**Section 345.210 Performance Tests, Standards, and Ratings, in General**

a) Performance tests and standards. The Secretary assesses the ILCRA performance of a bank in an examination as follows:

1) Lending, investment, and service tests. The Secretary applies the assessment factors, as provided in Section 345.200, and lending, investment, and service tests, as provided in Section 345.220 through 345.240, in evaluating the performance of a bank, except as provided in subsections (a)(2), (a)(3), and (a)(4) of this Section.

2) Community development test for wholesale or limited purpose banks. The Secretary applies the community development test for a wholesale or limited purpose bank, as provided in Section 345.250, except as provided in subsection (a)(4) of this Section.

3) Small bank performance standards. The Secretary applies the small bank performance standards as provided in Section 345.260 in evaluating the performance of a small bank or a bank that was a small bank during the prior calendar year, unless the bank elects to be assessed as provided in subsections (a)(1), (a)(2), or (a)(4) of this Section. The bank may elect to be assessed as provided in subsection (a)(1) of this Section only if it collects and reports the data required for other banks under Section 345.410.

4) Strategic plan. The Secretary evaluates the performance of a bank under a strategic plan if the bank submits, and the Secretary approves, a strategic plan as provided in Section 345.270.

b) Performance context. The Secretary applies the tests and standards in subsection (a) and also considers whether to approve a proposed strategic plan in the context of:

1) Demographic data on median income levels, distribution of household income, nature of housing stock, housing costs, and other relevant data pertaining to a bank's assessment area;

2) Any information about lending, investment, and service opportunities in the bank's assessment area maintained by the bank or obtained from community organizations, state, local, and tribal governments, economic development agencies, or other sources;

3) The bank's product offerings and business strategy as determined from data provided by the bank;

4) Institutional capacity and constraints, including the size and financial condition of the bank, the economic climate (national, regional, and local), safety and soundness limitations, and any other factors that significantly affect the bank's ability to provide lending, investments, or services in its assessment area;

5) The bank's past performance and the performance of similarly situated lenders;

6) The bank's public file, as described in Section 345.420, and any written comments about the bank's ILCRA performance submitted to the bank or the Secretary;

7) The bank's public file, as described in 12 CFR 345.43, and any written comments about the bank's federal Community Reinvestment Act performance submitted to the bank or its federal regulator; and

8) Any other information deemed relevant by the Secretary.

c) Assigned ratings. The Secretary assigns to a bank one of the following four ratings pursuant to Section 345.280 and 345.APPENDIX A: "outstanding"; "satisfactory"; "needs to improve"; or "substantial noncompliance" as provided in Section 35-15(c) of the ILCRA. The rating assigned by the Secretary reflects the bank's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the bank.

d) Safe and sound operations. This Part and the ILCRA do not require a bank to make loans or investments or to provide services that are inconsistent with safe and sound operations. To the contrary, the Secretary anticipates banks can meet the standards of this Part with safe and sound loans, investments, and services on which the banks expect to make a profit. Banks are permitted and encouraged to develop and apply flexible underwriting standards for loans that benefit low- or moderate-income geographies or individuals, only if consistent with safe and sound operations.

e) Low-cost education loans provided to low-income borrowers. In assessing and taking into account the record of a bank under this Part, the Secretary considers, as a factor, low-cost education loans originated by the bank to borrowers, particularly in its assessment area, who have an individual income that is less than 50 percent of the area median income. For purposes of this subsection (e), "low-cost education loans" means any education loan, as defined in section 140(a)(7) of the Truth in Lending Act (15 U.S.C. 1650(a)(7)) (including a loan under a state or local education loan program), originated by the bank for a student at an "institution of higher education", as that term is generally defined in sections 101 and 102 of the Higher Education Act of 1965 (20 U.S.C. 1001 and 1002) and the implementing regulations published by the U.S. Department of Education, with interest rates and fees no greater than those of comparable education loans offered directly by the U.S. Department of Education. Such rates and fees are specified in section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e).

f) Activities in cooperation with minority- or women-owned financial institutions and low-income credit unions. In assessing and taking into account the record of a nonminority-owned and nonwomen-owned bank under this Part, the Secretary considers as a factor capital investment, loan participation, and other ventures undertaken by the bank in cooperation with minority- and women-owned financial institutions and low-income credit unions, and the Secretary may consider favorably whether the minority- and women-owned financial institutions and low-income credit unions are organized under the laws of Illinois and/or are mutually-owned. Such activities must help meet the credit needs of local communities in which the minority- and women-owned financial institutions and low-income credit unions are chartered. To be considered, activities need not also benefit the bank's assessment area or the broader Statewide or regional area that includes the bank's assessment area.