
Part A, Section 4: Community Development Lending: Multi-family Residential, Non-residential and Construction and Land Development Loans

General Instructions:

What type of lending is reported in this section?

This section of Part A of the survey focuses on community development loans. For purposes of this survey, a community development loan has the same meaning as in the CRA regulations. That is, it means any loan or loan commitment that has as its primary purpose community development. The CRA regulatory definition includes any community development loan made within your institution's CRA assessment area(s), or in a broader geographic area if the loan also benefits your institution's assessment area(s). Please **exclude** 1-4 family home purchase, refinance, home improvement, and small business lending.

What is the time period covered and general scope of questions?

This section of the survey begins with several background questions about your community development lending program. We follow with questions about your community development lending experiences during 1999, on the loans held in portfolio as of December 31, 1999, and on loan performance, and profitability.

How should the activities of your affiliates be treated in this section?

Please provide information for your bank or savings association. Include the activities of affiliates **only** if they are considered in evaluating your institution's CRA performance. Consider the activities of an affiliate in the same manner in which they are considered in your CRA evaluation.

How should the survey question responses be filled out?

Please provide a response to each question in the survey. In responding to all questions, we strongly urge you to make calculations and assessments using hard data whenever possible. If a particular question is not applicable to your institution (e.g., a question relates to activities of affiliates and your institution does not have any affiliates), check the "N/A" box provided in the survey. **If you do not know the answer to**

Contact Person for this Section

In case questions arise about answers given in this section, please provide (*print clearly*):

Institution Name _____

Contact _____

Phone Number () _____ - _____

any question, please write "Don't Know" or "DK" anywhere in the appropriate question response area. If you do any community development lending, then no question in this section should be left blank. If a question response area is left completely blank, additional follow-up with your institution may be required to determine if the question was inadvertently skipped.

What precision should be used in responding to questions?

If the answer calls for a dollar amount, please answer in thousands. If it calls for a percent, please round to the nearest whole percent. If it calls for percentage points, please round to the nearest hundredth of a percentage point.

The information collected in the survey will not be made available to the public in a way that would allow members of the public to identify the responses provided by your institution. Also, the data will not be used for supervisory purposes.

If you have any questions about this questionnaire, please contact the Federal Reserve Board using the toll-free number (800-281-4930). Your call will be forwarded into a voice mail system where you can record your message. Every effort will be made to return your call within 24 hours.

General Questions

1. Does your banking institution originate or purchase community development loans?
 Yes No, do not answer the remaining questions 2–35 in this section
2. Were community development loans **by your affiliates** considered in your last CRA examination?
 Yes No
3. Do you have a distinct unit or department that specializes in community development loans?
 Yes No, do not answer question 4
4. If yes, what year was the unit or department established?
19 _____
5. Please indicate the current benefits your banking institution believes it receives from community development lending:
(check all boxes that apply)
 - a. Believe it is needed to obtain a CRA rating of “Satisfactory”
 - b. Believe it is needed to receive a CRA rating of “Outstanding”
 - c. Source of additional profits
 - d. Improve public image
 - e. Promote community growth and stability
 - f. Respond to the credit needs identified by you or by third parties in your local communities
 - g. Maintain market share in the face of increased competition
 - h. Minimize the likelihood of adverse public comment on your CRA record
 - i. Other, please specify _____

Profile of 1999 Origination and Purchase Activity

Please answer the following questions pertaining to your banking institution's 1999 loan origination and purchase experiences in community development

lending. (Respond by completing the appropriate blank or checking the box that best applies).

6. What was the dollar amount of community development loans originated or purchased in calendar year 1999 by your banking institution (including originations and purchases by affiliates that counted for your CRA evaluation)?
 - a. \$ _____
(in thousands)
 - b. None
7. The answer to question 6 was based upon: (which of the following best applies)
 - a. Actual tabulations
 - b. Estimate based on reasonable assumptions and data
 - c. Educated guess
 - d. Previous question not answered
8. Of the 1999 community development loan dollars reported in question 6, what percentage was originated or purchased by your affiliates?
 - a. _____ percent (0-100%)
 - b. N/A-no affiliate originations or purchases included
9. Of the 1999 community development loan dollars reported in question 6, what percentage was retained at year-end in your portfolio?
 - a. Virtually all (95-100%)
 - b. Most (60-94%)
 - c. About half (40-59%)
 - d. Some (6-39%)
 - e. Virtually none (0-5%)

Profile of Portfolio as of December 31, 1999

Please answer the following questions pertaining to your banking institution's community development loan portfolio as of year-end 1999. (Respond by completing the appropriate blank or checking the box that best applies).

10. What was the dollar amount of community development loans outstanding for your banking institution as of December 31, 1999? a. \$ _____
(in thousands)
b. None
-
11. The answer to question 10 was based upon: (which of the following best applies) a. Actual tabulations
b. Estimate based on reasonable assumptions and data
c. Educated guess
d. Previous question not answered
-
12. Approximately what percentage of the community development loan dollars in your portfolio as of December 31, 1999 was in the following categories: (should total 100%)
- a. Multi-family residential
1. Construction a.1 _____ percent
2. Permanent a.2 _____ percent
- b. Loans for commercial development
1. Construction b.1 _____ percent
2. Permanent b.2 _____ percent
- c. Mixed use developments (mixes of retail, housing, and office space developments)
1. Construction c.1 _____ percent
2. Permanent c.2 _____ percent
- d. Other (please specify) _____ d. _____ percent
-
13. Approximately what percentage of the community development loan dollars in your portfolio as of December 31, 1999 was in the following categories: (should total 100%)
- a. Loans originated in 1999 a. _____ percent
b. Loans originated in 1997-98 b. _____ percent
c. Loans originated in 1995-96 c. _____ percent
d. Loans originated in 1994 or earlier d. _____ percent
-
14. Approximately what percentage of the community development loan dollars in your portfolio as of December 31, 1999 was in the following categories: (should total 100%)
- a. Loans with outstanding balance less than or equal to \$1 million a. _____ percent
b. Loans with outstanding balance greater than \$1 million b. _____ percent
-
15. Does your community development lending program involve third parties (including consortia) on an on-going basis? a. Yes, more than 50 percent of the loans
b. Yes, 50 percent or less of the loans
c. No

Profile of Portfolio as of December 31, 1999 – Continued

16. If you answered “yes” in question 15, what third party or consortium organizations are involved in these loans? (check all boxes that apply)
- a. Federal government (including FHA, SBA or others)
 - b. State government
 - c. Local government
 - d. Fannie Mae, Freddie Mac
 - e. Federal Home Loan Bank
 - f. Financial institution consortium
 - g. Non-profit organization
 - h. Other (please specify) _____
 - i. N/A-no third parties or consortia N/A-no third parties or consortia

17. If you answered “yes” in question 15, what special features or services do the third parties provide in connection with your community development program? (check all boxes that apply)
- a. Credit guarantees
 - b. Subsidized interest rates
 - c. Grants for down-payment or other purposes
 - d. Underwriting
 - e. Screening of potential projects
 - f. Subordinated mortgages
 - g. Tax relief
 - h. Other (please specify) _____
 - i. None None
 - j. N/A-no third parties or consortia N/A-no third parties or consortia

18. Approximately what percentage of the community development loan dollars in your portfolio as of December 31, 1999 had credit guarantees or rate or fee subsidies provided by third parties (exclude personal guarantees)?
- a. _____ percent (0–100%)

19. Approximately what percentage of the community development loan dollars in your portfolio as of December 31, 1999 was eligible for tax credits?
- a. _____ percent (0–100%)

20. What special features or services does your banking institution or affiliate provide in connection with your community development loans? (check all boxes that apply)
- a. Reduced interest rates
 - b. Waived or reduced fees (i.e., cover some closing costs)
 - c. Grants for down-payment or other purposes
 - d. More flexible underwriting
 - e. Special financial incentives to loan officers or brokers
 - f. Letters of credit
 - g. Other (please specify) _____
 - h. None None

Profile of Delinquency as of December 31, 1999 and 1999 Net Charge-offs

Please answer the following questions pertaining to your community development loan delinquency in your 1999 year-end portfolio and net charge-off experience over calendar year 1999. (Respond by completing the appropriate blank or checking the box that best applies).

21. What percentage of the community development loan dollars outstanding in your portfolio as of December 31, 1999 was 30-89 days delinquent? a. ____ . ____ percentage points
-
22. The answer to question 21 was based upon: (which of the following best applies) a. Actual tabulations
b. Estimate based on reasonable assumptions and data
c. Educated guess
d. Previous question not answered
-
23. What percentage of the community development loan dollars as of December 31, 1999 that you either (1) held in portfolio or (2) sold, but continue to service, was 30-89 days delinquent? a. ____ . ____ percentage points
-
24. The answer to question 23 was based upon: (which of the following best applies) a. Actual tabulations
b. Estimate based on reasonable assumptions and data
c. Educated guess
d. Previous question not answered
-
25. What percentage of the community development loan dollars outstanding in your portfolio as of December 31, 1999 was 90 days or more delinquent or non-accruing? a. ____ . ____ percentage points
-
26. The answer to question 25 was based upon: (which of the following best applies) a. Actual tabulations
b. Estimate based on reasonable assumptions and data
c. Educated guess
d. Previous question not answered
-
27. What percentage of the community development loan dollars as of December 31, 1999 that you either (1) held in portfolio or (2) sold, but continue to service, was 90 days or more delinquent or non-accruing? a. ____ . ____ percentage points
-
28. The answer to question 27 was based upon: (which of the following best applies) a. Actual tabulations
b. Estimate based on reasonable assumptions and data
c. Educated guess
d. Previous question not answered
-
29. What was your net charge-off rate (in percentage points) in 1999 for community development loans (total net charge-offs of community development loans during 1999 divided by your average community development loan dollars outstanding over 1999)? a. ____ . ____ percentage points
-
30. The answer to the preceding question 29 was based upon: (which of the following best applies) a. Actual tabulations
b. Estimate based on reasonable assumptions and data
c. Educated guess
d. Previous question not answered
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Profile of 1999 Profitability

Please answer the following questions pertaining to the **profitability** of your 1999 community development lending. We are seeking a comprehensive measure of profitability and consequently your responses should reflect all factors that relate to profitability, including revenues and costs associated with overhead; origination; servicing; pricing;

delinquency, default and losses; prepayment; loan sales and purchases; and related customer account business (e.g., deposit account relationships). (Respond by completing the appropriate blank or checking the box that best applies).

31. Overall, considering all factors, your banking institution's 1999 community development lending was:
- a. Profitable
 - b. Marginally profitable
 - c. Break even
 - d. Marginally unprofitable
 - e. Unprofitable
-
32. What was your overall return on equity (ROE) for your community development lending for 1999?
- a. ____ . ____ percentage points
-
33. The answers to the preceding questions 31 and 32 were based upon: (which of the following best applies)
- a. Actual tabulations
 - b. Estimate based on reasonable assumptions and data
 - c. Educated guess
 - d. Previous questions not answered

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34. Other than items related to profitability and items cited in question 5, are there other benefits that your banking institution receives from community development lending?

Yes No



If yes, please specify _____

35. Other than items related to profitability, are there other costs that your banking institution incurs from community development lending?

Yes No



If yes, please specify _____

Please complete and return the general information sheet and both parts of the survey (four sections in Part A and one section in Part B) no later than March 1, 2000 to:
Federal Reserve Board
Attention: CRA Lending Survey
1709 New York Avenue, NW, Fifth Floor
Washington, DC 20006