our responses to 62 in 2023 from 41 in 2022. Thank you for your help in sharing important and educational CRA investing data and content to banks nationwide.

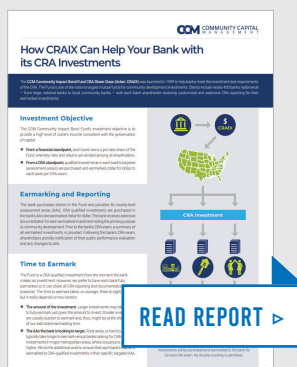
This year's survey features a few new questions, including:

- What types of investments were deemed innovative by regulators?
- What types of investments were noted by examiners as being responsive?
- What are examples of out-of-the-box CRA investments?
- Has your bank received CRA credit for investments helping middle-income families?

The Community Reinvestment Act, or CRA, became law in 1977 and remains one of the seminal pieces of legislation to address systemic inequities in access to credit. The CRA encourages banks to help meet the credit needs of the entire community in which they do business, with a particular focus on low- and moderate-income (LMI) communities, consistent with safe and sound operations. The last significant interagency revision to the CRA regulations occurred in 1995.¹ In May 2022, the Agencies issued a joint proposal to strengthen and modernize Community Reinvestment Act (CRA) regulations with comments accepted until August 2022. While we wait to see what changes may take place with the CRA, we continue to work with banks of all sizes nationwide on CRA investment solutions.

If you would like more information on CCM and our CRA investment offerings, we have included links below to helpful content:

How CRAIX Can Help Your Bank



CRA Investment Solutions for Your Bank



CRA Video for Banks



Fall 2023 Community Investor Newsletter

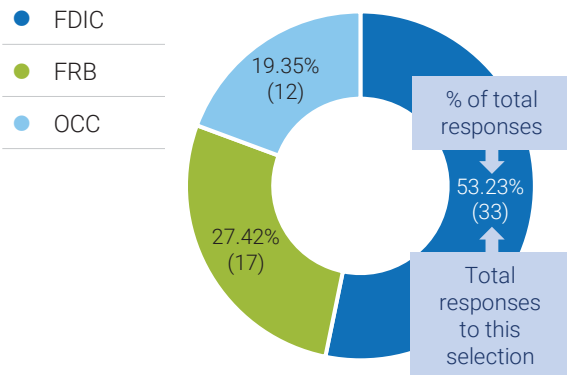


We hope you find the survey educational and helpful for your CRA investment programs. We welcome suggestions for future surveys and appreciate your time. If you have questions, please email Jamie Horwitz at jhorwitz@ccminvests.com.

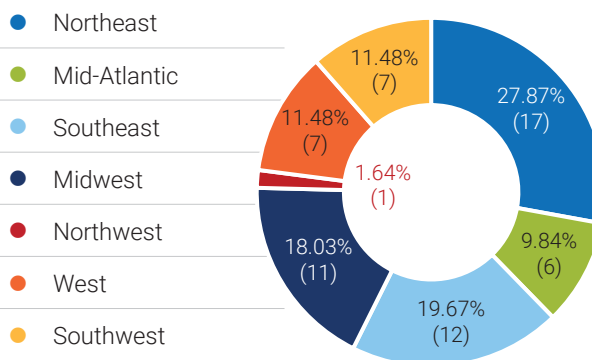
¹ <https://www.federalreserve.gov/consumerscommunities/files/cra-fact-sheet-20220505.pdf>

CRA Investment Survey Results

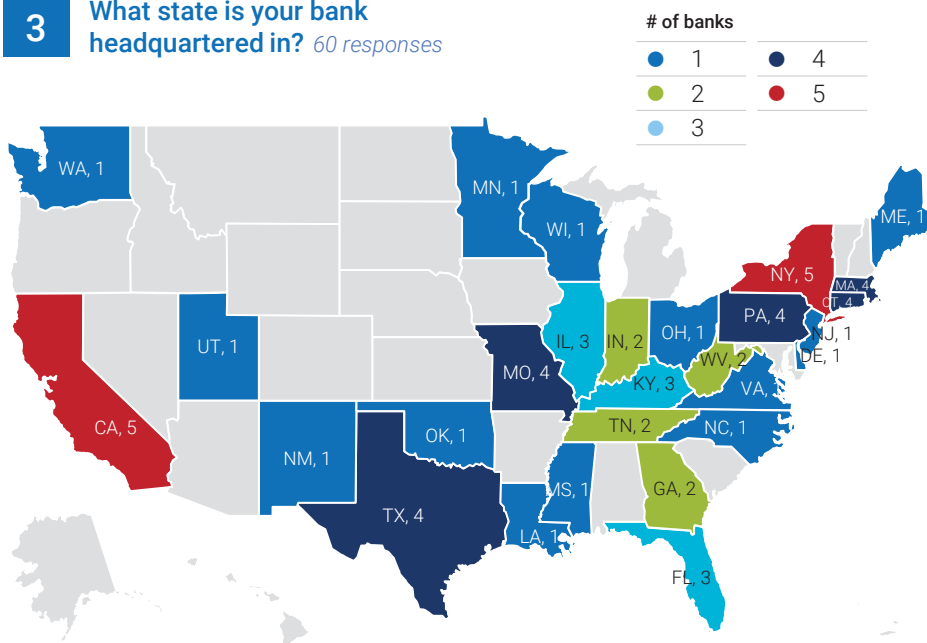
1 Regulator 62 responses



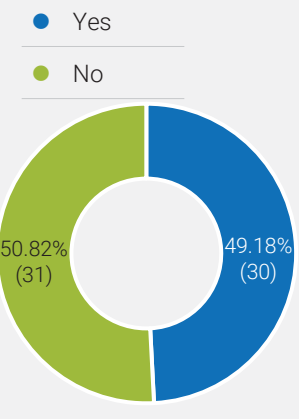
2 What region is your bank headquartered? 61 responses



3 What state is your bank headquartered in? 60 responses

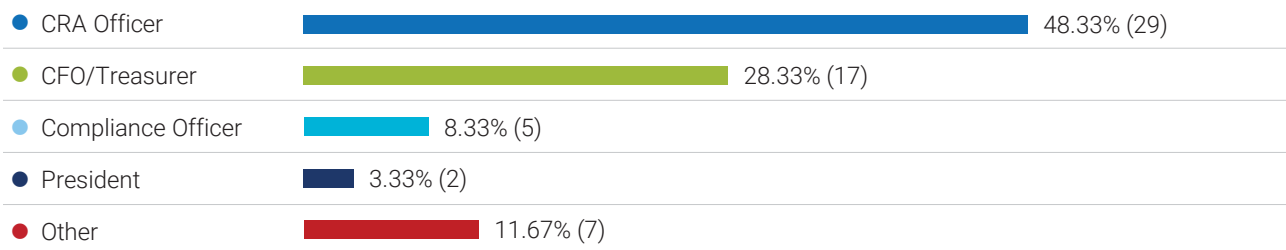


4 Is your bank in multiple states? 61 responses



Note: One response had two states for their headquarters/main banking office.

5 Who oversees CRA investing at your bank? 60 responses

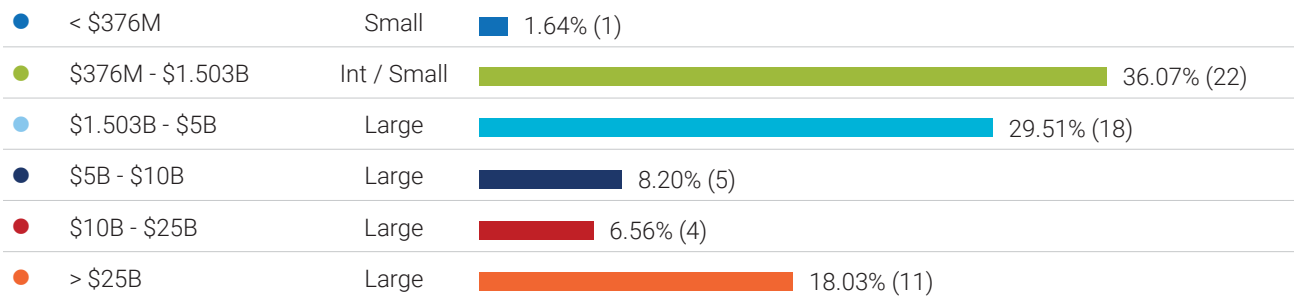


6

Asset size of my bank

61 responses

Bank size



7

Is your institution a limited purpose / wholesale or special purpose bank?

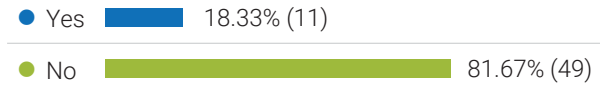
61 responses



8

Does your bank use a strategic CRA strategic plan?

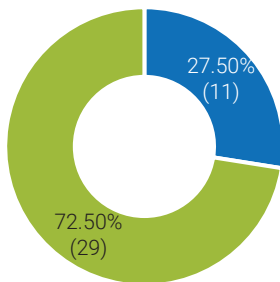
60 responses



9

What was your bank's overall CRA Rating in its last exam?

40 responses

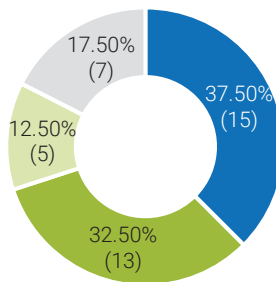


- Outstanding
- Satisfactory
- Needs Improvement
- Substantial Non-Compliance

10

What was your bank's CRA investment test rating in its last exam?

40 responses

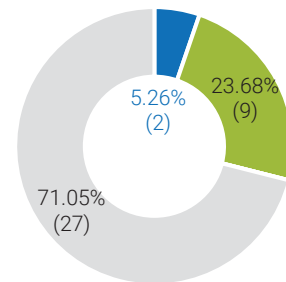


- Outstanding
- High Satisfactory
- Low Satisfactory
- Needs Improvement
- Substantial Non-Compliance
- N/A

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If your bank is an intermediate small bank (ISB), what was your bank's community development test rating in its last exam?

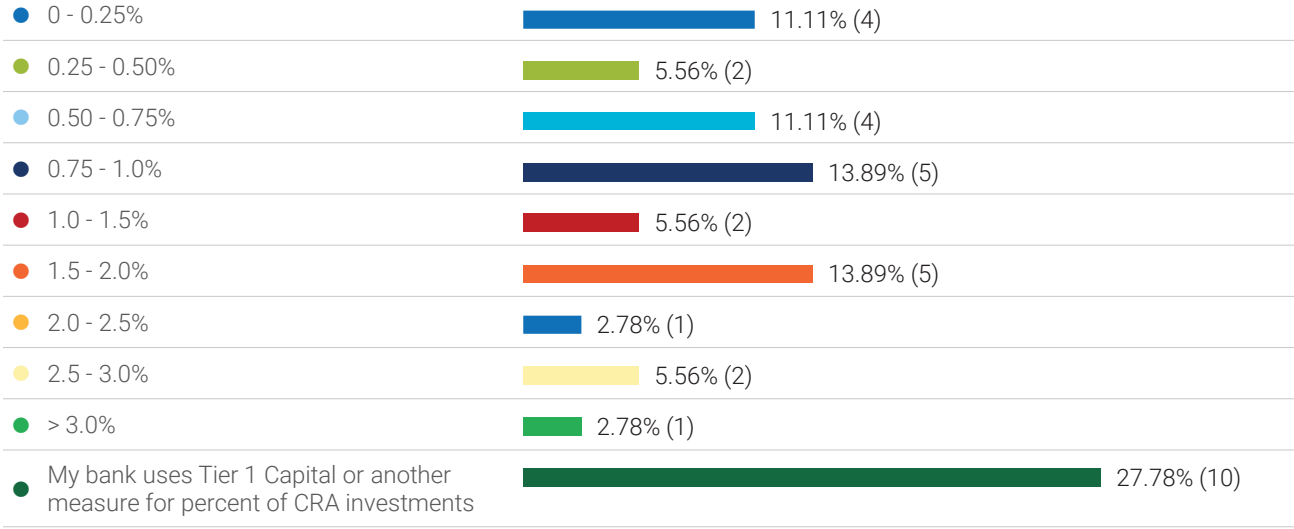
38 responses



- Outstanding
- Satisfactory
- Needs Improvement
- Substantial Non-Compliance
- N/A

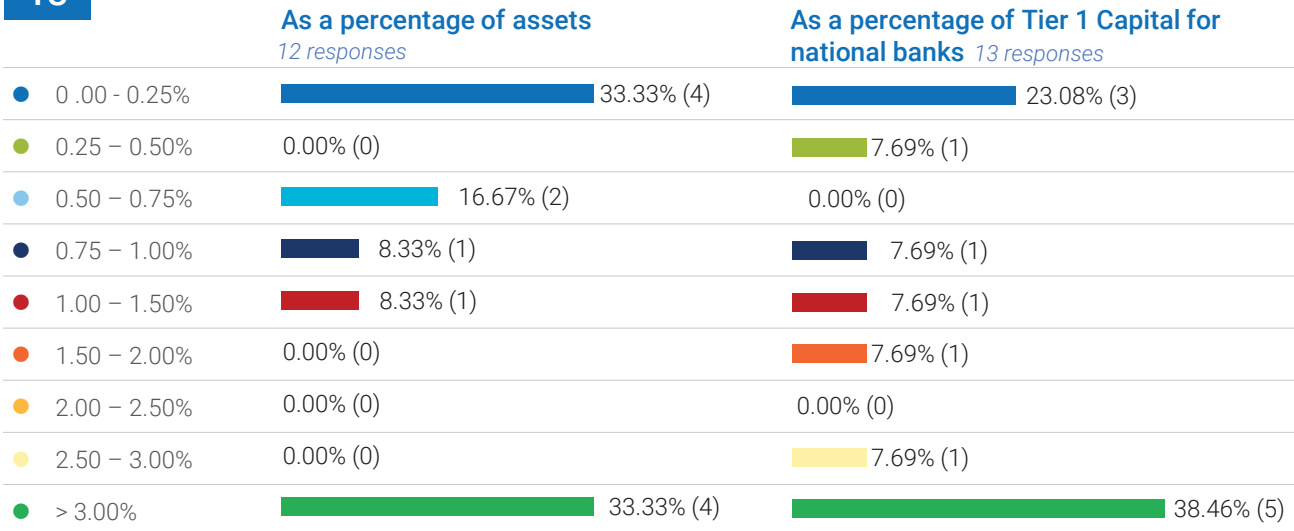
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In your bank's last CRA exam, what were the total qualified investments as a percentage of assets? 36 responses



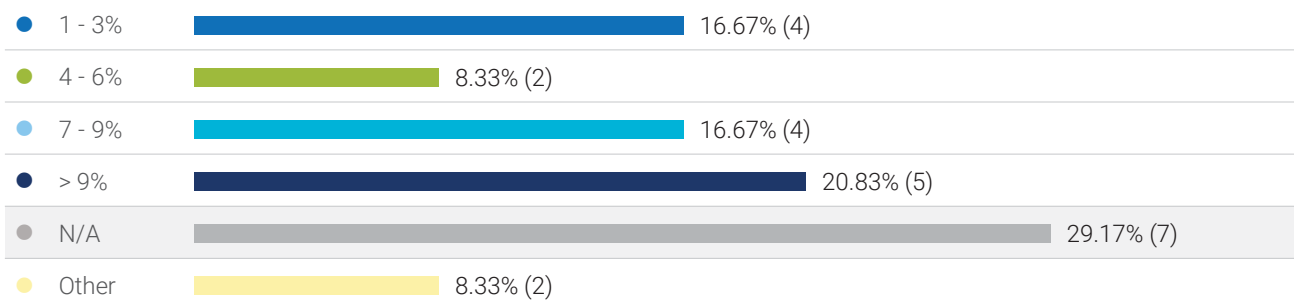
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If your bank is an ISB, provide total community development dollars (CDL and QI combined):



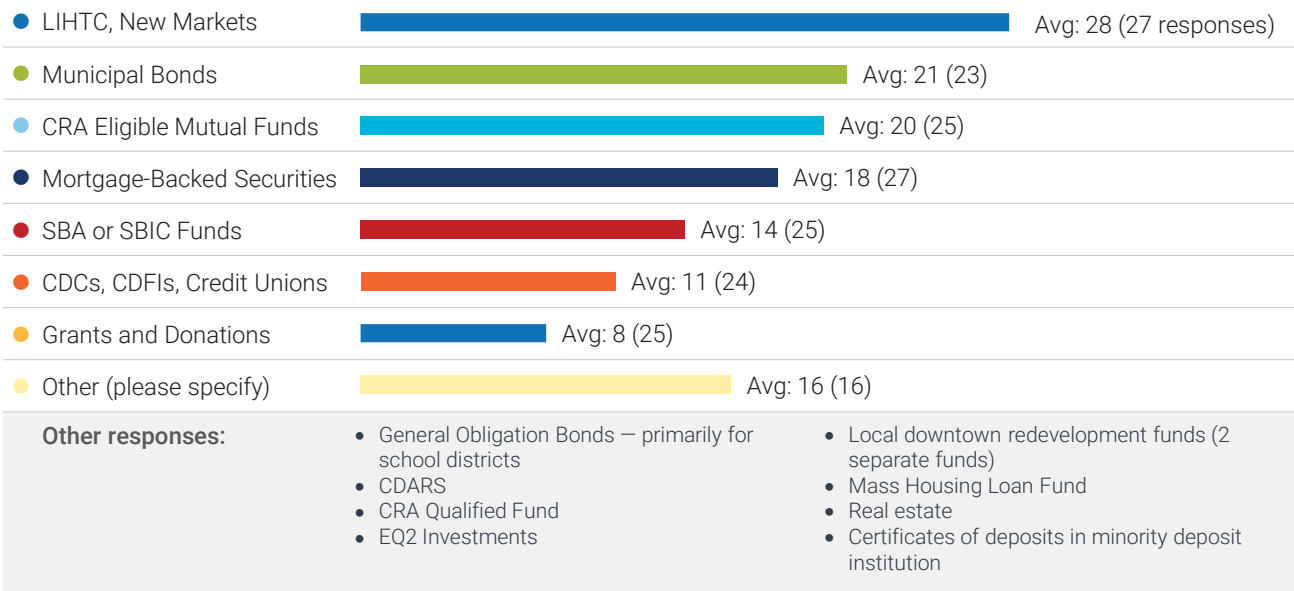
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For all bank types, if you answered Tier 1 Capital or another measure, what were your total qualified investments as a percent of the measure being used? 24 responses



15

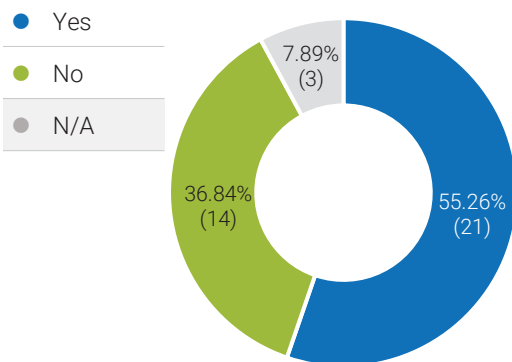
Can you please provide an estimated breakdown (equal to 100%) of what your bank invests in to fulfill its CRA investment test requirement? If we don't have an investment option listed, please include it in "Other" and include the percent that it represents. 33 responses



Note: Responses show the average number/percent for each investment option and how many people chose that (responses) as one of their CRA investments.

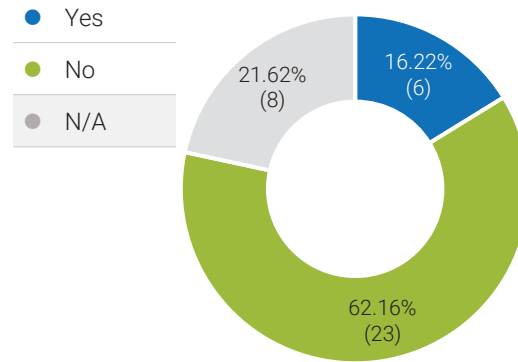
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Does your bank expand its CRA investment footprint to larger geographic regions and not limit itself to smaller areas where branches are located? 38 responses



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Has your bank received CRA credit for investments helping middle-income families? 37 responses



For banks with limited footprint, how do you meet CRA investment test requirements?

- Engage in adequate coverage in AA and then engage in activity in other areas of strategic importance to the bank.
- We invest in CDs and municipals with a community development purpose outside our geographic footprint.
- Four investments, totaling approximately \$3.5 million, that promoted affordable housing initiatives for low- and moderate- income individuals and families throughout the State of New Mexico (not all investments within our AAs.)
- Utilizing CCM.
- Try our best to find investments in the bank's CRA assessment area. Only purchase investments that benefit the banks CRA AA.
- We make investments with support going to local nonprofit agencies. There are very few opportunities for large investments which benefit the bank's AA specifically, so we are limited to investing in opportunities like the CRAIX fund and the Housing Development Fund.
- We do participate in state-wide CDFI sponsored programs that qualify for CRA credit.
- MDI bank CDs.

What type of investments were noted by examiners as being responsive?

- LIHTC and charitable donations.
- Bonds for revitalization/stabilization purposes (TIF districts) or bonds for economic development purposes. Also, donations to organizations that meet essential needs.
- Investments in equity housing funds, low-income mortgage loan pools, small business venture capital companies, and qualified community development bonds.
- Our bank invested \$600,000 in small business investment company's (SBIC) SBA approved fund along with several other financial institutions headquartered primarily in upstate New York. The purpose of the fund was to make subordinate debt investments ranging between \$500,000 to \$4.5 million in the upstate N.Y. region.
- Affordable housing.
- LIHTC and NMTC specific deals.
- CDFI Housing Funds.
- Disaster recovery.
- In addition to over \$140,000 in donations to qualifying economic development, affordable housing, and other LMI-targeted initiatives and service organizations, our bank invested \$2 million in a CRA-oriented investment fund that specifically directed the bank's dollars to various qualifying investments throughout the assessment area. All the qualifying items through this fund were for the purpose of affordable housing.
- Home mortgage grants.
- 18.8% contribute to affordable housing in our assessment's areas and 78.6% of new qualified grants and donations benefit community services in assessment areas.
- Credit and community development needs.
- PPP loans during COVID.
- SBIC/real estate
- The Community Kitchen Project, as well as the New Haven Based CDFI.
- SBA loan fund.
- This statement was included in our last CRA report "The activities (qualified investment activities) primarily benefitted affordable housing, at 73.8% of the dollar volume, which demonstrates the responsiveness to identified needs occurring during the evaluation period."

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What type of investments were deemed “innovative” by regulators in your most recent CRA examination?

- Small business loan fund in a LMI community and providing rent free office space for a large nonprofit/CDC/CDFI.
- Donations that involve extensive partnerships, new programming, and/or grant programs.
- Generic statement of "made use of innovative investments" was made, but specific investments weren't identified.
- CNB's Affordable Home Grants, The First Home Club Program offered through the Federal Home Loan Bank (FHLB) of New York.
- LIHTC and NMTC specific deals.
- HAMP, HARP, FHA/VA, RH, IHDA, Habitat for Humanity, Business Preferred Credit, Simple Business Solutions, SBA 7A & 504, Justine Petersen Micro Lending, and Minority Contractor fund.
- None, other than special mention of the investments that were made toward COVID-19 masks given to Native American and other needy communities within New Mexico to address needs of LMI individuals and families.
- Bank LMI home mortgage grant.
- During the pandemic, the bank invested over \$30,000 in the Community Kitchen Project, which contracted the bank's small business restaurants to cater meals for local soup kitchens, shelters, and crisis centers.
- CDFI & SBIC investments.
- Mutual funds.

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Can you share examples of out-of-the-box CRA investments your bank found and took advantage of in its last exam? Please feel free to describe the opportunity/investment.

- Collaborated with several other banks to provide a loan fund for small businesses opening store fronts located in a LMI community needing revitalization; the loan fund is administered by a CDC/CDFI.
- In 2020, our bank launched a national partnership with Feeding America, whereby the bank donated \$50 per eligible home, business, motorcoach, and airplane loan closed within a specific time to Feeding America. This was equivalent to 500 meals per eligible loan. The bank guaranteed a minimum donation of \$50,000 but donated \$95,800 to this organization to help fight hunger within its AAs and beyond.
- We made an investment in a minority depository bank that made a huge difference in one of our majority minority neighborhoods.
- CDs in LMI geographic regions.
- Investments to local school districts to help improve the conditions of the schools where a majority of students are from LMI families. Investments with Fannie Mae for use in construction of multifamily housing units for LMI families.
- Supportive housing fund where units were developed on land owned by churches where churches also received portion of the rents to reinvest in community programs.
- MBS securities (single and multifamily).
- EQ2 investments.
- 83 qualified grants and donations totaling \$145k.
- Sponsoring financial education programs in LMI schools.

About CCM: Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission. CCM was founded in 1998 and manages over \$4 billion in assets. The firm's mission seeks to deliver superior risk-adjusted returns through investment strategies that contribute to positive environmental and social outcomes. For more information, please visit: www.ccminvests.com.

CCM is the registered investment adviser to the CCM Community Impact Bond Fund CRA Shares (ticker: CRAIX), which was launched in 1999 to help banks meet the investment test requirements of the CRA. The Fund is one of the nation's largest mutual funds for community development investments.

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This Fund involves impact and ESG Risk. The Adviser may select or exclude securities of certain companies for reasons other than performance and, as a result, the Fund may underperform other funds that do not use an impact and ESG screening process. Impact and ESG investing are qualitative and subjective by nature. There is no guarantee that impact and ESG criteria used by the Adviser will reflect beliefs or values of any particular investor.

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