

# Meeting CRA Investment Test Requirements Through Purpose-Driven Fixed Income Investing

Banks today face increasing expectations to deliver measurable impact in the communities they serve. CCM's flagship Community Impact Bond (CIB) Fund (the CIB Fund) CRA Shares (ticker: CRAIX), launched in 1999, offers a differentiated opportunity to help financial institutions meet their Community Reinvestment Act (CRA) investment test requirements through a diversified, investment-grade fixed income strategy.

## About the CIB Fund CRA Shares

The CIB Fund is intentionally constructed to invest in fixed income investments financing projects that align with CRA priorities, including affordable housing, and community development in low- and moderate-income (LMI) communities. By investing in bonds that directly support these outcomes across their specific assessment areas, banks can generate meaningful, reportable CRA credit—subject to regulatory determination—alongside competitive financial returns.

In addition to alignment with CRA investment test requirements and specific CRA targeting to a bank's assessment areas, the CIB Fund can provide:

- High-quality, investment-grade exposure designed to preserve capital
- Daily liquid investment option with no load and no redemption fee
- Monthly dividends
- Highly customized CRA reporting and documentation

For banks seeking a scalable way to deploy capital to support their local communities, the CIB Fund CRA Shares serves as both an **immediate** CRA-qualifying investment solution and an innovative solution to meet its regulatory needs.<sup>1</sup>

### How does the CIB Fund count for immediate credit? Per the regulation:

#### § 11.12(h)—8: What is meant by the term “primary purpose” as that term is used to define what constitutes a community development loan, a qualified investment, or a community development service?

A8. A loan, investment, or service has as its primary purpose community development when it is designed for the express purpose of revitalizing or stabilizing low- or moderate-income areas, designated disaster areas, or underserved or distressed nonmetropolitan middle-income areas, providing affordable housing for, or community services targeted to, low- or moderate-income persons, or promoting economic development by financing small businesses or farms that meet the requirements set forth in 12 CFR II .12(g). To determine whether an activity is designed for an express community development purpose, the agencies apply one of two approaches. **First, if a majority of the dollars or beneficiaries of the activity are identifiable to one or more of the enumerated community development purposes, then the activity will be considered to possess the requisite primary purpose.** Alternatively, where the measurable portion of any benefit bestowed or dollars applied to the community development purpose is less than a majority of the entire activity's benefits or dollar value, then the activity may still be considered to possess the requisite primary purpose, and the institution may receive CRA consideration for the entire activity, if (1) the express, bona fide intent of the activity, as stated, for example, in a

prospectus, loan proposal, or community action plan, is primarily one or more of the enumerated community development purposes; (2) the activity is specifically structured (given any relevant market or legal constraints or performance context factors) to achieve the expressed community development purpose; and (3) the activity accomplishes, or is reasonably certain to accomplish, the community development purpose involved. Generally, a loan, investment, or service will be determined to have a “primary purpose” of community development only if it meets the criteria described above. However, an activity involving the provision of affordable housing also may be deemed to have a “primary purpose” of community development in certain other limited circumstances in which these criteria have not been met. Specifically, activities related to the provision of mixed-income housing, such as in connection with a development that has a mixed-income housing component or an affordable housing set-aside required by Federal, state, or local government, also would be eligible for consideration as an activity that has a “primary purpose” of community development at the election of the institution. In such cases, an institution may receive pro rata consideration for the portion of such activities that helps to provide affordable housing to low- or moderate[1]income individuals. For example, if an institution makes a \$10 million loan to finance a mixed-income housing development in which 10 percent of the units will be set aside as affordable housing for low- and moderate-income individuals, the institution may elect to treat \$1 million of such loan as a community development loan. In other words, the pro rata dollar amount of the total activity will be based on the percentage of units set-aside

for affordable housing for low- or moderate[1]income individuals. The fact that an activity provides indirect or short-term benefits to low- or moderate-income persons does not make the activity community development, nor does the mere presence of such indirect or short-term benefits constitute a primary purpose of community development. Financial institutions that want examiners to consider certain activities should be prepared to demonstrate the activities' qualifications.

**§.23(a)-2: In order to receive CRA consideration, what information may an institution provide that would demonstrate that an investment in a nationwide fund with a primary purpose of community development will directly or indirectly benefit one or more of the institution's assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s)?**

A2. There are several ways to demonstrate that the institution's investment in a nationwide fund meets the geographic requirements, and the agencies will employ appropriate flexibility in this regard in reviewing information the institution provides that reasonably supports this determination. In making this determination, the Agencies will consider any information provided by a financial institution that reasonably demonstrates that the purpose, mandate, or function of the fund includes serving geographies or individuals located within the institution's assessment area(s) or a broader statewide or regional area

that includes the institution's assessment area(s). **Typically, information about where a fund's investments are expected to be made or targeted will be found in the fund's prospectus, or other documents provided by the fund prior to or at the time of the institution's investment, and the institution, at its option, may provide such documentation in connection with its CRA evaluation.** Nationwide funds are important sources of investments in low- and moderate-income and underserved communities throughout the country and can be an efficient vehicle for institutions in making qualified investments that help meet community development needs. Nationwide funds may be suitable investment opportunities, particularly for large financial institutions with a nationwide branch footprint. Other financial institutions, including those with a nationwide business focus, may find such funds to be efficient investment vehicles to help meet community development needs in their assessment area(s) or the broader statewide or regional area that includes their assessment area(s). Prior to investing in such a fund, an institution should consider reviewing the fund's investment record to see if it is generally consistent with the institution's investment goals and the geographic considerations in the regulations. Examiners will consider investments in nationwide funds that benefit the institution's assessment area(s). Examiners will also consider investments in nationwide funds that benefit the broader statewide or regional area that includes the institution's assessment area(s) consistent with the treatment detailed in Q&A §II .12(h)-6

## Examples of CIB Fund Mentions in Performance Evaluations (PEs)

From time to time, the CIB Fund CRA Shares is mentioned in a bank's PE. We have included a few examples below.

### [MidCountry Bank \(MCB\) ↗](#)

During the evaluation period, MCB made four qualified investments and donations totaling \$501 thousand in the Las Vegas MSA. The bank donated to a local food bank and made three qualified investments into a CRA Qualified Investment Fund which benefited LMI by providing affordable housing.

### [Main Street Bank ↗](#)

CCM Community Impact Bond Fund – The CCM Community Impact Bond Fund, formerly known as the CRA Qualified Investment Fund, purchases CRA qualifying investments that are primarily securities issued or guaranteed by the United States and State 17 Government Agencies. Specifically, the CCM Community Impact Bond Fund primarily invests in single-family, multi-family, and economic development loan-backed securities. Main Street earmarks each investment in the fund for investments within the assessment areas. These bonds help to create affordable housing within the bank's assessment areas.

### [Credit One Bank ↗](#)

The bank made use of innovative or complex qualified investments and CD services to meet the needs of its AA. Senior and executive level management served on boards and committees to organizations focusing on supporting community needs and affordable housing. Employees provided leadership and expertise to these organizations. The bank also invested \$14.6 million into a CRA Investment Fund to strengthen its response to affordable housing needs in the community.

Credit One also committed investment funds for two affordable multi-family rental properties through Ginnie Mae and Fannie Mae pools. These investments are part of the bank's CRA Qualified Investment Fund and demonstrates the bank's continued commitment to meeting affordable housing needs in its AA.

A \$14.6 million investment in a CRA Qualified Investment Fund, which is an open-end mutual fund that identifies, purchases, and earmarks CRA-qualifying securities in the Fund related to the shareholders' AAs. The fund targets LMI properties with a borrower income less than 80.0 percent of the median family income. During the evaluation period, the fund financed over 30 properties within the AA.

*Examples are provided for illustrative purposes only, do not represent all client experiences, and are not indicative of future results.*

**For more information, contact:**

**Jamie Horwitz**, Chief Marketing Officer  
[jhorwitz@ccminvests.com](mailto:jhorwitz@ccminvests.com) | 954.315.0418

<sup>1</sup> CRA consideration for an investment is determined by the applicable regulator based on the specific facts and circumstances, including factors such as the investment's alignment with community development objectives and the bank's assessment areas and CRA goals.

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. Any performance information, case studies, examples, or securities identified and described are for illustrative purposes only and do not guarantee future results or outcomes. Security selection was based upon nonperformance-based objective criteria, including, but not limited to, the security's social attributes and the examples presented are not intended to be indicative of typical investments or outcomes. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities identified. 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 investing, integrating impact-driven outcomes with disciplined financial analysis, 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. Investments selected based on impact criteria may result in a portfolio that is less diversified and may be subject to greater volatility or risk. There is no guarantee that any impact objectives will be achieved, and measurement of impact may be subject to limitations or inaccuracies. Certain securities or strategies may be subject to liquidity risk, and the universe of eligible investments may be more limited than in non-impact strategies. An investment strategy that incorporates impact 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>.

Mutual fund investing involves risk including the loss of principal. Bond and bond funds are subject to interest rate risk and will decline in value as interest rates rise. The Fund is non-diversified. There is no guarantee the objective of the Fund will be achieved. This fund involves impact risk. The Adviser may select or exclude securities for reasons other than performance and, as a result, the Fund may underperform other funds that do not use an impact screening process. Impact investing is qualitative and subjective by nature. There is no guarantee that impact criteria used by the Adviser will reflect beliefs or values of any particular investor.

**Carefully consider the risks, investment objectives, charges, and expenses of the Fund before investing. The prospectus contains this and other important information. Please read the prospectus carefully before investing.** The prospectus is available by calling 877-272-1977 or by visiting [www.ccminvests.com](http://www.ccminvests.com). The CCM Community Impact Bond Fund is distributed by SEI Investments Distribution Co. (SIDCO), 1 Freedom Valley Drive, Oaks, PA 19456, which is not affiliated with Community Capital Management or any other affiliate.

Copyright © 2026 Community Capital Management. All Rights Reserved.