

CRA Investing Survey

9th Edition | October 2024





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Thank you to those who participated in our ninth annual CRA investing survey and for your help in sharing important and educational CRA investing data to banks nationwide.

Community Capital Management (CCM) launched its flagship Community Impact Bond (CIB) Fund on August 30, 1999, for financial institutions looking to meet community development investing under the requirements of the Community Reinvestment Act (CRA) by directing the impact of their investments to specific communities in need around the United States. We are thrilled to be celebrating this year the 25th anniversary of managing impactful fixed income investments and that it all started with our bank shareholders. We would not be where we are today without you, and we thank you for your ongoing support. Your investments are increasing the velocity of capital to underserved people and communities nationwide.

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

- If your bank invests in MBS to promote affordable homeownership to LMI individuals and families, what percentage of the bank's total investments are in MBS?
- Does your bank invest in direct real estate equity or as a Limited Partner (LP) in a fund to fulfill your CRA investment needs?
- If there is a Section-8 real estate LP fund or preferred equity looking to meet CRA investment test requirements, what return, and duration profile would you prefer?
- What types of investments has your bank made that were deemed complex, innovative, and/or responsive by regulators in your most recent CRA examination?

The 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.

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

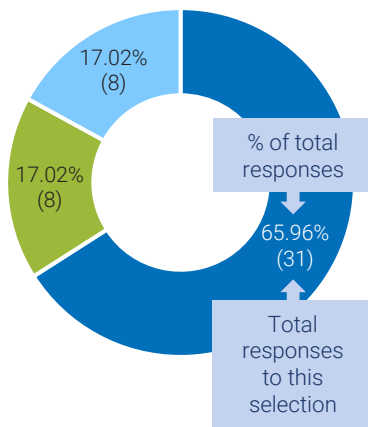


We hope you find the survey educational and helpful for your CRA investment programs. We welcome suggestions for future surveys and appreciate your time. If you have questions, please email Jamie Horwitz at jhorwitz@ccminvests.com.

CRA Investment Survey Results

1 Regulator 47 responses

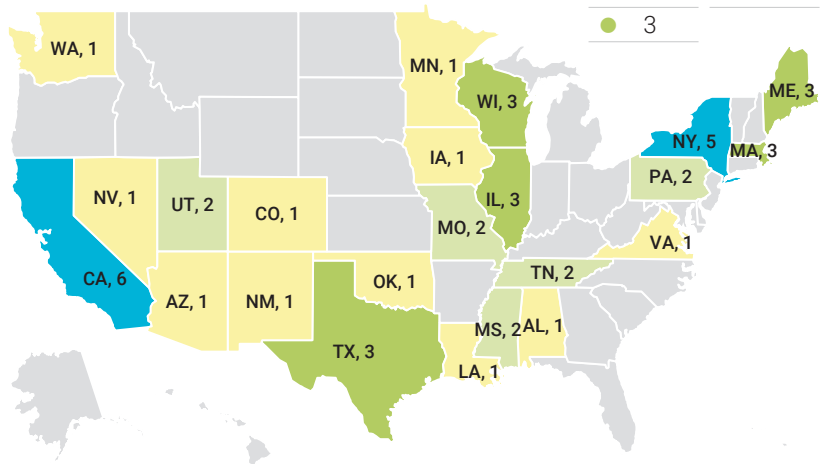
- FDIC
- OCC
- FRB



2 What state is your bank headquartered in? 47 responses

of banks

- 1
- 2
- 3
- 4
- 5+



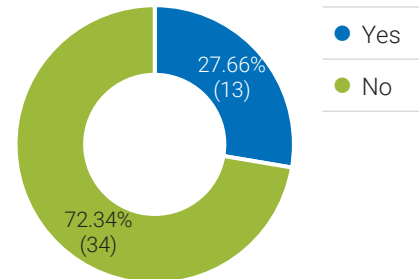
3 Asset size of my bank 47 responses

Bank size

< \$376M	Small	0.00% (0)
\$376M - \$1.503B	Int / Small	23.40% (11)
\$1.503B - \$5B	Large	25.53% (12)
\$5B - \$10B	Large	27.66% (13)
\$10B - \$25B	Large	17.02% (8)
> \$25B	Large	6.38% (3)

4 Does your bank use a CRA strategic plan? 47 responses

47 responses



5 What was your bank's CRA investment test rating in its last exam? 31 responses

31 responses

Outstanding	45.16% (14)
High Satisfactory	38.71% (12)
Low Satisfactory	12.90% (4)
Needs Improvement	0.00% (0)
Substantial Non-Compliance	0.00% (0)
N/A	3.23% (1)

6 If your bank is an intermediate small bank (ISB), what was your bank's community development test rating in its last exam? 31 responses

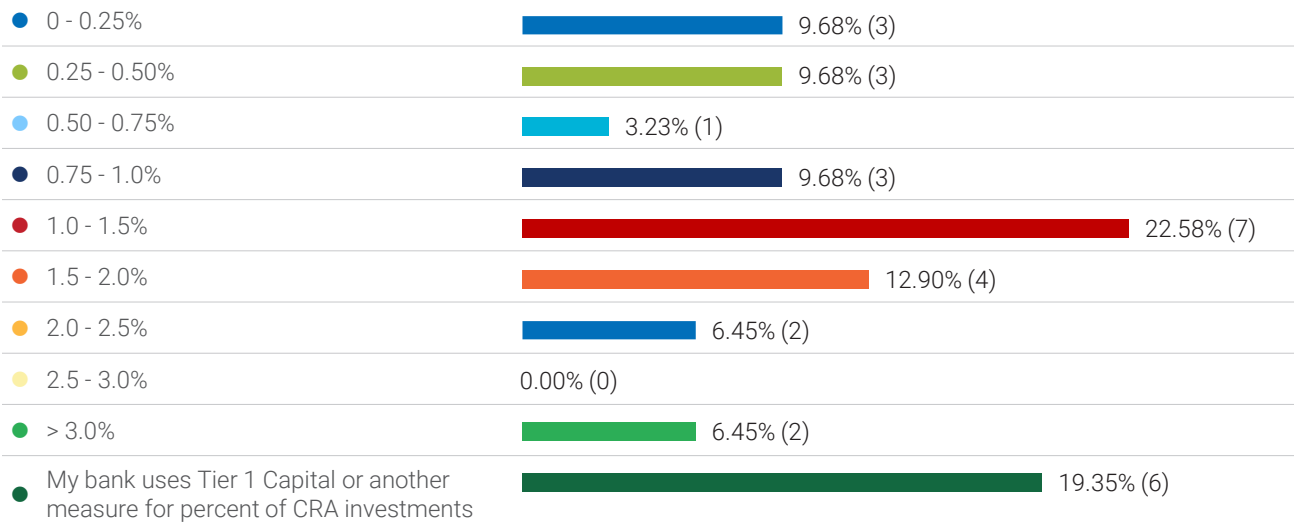
31 responses

Outstanding	9.68% (3)
Satisfactory	16.13% (5)
Needs Improvement	0.00% (0)
Substantial Non-Compliance	0.00% (0)
N/A	74.19% (23)

7

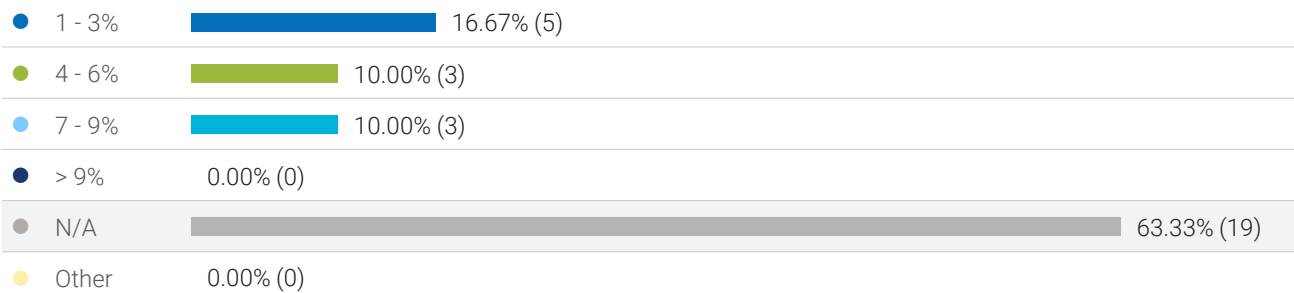
In your bank's last CRA exam, what were the total qualified investments as a percentage of assets?

35 responses



8

If you answered Tier 1 Capital or another measure, what were your total qualified investments as a percent of the measure being used? 30 responses



9

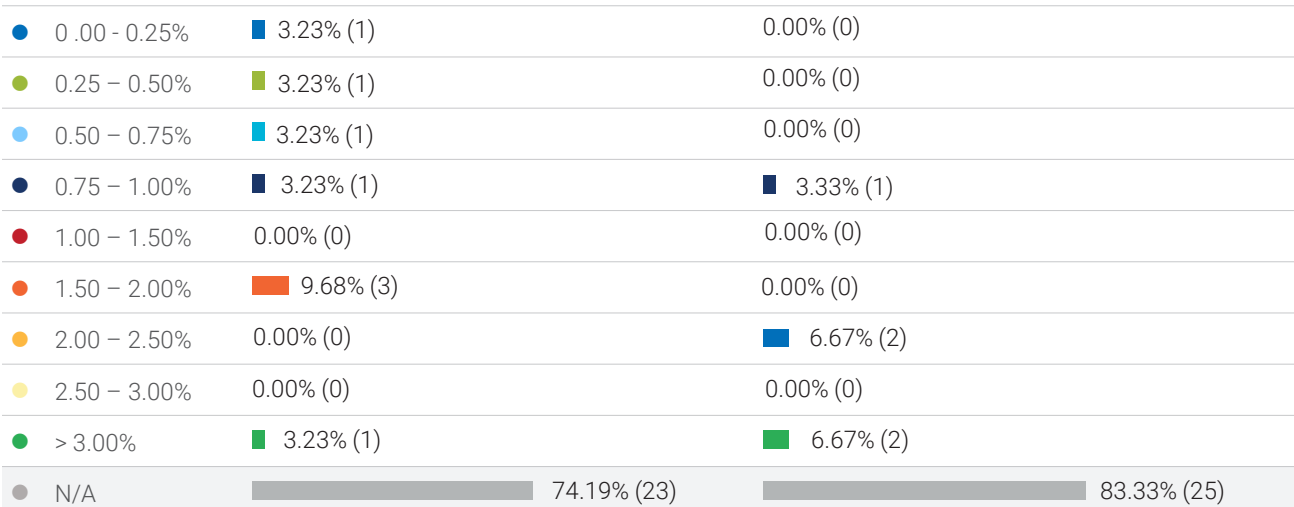
If your bank is an ISB, provide total community development dollars (CDL and QI combined):

As a % of assets

31 responses

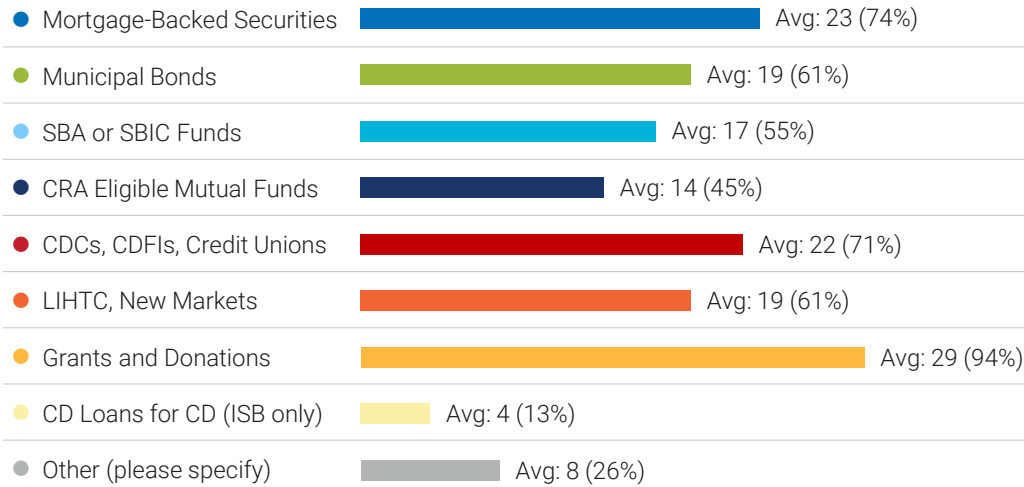
As a % of Tier 1 Capital for national banks

30 responses



10

Please check off any of the investments that your bank uses to fulfill its CRA investment test/CD test requirement. If we do not have an investment option listed, please feel free to include it in "Other." 31 responses



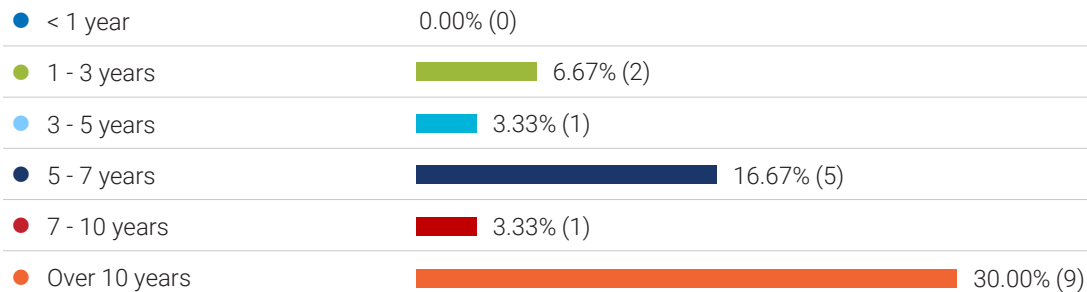
Other responses:

- CCM Community Impact Bond Fund
- Equity investments in Opportunity Zones
- Low-income housing tax credits (LIHTC)
- Deposit in a minority institution
- Tax equivalent financing fund, historic tax credits
- Senior housing crime prevention foundation, state funds
- Public welfare investments (PWI) in affordable housing and small business funds
- Minority Deposit Institution (MD) bank certificate of deposits (CDs)

Responses to this question include the average number of responses because multiple answers can be selected.

11

If your bank invests in CCM's Community Impact Bond Fund (CIB) Fund CRA Share Class (ticker: CRAIX), how long has your bank been a shareholder? 30 responses



12

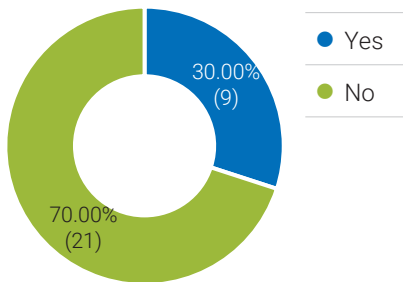
What types of investments has your bank made that were deemed complex, innovative, and/or responsive by regulators in your most recent CRA examination?

- Invested in a bond that helped with green initiatives
- Equity equivalent (EQ2) investments in community development financial institutions (CDFIs), LIHTC investments, and new markets tax credits (NMTC) investments
- NMTC and community development entities (CDE) funds
- Equity investments in Opportunity Zones, LIHTC tax-exempt bonds to nonprofits serving LMI, reinvesting state tax credit cash to the community when received from making foundation grants
- LIHTC
- Affordable housing preservation funds, small business investment company (SBIC) funds, LIHTC, NMTC
- Perpetual affordable housing funds (i.e., no maturity date)
- LIHTC, equity investments in CDFIs and financial intermediaries
- FRB said the bank makes some innovative investments but did not say which ones
- LIHTC and SBIC
- Mississippi Home Corporation – assists in development of affordable housing
- Affordable housing funds (LIHTC and PWI), small business funds (SBIC and PWI)
- CDFI EQ2, SBIC
- Low-income housing partnerships

13

Does your bank invest in direct real estate equity or as a Limited Partner (LP) in a fund to fulfill your CRA investment needs?

30 responses



If you selected “yes” for the previous question, what approximate yield do you target on these types of investments?

- 5%
- There is only one, so I do not know if we target a % overall.
- 13-15%, unless higher impact and then 5-8%
- We have not set targets
- Market-rate
- 10%+
- 12%
- Varies based on investment, but never concessionary
- We do not have targeted yields

14

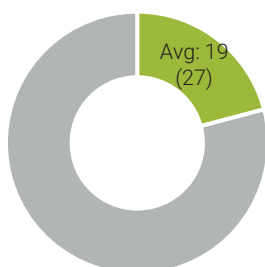
If there is a Section 8-real estate LP fund or preferred equity looking to meet CRA investment test requirements, what return and duration profile would you prefer? 27 responses

• Preferred Stock: 6-7% return with a 4-year expected duration and 8-year maturity	19.05% (4)
• LP: 10-11% internal rate of return, 7% preferred return, 8-year expected duration, and 16 year expected final payment	14.29% (3)
• None of the above	47.62% (10)
• Other (please specify)	19.05% (4)

Other responses:

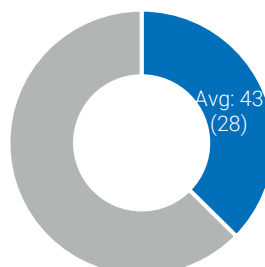
- LP, but we see 8% preferred returns
- Best return on 3-year duration and 5-year maturity
- CFO and investment officer would need to opine
- Equity (LP/LLC), IRR varies, 10-year average life/duration

15 If your bank invests in MBS to promote affordable homeownership to LMI individuals and families, what approximate percentage of the bank's total investments are in MBS? 27 responses

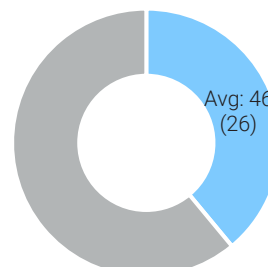


16 What percentage of your bank's CRA investments in its last exam were:

Prior-period investments (approximate)
28 responses



Current-period investments (approximate)
26 responses



Responses to these questions provide the average percentage of investments for their respective amounts in MBS, prior-period investments, and current-period investments.

17 What questions would you like to see on next year's survey?

- What investments did your bank get credit for that were unique?
- Have you been criticized for any investments from examiners? Do you count deposits with MDIs as a CRA investment? If so, what percentage of MDI deposits makes up your total CRA investments?
- Questions about examiner and bank use of similarly situated lender comparison performance: fair, unfair, consistent, inconsistent.
- For how long are CRA investments held at a bank? One year for the duration of the performance evaluation period but then sells off?
- None. Already is comprehensive.

About CCM: Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission. 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.

Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. Past performance is not indicative of future results. CCM has distinct investment processes and procedures relating to the management of investment portfolios for institutional clients. The firm's strategies are customized, rather than model-based, and utilize an innovative approach to fixed income by combining the positive societal outcomes of impact and environmental, social, and governance (ESG) investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. Bonds are subject to interest rate risk and will decline in value as interest rates rise. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. A sustainable investment strategy that incorporates ESG criteria may result in lower or higher returns than an investment strategy that does not include such criteria. Impact figures mentioned are approximate values. Opinions, estimates, forecasts, and statements of market trends are based on current market conditions and are subject to change without notice. Third party links, trademarks, service marks, logos and trade names included in this content are the property of their respective owners. The inclusion of a third party link is provided for reference and does not imply an endorsement or, association with, or adoption of the site or party by us. Acceptance of this material constitutes your acknowledgement and agreement that the Advisor does not make any express or implied representation or warranty as to the accuracy or completeness of the information contained herein and shall have no liability to the recipient or its representatives relating to or arising from the use of the information contained herein or any omissions there from. For a full list of relevant disclosures, please visit <https://www.ccminvests.com/regulatory-disclosures/>

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Carefully consider the Fund's investment objectives, risks, charges, and expenses. This and other information can be found in the Fund's prospectus, which can be obtained by calling 866-202-3573. Please read carefully before investing. There is no guarantee the objective will be achieved.

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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