

CRA EXAMINATION TECHNIQUES

Type of Participant Targeted

The Community Reinvestment Act (CRA) Examination Techniques School is designed for assistant consumer compliance examiners and others who are preparing to participate on a CRA exam and assist in the writing of the Performance Evaluation for the CRA portion of a Consumer Compliance bank examination. *All assistant examiners involved in the consumer affairs specialty must complete this course before being commissioned.*

Prerequisites

Participants should have:

- Completed the Examiner Orientation Program, Banking and Supervision (BaSE) course, and the Introduction to Consumer Compliance Examinations (CA I) course or received a waiver from these courses.
- Become proficient with the Sametime collaboration technology (that is, performed the steps as outlined in the Participant Letter) in preparation for the Week 1 Daily Calls.

Course Overview

Participants must be familiar with the CRA regulation and possess a minimum of actual CRA examination experience before attending this school. Participants will apply this knowledge and understanding to solve problems and assess bank performance.

This course builds on CRA material introduced during the Examiner Orientation Program, BaSE and the CA I course. This course will address detailed examination issues for all types of banks. It also discusses the strategic plan concept to familiarize participants with the applicable examination procedures and prepare them to answer institution questions regarding the strategic plan process.

This course emphasizes interactive and team learning by using the case study approach. Week 1 introduces important concepts via computer-based training (CBT) modules, interactive individual and group exercises reinforced through daily phone calls and electronic bulletin board postings. Week 2, in large part, is devoted to case study activities for an intermediate small interstate bank and reinforcing and building upon week one's subject matter.

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Course Objectives

After completing this 9 1/2-day blended format course, the participant, at a minimum, will be able to complete the following objectives.

- Assist the Examiner in Charge (EIC) by working on any portion of the CRA examination of a small, large, or intermediate, wholesale, or limited purpose bank or a bank operating under an approved CRA strategic plan
- Evaluate the effectiveness of a bank's CRA program and apply System guidelines for determining a bank's CRA rating.
- Utilize the tools and resources used to conduct CRA examinations
- Recommend appropriate courses of action to bank management

Post-Course Intervention

After completing CRA Examination Techniques, the participant should be given on-the-job assignments that will increase the retention of the competencies presented during class. Such on-the-job assignments include the following examples.

- Assist in evaluation of a bank's lending, service, and investment activities.
- Develop a performance context analysis for a CRA examination.
- Evaluate a small and intermediate small bank according to the CRA performance criteria.
- Write a Performance Evaluation report for a small and intermediate small bank CRA assessment, which includes a thorough presentation of the facts, data, and analysis that support the conclusions reached.

Week 1 - Overview of CRA Examination Techniques Curriculum (Major Topics)

As described above, week 1 consists of computer-based training modules, daily phone calls, exercises, and discussion boards. Major topics include the following: Community Development, Types of CRA Exams, Preparing for the Exam, Identifying the Performance Context, Evaluating Performance Criteria, Developing a Rating, and Writing the Performance Evaluation.

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Week 2 - Overview of CRA Examination Techniques Curriculum (Major Topics)

Subject	Approximate Class Hours /Minutes	Homework Hours*
Course Introduction	2.00	--
Assessment Area	2.30	--
Scoping a CRA Exam	2.00	--
Performance Context	1.30	--
Lending Test – LTD Ratio	1.30	--
Lending Test – Lending in the AA	1.15	--
Geographic Distribution	1.00	--
Borrower Distribution	1.45	--
Complaints	0.30	--
Community Development Test - Loans	2.30	--
Community Development Test – Investments	2.30	--
Community Development Test – Services	3.30	--
Ratings	3.30	--
Intro. to a Large Bank	2.00	--
Total	<u>27.10</u>	<u>x.xx</u>

* Uncompleted in-class exercises and case study assignments are assigned as homework

Class Size

The optimal class size for CRA Examination Techniques is 20 participants. To provide sufficient variety of interaction among class participants, the minimum class size is 10-12 participants. Because week 2 relies on case study work to present hands-on experience with the material, sufficient instructors are available to assist small groups. Accordingly, to ensure a manageable instructor workload and maintain a reasonable participant-to-instructor ratio, a maximum class size is 20 participants.

Instructors

CRA Examination Techniques includes one lead instructor and four additional instructors with consumer compliance CRA examination experience to instruct during the week 1 online and week 2 in-class portions of the course.