**Section 345.470 Examination Frequency and Coordination**

a) Subject to the provisions of this Section, the Secretary shall conduct examinations under the ILCRA or this Part in coordination with a bank's primary federal financial supervisory agency.

b) Initial ILCRA examinations of banks shall be conducted according to the following schedule.

1) Initial ILCRA examinations of banks with total assets of $1 billion or more, as shown by its Year-end Call Report, shall not be conducted until at least February 1, 2025 and shall be conducted within three years.

2) Initial ILCRA examinations of banks with total assets of $391,000,000 to less than $1 billion, as shown by its Year-end Call Report, shall not be conducted until at least February 1, 2025 and shall be conducted within four years.

3) Initial ILCRA examinations of banks with total assets of $10,000,000 but less than $391,000,000, as shown by its Year-end Call Report, shall not be conducted until at least August 1, 2025 and shall be conducted within five years.

4) Initial ILCRA examinations of banks with total assets of less than $10,000,000, as shown by its Year-end Call Report, shall not be conducted until at least August 1, 2025 and shall be conducted within six years.

c) For banks with total assets greater than $391 million, and notwithstanding subsection (a), the Secretary shall conduct examinations under the ILCRA with the following frequency:

1) For a bank that is assigned an "outstanding" or "satisfactory" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within three years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

2) For a bank that is assigned a "needs to improve" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within two years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

3) For a bank that is assigned a "substantial noncompliance" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within one year of the issuance of the report of examination of its most recent prior examination under the ILCRA.

d) For banks with total assets of $391 million or less, and notwithstanding subsection (a), the Secretary shall conduct examinations under the ILCRA with the following frequency:

1) For a bank that is assigned an "outstanding" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within five years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

2) For a bank that is assigned a "satisfactory" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within four years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

3) For a bank that is assigned a "needs to improve" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within two years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

4) For a bank that is assigned "substantial noncompliance" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within one year of the issuance of the report of examination of its most recent prior examination under the ILCRA.

e) Notwithstanding the provisions of this Section, the Secretary may:

1) conduct an examination at any time upon finding:

A) a bank's primary federal financial supervisory agency has rated the bank, as of its most recent examination, in "substantial noncompliance" with the federal Community Reinvestment Act;

B) substantial evidence of discriminatory or other illegal credit practices; or

C) the Secretary otherwise finds sufficient cause; or

2) notwithstanding subsections (b)(1) and (c)(1), extend by one year the time between examination of any bank or banks with an "outstanding" or "satisfactory" rating if the Secretary finds that an extension is necessitated by:

A) the need to examine or investigate a bank or banks with a "needs to improve" or "substantial noncompliance" rating; or

B) the need to examine or investigate a bank or banks showing substantial evidence of illegal credit practices.

f) Notwithstanding any other provision of this Section, the Secretary may examine a bank at any time as authorized by the ILCRA. In the case of an examination pursuant to this Section 345.470(d)(1), the procedures in Section 345.450(b)-(j) shall not apply.

g) For purposes of this Section, a bank's total assets shall be as reported on the bank's Consolidated Report of Condition and Income contemporaneous with the bank's most recent prior examination.