

# Attachment I

## CRA SAMPLING PROCEDURES

The following CRA data integrity sampling procedures should be applied when reviewing data collected and maintained by state member banks in accordance with the data collection, reporting, and disclosure requirements of Regulation BB:

**1. Identify and select the loan files to be reviewed.**

For each CRA reporter, review applicable loan data for the current year and all other years since the last examination. The data collected and maintained for a single year constitutes the universe from which a sample is taken. As a result it may be necessary to select multiple samples.

**2. Determine the total number of files to be sampled from Column G in [Attachment II](#), based upon the universe size.**

**3. Select the total random sample.** (Instructions for selecting a random sample are contained in [Attachment 1 to CA letter 00-2.](#))

**4. Review the initial number of files shown in Column B of Attachment II.**

**5. The examiner may stop the sampling process after review of the initial number of files is completed IF the results indicate that a very small number of files had errors in key fields.<sup>1</sup> Using [Attachment II](#), this number can be determined by referencing Column C.**

For example, if a CRA universe contains 150 files, a total random sample of 56 files should be taken. The examiner may initially begin file review on 29 files. If, upon completing review of the initial 29 files, the examiner finds no more than one file with any error or errors in key fields, the examiner may end the sampling process for that CRA reporter for that universe. The examiner may then reach a statistically reliable conclusion that the findings are indicative of the universe and resubmission<sup>2</sup> is not necessary.

**6. The examiner must complete a review of the total random sample of files if a larger number of files with errors in key fields are found during the initial file review.**

The need for this additional file review can be determined by using [Attachment II](#) and referencing Column D titled "Number of Files with Errors - Additional File Review Required." If the number of files with errors in key fields from the initial review falls within the number reflected in this column, the examiner must review the additional files to complete the total random sample.

For example, if a CRA universe contains 150 files, a total random sample of 56 files

should be taken. The examiner may initially begin file review on 29 files. If, upon completing review of the initial 29 files, the examiner finds four files with an error or errors in key fields, the examiner should then review 27 additional files, for a total sample size of 56 files. After completing review of the additional 27 files, the examiner should determine the total number of files with key field errors and apply the CRA data resubmission standards (found in [Attachment III](#)) to the total sample.

- 7. If an examiner determines that a large number of files reviewed in the initial file review have an error or errors in key fields, the examiner may stop the verification of loan data after the initial file review is completed and should apply the CRA resubmission standards ([Attachment III](#)).**

This maximum number can be determined by using Attachment II and referencing Column E. For example, if a CRA universe contains 150 files, a total random sample of 56 files should be taken. The examiner may initially begin file review on 29 files. If, upon completing review of the initial 29 files, the examiner finds six (or more) files with an error or errors in key fields, the examiner should stop the file review. Sufficient statistical evidence has been obtained to conclude that a larger sample would have an unacceptable number of errors, thus requiring resubmission. At this point, the examiner should apply the CRA resubmission standards (see [Attachment III](#)) to the total sample.

- 8. Determine the software used by the bank for editing and reporting small business and small farm loan data. If the bank uses the FFIEC data entry software for editing and reporting small business and small farm loan data, no further review is needed. If the bank does not use the FFIEC software, verify the accuracy of the CRA data aggregation.**

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## **Footnote**

<sup>1</sup> Key fields for CRA are: (1) For small business and small farm loans: the loan amount at origination, the loan location (MSA, State, county, census tract), and an indicator whether the loan was to a business or farm with gross annual revenues of \$1 million or less; (2) For community development loans: the loan amount at origination or purchase and an accurate community development purpose as documented in support loan files; (3) For consumer loans collected and maintained at the bank's option: the loan amount at origination or purchase, the loan location, and the gross annual income of the borrower.

<sup>2</sup> For consumer loan data, the decision would not be whether to require resubmission, but if the data collected and maintained are used as part of the CRA examination. If a bank elects to have consumer lending data considered during its CRA examination, the data must meet these accuracy standards. If consumer lending constitutes a substantial majority of a bank's business, the examiner should evaluate the bank's consumer lending in one or more of the categories specified in section 228.12(k) of Regulation BB (motor vehicle loan, credit card loan, home

equity loan, other secured consumer loan, or other unsecured consumer loan) using loan files sampled by the examiner.