

1 TITLE 38: FINANCIAL INSTITUTIONS  
2 CHAPTER II: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

3  
4 PART 185  
5 CREDIT UNION COMMUNITY REINVESTMENT

6  
7 SUBPART A: GENERAL  
8

9 Section

10 185.10 Authority, Purposes and Scope  
11 185.20 Definitions

12  
13 SUBPART B: STANDARDS OF ASSESSING PERFORMANCE

14 Section

15 185.200 Assessment Factors  
16 185.210 Performance Tests, Standards, and Ratings, in General  
17 185.220 Lending Test  
18 185.230 Investment Test  
19 185.240 Service Test  
20 185.250 Community Development Test for Wholesale or Limited Purpose Credit Unions  
21 185.260 Small Credit Union and Intermediate Small Credit Union Performance Standards  
22 185.270 Strategic Plan  
23 185.280 Assigned Ratings  
24 185.290 Effect of ILCRA Performance on Applications

25  
26 SUBPART C: RECORDS, REPORTING, AND DISCLOSURE REQUIREMENTS;  
27 EXAMINATIONS; ENFORCEMENT  
28

29 Section

30 185.400 Assessment Field Delineation  
31 185.410 Data Collection, Reporting, and Disclosure  
32 185.420 Content and Availability of ILCRA File  
33 185.430 Public Notice by Credit Union  
34 185.440 Publication of Planned Examination Schedule  
35 185.450 Very Small Credit Union Examination Procedures  
36 185.460 Examination Authority and Cooperation  
37 185.470 Examination Schedule  
38 185.480 Examination Fees  
39 185.490 Implementation Period  
40 185.500 Enforcement  
41 185.510 Provisions for Granting of Variance from Rules

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43 185.APPENDIX A Ratings

- 44 185.APPENDIX B ILCRA Notice
- 45 185.APPENDIX C Examples of Community Development
- 46 185.APPENDIX D Very Small Credit Union Examination Procedures

47  
 48 AUTHORITY: Implementing and authorized by the Illinois Community Reinvestment Act [205  
 49 ILCS 735].

50  
 51 SOURCE: Adopted at 48 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

52  
 53 **SUBPART A: GENERAL**

54  
 55 **Section 185.10 Authority, Purposes and Scope**

- 56
- 57 a) The Illinois Community Reinvestment Act (ILCRA) [205 ILCS 735] authorizes
- 58 this Part.
- 59
- 60 b) Purposes. This Part is intended to carry out the purposes of the Illinois
- 61 Community Reinvestment Act (ILCRA) by establishing the framework and
- 62 criteria by which the Secretary assesses a covered credit union's ILCRA record.
- 63 These rules shall be liberally construed to effectuate their purpose. Without
- 64 limiting the aforementioned purpose, specific purposes of this Part include:
- 65
- 66 1) Establishment of rules pursuant to Section 35-10(b) of the ILCRA, which
- 67 requires that this Part incorporate federal rules promulgated under the
- 68 federal Community Reinvestment Act (12 U.S.C. 2901; see also 12 CFR
- 69 Part 345). Specifically, Section 35-10(b) of the ILCRA states, in relevant
- 70 part: *To assist in carrying out this Act, the Secretary shall adopt rules*
- 71 *incorporating the regulations applicable to covered financial institutions*
- 72 *under federal law, and the Secretary may make such adjustments and*
- 73 *exceptions thereto as are deemed necessary.* [205 ILCS 735/35-10(b)]
- 74
- 75 2) Accordingly, this Part
- 76
- 77 A) may include references to federal statutes or rules established
- 78 pursuant to the federal Community Reinvestment Act; and
- 79
- 80 B) except where this Subpart makes adjustments or exceptions to the
- 81 administrative rules established pursuant to the federal Community
- 82 Reinvestment Act or where inconsistent with the ILCRA or this
- 83 Subpart, this Subpart shall be construed and interpreted
- 84 consistently with the appropriate federal financial supervisory
- 85 agency's construction and interpretation of the federal rules.
- 86

- 87 3) Establishment of rules as required by Section 35-10(c) of the ILCRA.  
88 These rules shall be liberally construed to effectuate their purpose.  
89
- 90 4) Establishment of rules as the Secretary may deem appropriate as  
91 authorized by the Act under Section 35-15(a), Section 35-35, or otherwise.  
92
- 93 c) Scope. This Part applies to credit unions. Except as context otherwise indicates,  
94 this Part does not apply to a bank chartered under the Illinois Banking Act, a  
95 savings bank chartered under the Illinois Savings Bank Act, an entity licensed  
96 under the Illinois Residential Mortgage License Act of 1987 which lent or  
97 originated 50 or more residential mortgage loans in the previous calendar year,  
98 and any other financial institution under the jurisdiction of the Department as  
99 designated by rule by the Secretary.

100  
101 **Section 185.20 Definitions**  
102

103 For purposes of this Part, the following definitions apply:  
104

105 "Affiliate" means any company that controls, is controlled by, or is under  
106 common control with another company. The term "control" has the meaning  
107 given to that term in 12 U.S.C. 1841(a)(2), and a company is under common  
108 control with another company if both companies are directly or indirectly  
109 controlled by the same company.  
110

111 "Alternative financial products or services" means financial products or services  
112 offered by persons other than an insured depository institution at a higher cost  
113 than comparable services offered by an insured depository institution.  
114

115 "Area median income" means:  
116

117 the median family income for the MSA/CBSA, if a person or geography is  
118 located in an MSA/CBSA; or  
119

120 the statewide nonmetropolitan median family income, if a person or  
121 geography is located outside an MSA/CBSA.  
122

123 "Assessment field" means the persons delineated in accordance with Section 400  
124 as subject to the ILCRA evaluation.  
125

126 "Automated teller machine (ATM)" means an automated, unstaffed banking  
127 facility owned or operated by, or operated exclusively for, the credit union at  
128 which deposits are received, cash dispersed, or money lent.  
129

130 "Branch" means a staffed facility established or acquired as a branch under  
131 Illinois law.

132  
133 "CBSA" means a core based statistical area as defined by the Director of the  
134 Office of Management and Budget.

135  
136 "Community development" means:

137  
138 Affordable housing (including multifamily rental housing) for low- and  
139 moderate-income individuals;

140  
141 Community services targeted to low- and moderate-income individuals;

142  
143 Activities that promote economic development by financing businesses or  
144 farms that meet the size eligibility standards of the Small Business  
145 Administration's Development Company or Small Business Investment  
146 Company programs (13 CFR 121.301) or have gross annual revenues of  
147 \$1 million or less; or

148  
149 Activities that revitalize or stabilize –

150  
151 low- or moderate-income geographies;

152  
153 designated disaster areas; or

154  
155 distressed or underserved nonmetropolitan middle-income  
156 geographies designated by the Board of Governors of the Federal  
157 Reserve System, the Federal Deposit Insurance Corporation, and  
158 the Office of the Comptroller of the Currency, based on –

159  
160 rates of poverty, unemployment, and population loss; or

161  
162 population size, density, and dispersion. Activities  
163 revitalize and stabilize geographies designated based on  
164 population size, density, and dispersion if they help to meet  
165 essential community needs, including needs of low- and  
166 moderate-income individuals; or

167  
168 unbanked or underbanked geographies.

169  
170 activities targeted to directly and tangibly –

171

172 increase climate resilience in low-income to moderate-income  
173 neighborhoods; or

174  
175 mitigate environmental harm in low-income to moderate-income  
176 neighborhoods.

177  
178 any other such area as determined by the Secretary based on –

179  
180 Rates of poverty, unemployment, and population loss; or

181  
182 Population size, density, and dispersion. Activities revitalize and  
183 stabilize geographies designated based on population size, density,  
184 and dispersion if they help to meet essential community needs,  
185 including needs of low- and moderate-income individuals.

186  
187 "Community development loan" means a loan that:

188  
189 has as its primary purpose community development; and

190  
191 except in the case of a wholesale or limited purpose credit union:

192  
193 has not been reported or collected by the credit union or an affiliate  
194 for consideration in the credit union's assessment as a home  
195 mortgage or consumer loan, unless it is a multifamily dwelling  
196 loan (as described in Appendix A to 12 CFR 203, the Consumer  
197 Financial Protection Bureau's implementing regulations for the  
198 Home Mortgage Disclosure Act);

199  
200 and directly or indirectly benefits the credit union's assessment  
201 field.

202  
203 "Community development service" means a service that:

204  
205 has as its primary purpose community development;

206  
207 is related to the provision of financial services; and

208  
209 has not been considered in the evaluation of the credit union's retail  
210 banking services under Section 185.240(d).

211  
212 "Community Reinvestment Act" unless context indicates otherwise means the  
213 Illinois Community Reinvestment Act ("ILCRA").

214

215 "Consumer loan" means a loan to one or more individuals for household, family,  
216 or other personal expenditures. A consumer loan does not include a home  
217 mortgage or small business loan. Consumer loans include the following categories  
218 of loans:

219  
220 Motor vehicle loan, a consumer loan extended for the purchase of and  
221 secured by a motor vehicle;

222  
223 Credit card loan, a line of credit for household, family, or other personal  
224 expenditures that is accessed by a borrower's use of a "credit card", as this  
225 term is defined in 12 CFR 1026.2;

226  
227 Other secured consumer loan, a secured consumer loan that is not included  
228 in one of the other categories of consumer loans; and

229  
230 Other unsecured consumer loan, an unsecured consumer loan that is not  
231 included in one of the other categories of consumer loans.

232  
233 "Credit union" means a corporation chartered as a cooperative, non-profit  
234 association, incorporated under the Illinois Credit Union Act.

235  
236 "Department" means the Illinois Department of Financial and Professional  
237 Regulation.

238  
239 "Field of membership" means the members or persons eligible to join a credit  
240 union consisting of members or persons:

241  
242 within one or more of the following common bonds: association,  
243 occupation or community as defined in 205 ILCS 305; and

244  
245 as otherwise authorized under 205 ILCS 305.

246  
247 "Fiscal year" means the fiscal year for the State of Illinois (starts July 1 and ends  
248 June 30).

249  
250 "Geography" means a census tract or a block numbering area delineated by the  
251 United States Bureau of the Census in the most recent decennial census.

252  
253 "Home mortgage loan" means a closed-end mortgage loan or an open-end line of  
254 credit as these terms are defined under 12 CFR 1003.2 and that is not an excluded  
255 transaction under 12 CFR 1003.3(c)(1) through (10) and (13).

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257 "Income level" includes:

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Low-income, an individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of a geography.

Moderate-income, an individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of a geography.

Middle-income, an individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

Upper-income, an individual income that is 120% or more of the area median income, or a median family income that is 120% or more, in the case of a geography.

"Institution", unless context indicates otherwise institution means a credit union.

"Limited purpose institution or limited purpose credit union", an institution that offers only a narrow product line (such as credit card or motor vehicle loans) to a regional or broader market and for which a designation as a limited purpose institution is in effect, in accordance with Section 185.250(2).

"Loan location", a loan is located as follows:

a consumer loan is located in the geography where the borrower resides;

a home mortgage loan is located in the geography where the property to which the loan relates is located; and

a small business loan is located in the geography where the main business facility or farm is located or where the loan proceeds otherwise will be applied, as indicated by the borrower.

"Loan production office" means a staffed facility of a credit union, other than a branch, that is open to the public or members and that provides lending-related services, such as loan information and applications.

"Metropolitan division" means a metropolitan division as defined by the United States Director of the Office of Management and Budget.

300 "MSA" means a metropolitan statistical area or a primary metropolitan statistical  
301 area as defined by the United States Director of the Office of Management and  
302 Budget.  
303

304 "Person" means any individual, partnership, joint venture, trust, estate, firm,  
305 corporation, cooperative society or association, or any other form of business  
306 association or legal entity.  
307

308 "Public lobby" means an area generally accessible to a credit union's members or  
309 some of a credit union's members which allows for easy reading of notices in the  
310 place of business.  
311

312 "Qualified investment" means a lawful investment, deposit, membership share, or  
313 grant that has as its primary purpose community development, and lawful  
314 investments include the following:  
315

316 corporations for the purpose of micro-lending in the area of small business  
317 and small farms;  
318

319 corporations for the purpose of providing technical assistance to nonprofit  
320 housing corporations, small businesses and farms for the purpose of  
321 establishing creditworthiness;  
322

323 contributions to any private nonprofit organization organized for  
324 improving the social and economic conditions, such as community  
325 development and redevelopment programs, small business technical  
326 assistance, and educational institutions, in communities in which the credit  
327 union has an office; and  
328

329 contributions for the purpose of relieving suffering or distress resulting  
330 from disaster or other calamity, such as hurricane or flood, occurring in  
331 any part of the State; and  
332

333 contributions to community development and redevelopment programs.  
334

335 "Secretary" means the Secretary or Acting Secretary of the Financial and  
336 Professional Regulation and his or her authorized representatives.  
337

338 "Small credit union" means a credit union that, as of December 31 of either of the  
339 prior two calendar years, had total assets of less than \$391 million. "Intermediate  
340 small credit union" means a credit union with assets of at least \$391 million as of  
341 December 31 of both of the prior two calendar years and less than \$1.564 billion  
342 as of December 31 of either of the prior two calendar years. The asset-size



343 thresholds (dollar figures) for small credit unions and intermediate small credit  
344 unions shall be automatically adjusted to remain consistent with the asset-size  
345 thresholds in effect for small banks and intermediate small banks as published by  
346 the Federal Deposit Insurance Corporation. The Secretary shall publish each  
347 adjustment of the asset-size thresholds for small credit unions and intermediate  
348 small credit unions on the Department's website. "Very Small Credit Union"  
349 means a credit union that, is eligible for the Very Small Credit Union  
350 Examination Procedures set forth in 185.Appendix D pursuant to Section  
351 185.450.

352  
353 "Small business loan" means a loan to a business with gross annual revenues of  
354 \$1,000,000.00. For purposes of this Part, small business loan includes small farm  
355 loans.

356  
357 "Special Credit Program" means any credit program offered by a credit union to  
358 meet special social needs which is in conformity with and explicitly authorized by  
359 the Equal Credit Opportunity Act, 15 U.S.C. 1691(c) and Regulation B, 12 CFR  
360 1002.8, and the Illinois Human Rights Act [775 ILCS 5/4-104(C)].

361  
362 "Substantial Majority" means a portion of the credit union's lending activity so  
363 significant by number and dollar volume of loans that the lending test evaluation  
364 would not meaningfully reflect its lending performance if consumer loans were  
365 excluded.

366  
367 "Unbanked person" means a person who does not have a checking or savings  
368 account with an insured bank, savings bank, or credit union.

369  
370 "Underbanked person" means a person that has a checking or savings account  
371 with an insured depository institution but that used alternative financial products  
372 or services in the past 12 months.

373  
374 "Wholesale credit union" means a credit union that is not in the business of  
375 extending home mortgage, small business, small farm, or consumer loans to retail  
376 customers, and for which a designation as a wholesale credit union is in effect, in  
377 accordance with Section 185.250(b).

378  
379 **SUBPART B: STANDARDS OF ASSESSING PERFORMANCE**

380  
381 **Section 185.200 Assessment Factors**

- 382  
383 a) As used in this Part, "assessment factors" means the assessment of the following  
384 factors to determine whether a credit union is meeting the financial services needs  
385 of local communities:

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- 1) activities to ascertain the financial services needs of the community, including communication with community members regarding the financial services provided;
  - 2) extent of marketing to make members of the community aware of the financial services offered;
  - 3) origination of mortgage loans including, but not limited to, home improvement and rehabilitation loans, and other efforts to assist existing low-income and moderate-income residents to be able to remain in affordable housing in their neighborhoods;
  - 4) for small business lenders, the origination of loans to businesses with gross annual revenues of \$1,000,000.00 or less, particularly those in low-income and moderate-income neighborhoods;
  - 5) participation, including investments, in community development and redevelopment programs, small business technical assistance programs, minority-owned depository institutions, community development financial institutions, and mutually-owned financial institutions;
  - 6) efforts working with delinquent customers to facilitate a resolution of the delinquency;
  - 7) origination of loans that show an under concentration and a systemic pattern of lending resulting in the loss of affordable housing units;
  - 8) evidence of discriminatory and prohibited practices; and
  - 9) offering retail banking services to unbanked and underbanked persons.
- b) In applying these factors, the Secretary shall account for a credit union's field of membership and any lending, investment, and other limitation or prohibition applicable to the credit union pursuant to law.

422 **Section 185.210 Performance Tests, Standards, and Ratings, In General**

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- a) Performance tests and standards. The Secretary assesses the ILCRA performance of a credit union in an examination as follows:
    - 1) The Secretary shall apply the assessment factors, as provided in Section 185.200, and the lending and service tests, as provided in Section 185.220

429 and Section 185.240 in evaluating the performance of a credit union,  
 430 except as provided in Section 185.210(a)(2), (a)(3) and (a)(4). The  
 431 investment test, as provided in Section 185.230, does not apply to credit  
 432 unions unless the credit union elects to be evaluated pursuant to the  
 433 investment test at the start of an examination.

434  
 435 2) Community development test for wholesale or limited purpose credit  
 436 unions. The Secretary applies the community development test for a  
 437 wholesale or limited purpose credit union, as provided in Section 185.250,  
 438 except as provided in Section 185.210(a)(4).

439  
 440 3) Small credit union and intermediate small credit union performance  
 441 standards. The Secretary applies the small credit union and intermediate  
 442 small credit union performance standards as provided in Section 185.260  
 443 in evaluating the performance of a small credit union or intermediate small  
 444 credit union or a credit union that was a small credit union during the prior  
 445 calendar year, unless the credit union elects to be assessed as provided in  
 446 Section 185.210(a)(1), (a)(2), or (a)(4). A small credit union or  
 447 intermediate small credit union may elect to be assessed as provided in  
 448 Section 185.210(a)(1) only if it collects and reports the data required for  
 449 other credit unions under Section 185.410.

450  
 451 4) Strategic plan. The Secretary evaluates the performance of a credit union  
 452 under a strategic plan if the credit union submits, and the Secretary  
 453 approves, a strategic plan as provided in Section 185.270.

454  
 455 b) Performance context. The Secretary applies the tests and standards in Section  
 456 185.210(a) and also considers whether to approve a proposed strategic plan in the  
 457 context of:

458  
 459 1) demographic data on median income levels, distribution of household  
 460 income, nature of housing stock, housing costs, and other relevant data  
 461 pertaining to a credit union's assessment field;

462  
 463 2) any information about lending, investment, and service opportunities in  
 464 the credit union's assessment field maintained by the credit union or  
 465 obtained from community organizations, state, local, and tribal  
 466 governments, economic development agencies, or other sources;

467  
 468 3) the credit union's product offerings and business strategy as determined  
 469 from data provided by the credit union;

470

- 471 4) credit union capacity and constraints, including the size and financial  
 472 condition of the credit union, the economic climate (national, regional, and  
 473 local), safety and soundness limitations, and any other factors that  
 474 significantly affect the credit union's ability to provide lending,  
 475 investments, or services in its assessment field;  
 476
- 477 5) the credit union's past performance and the performance of similarly  
 478 situated credit unions;  
 479
- 480 6) the credit union's ILCRA file, as described in Section 185.420, and any  
 481 written comments about the credit union's ILCRA performance submitted  
 482 to the credit union or the Secretary;  
 483
- 484 7) the credit union's field of membership and any lending, investment, and  
 485 other limitation or prohibition applicable to the credit union pursuant to  
 486 law; and  
 487
- 488 8) any other information deemed relevant by the Secretary.  
 489
- 490 c) Assigned ratings. The Secretary assigns to a credit union one of the following  
 491 four ratings pursuant to Section 185.280 and 185.APPENDIXA (Ratings):  
 492 "outstanding"; "satisfactory"; "needs to improve"; or "substantial noncompliance"  
 493 as provided in 205 ILCS 735/35-15(c). The rating assigned by the Secretary  
 494 reflects the credit union's record of helping to meet the credit needs of its entire  
 495 community, including low- and moderate-income neighborhoods, consistent with  
 496 the safe and sound operation of the credit union, and consistent with its common  
 497 bond. A credit union will be evaluated by how it serves its assessment field. A  
 498 credit union's rating will not be negatively impacted by the composition of its  
 499 assessment field, including without limitation the income and geographic  
 500 demographic data of borrowers in the assessment field, so long as the assessment  
 501 field is delineated in accordance with Section 185.400.  
 502
- 503 d) Safe and sound operations. This Part and the ILCRA does not require a credit  
 504 union to make loans or investments or to provide services that are inconsistent  
 505 with safe and sound operations, its size and financial condition, or inconsistent  
 506 with its common bond. Credit unions are permitted and encouraged to develop  
 507 and apply flexible underwriting standards for loans that benefit low- and  
 508 moderate-income geographies or individuals and work with delinquent customers  
 509 to facilitate a resolution of the delinquency, only if consistent with safe and sound  
 510 operations and consistent with its common bond.  
 511
- 512 e) Low-cost Education Loans Provided to Low-Income Borrowers. In assessing and  
 513 taking into account the record of a credit union under this Part, the Secretary shall

514 consider, when applicable, low-cost education loans originated by the credit union  
 515 to borrowers, particularly in its assessment field, who have an individual income  
 516 that is less than 50 percent of the area median income. For purposes of this  
 517 paragraph, "low-cost education loans" means any education loan, as defined in  
 518 section 140(a)(7) of the Truth in Lending Act (15 U.S.C. 1650(a)(7)) (including a  
 519 loan under a state or local education loan program), originated by the credit union  
 520 for a student at an "institution of higher education", as that term is generally  
 521 defined in sections 101 and 102 of the Higher Education Act of 1965 (20 U.S.C.  
 522 1001 and 1002) and the implementing regulations published by the U.S.  
 523 Department of Education, with interest rates and fees no greater than those of  
 524 comparable education loans offered directly by the U.S. Department of Education.  
 525 Such rates and fees are specified in section 455 of the Higher Education Act of  
 526 1965 (20 U.S.C. 1087e). This subsection only applies to credit unions that offer  
 527 education loans.

528  
 529 f) Activities in Cooperation with Community Development Financial Institutions,  
 530 Minority- or Women-Owned Financial Institutions and Low-Income Credit  
 531 Unions. In assessing performance to this Part, the Secretary shall consider:  
 532 capital investment, loan participation, and other ventures undertaken by the credit  
 533 union in cooperation with Community Development Financial Institutions as  
 534 defined in regulations issued by the U.S. Department of the Treasury, with  
 535 minority- and women-owned financial institutions as defined in 12 U.S.C.  
 536 2907(b) and credit unions designated as low-income or minority depository  
 537 institutions by the National Credit Union Administration. Such activities must  
 538 help meet the credit needs of local communities in which Community  
 539 Development Financial Institution, the minority- and women-owned financial  
 540 institutions or low income or minority credit unions are chartered. To be  
 541 considered, such activities need not also benefit the credit union's assessment  
 542 field. This subsection does not apply to credit unions designated as low-income or  
 543 minority credit unions.

544  
 545 g) Community Development Financial Institutions, Minority Depository Institutions  
 546 and Low-Income Designated Credit Unions. In assessing performance pursuant to  
 547 this Part, the Secretary shall consider whether a credit union is certified or  
 548 designated as a Community Development Financial Institution, Minority  
 549 Depository Institution and/or Low-Income Designated Credit Union. The  
 550 Department may require documentation to confirm the credit union still meets the  
 551 criteria for the certification or designation.

552  
 553 **Section 185.220 Lending Test**

554  
 555 a) Scope of test.  
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- 1) The lending test evaluates a credit union's record of helping to meet the credit needs of its assessment field through its lending activities by considering a credit union's home mortgage, small business and community development lending as applicable. If consumer lending constitutes a substantial majority of a credit union's business, the Secretary will evaluate the credit union's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured loans in addition to home mortgage, small business and community development lending as applicable. At a credit union's option, the Secretary will also evaluate one or more categories of consumer lending, if the credit union has collected and maintained the data for each category that the credit union elects to have the Secretary evaluate as required in Section 185.410(c)(1) in addition to home mortgage, small business and community development lending as applicable.
  - 2) The Secretary considers originations and initial purchases of loans. The Secretary will also consider any other loan data the credit union may choose to provide, including data on loans outstanding, commitments and letters of credit.
  - 3) A credit union may ask the Secretary to consider loans originated or purchased by consortia in which the credit union participates or by third parties in which the credit union has invested only if the loans meet the definition of community development loans and only in accordance with Section 185.220(d). The Secretary will not consider these loans under any criterion of the lending test except the community development lending criterion.
- b) Performance Criteria. The Secretary evaluates a credit union's lending performance considering all of the applicable assessment factors in Section 185.200 and pursuant to the following criteria:
- 1) Geographic distribution. The geographic distribution of the credit union's home mortgage small business, and consumer loans, if applicable, based on the loan location, including:
    - A) the dispersion of lending in the credit union's assessment field; and
    - B) the number and amount of loans in low-, moderate-, middle-, and upper-income geographies in the credit union's assessment fields.
  - 2) Borrower characteristics. The distribution of the credit union's home mortgage, small business loans, if applicable, and consumer loans, if

600 applicable, based on borrower characteristics, including the number and  
 601 amount of:

- 602
- 603 A) home mortgage loans to low-, moderate-, middle-, and upper-  
 604 income individuals, including loans to assist existing low- and  
 605 moderate-income residents to be able to remain in affordable  
 606 housing in their neighborhoods;
  - 607
  - 608 B) small business loans to businesses with gross annual revenues of  
 609 \$1 million or less;
  - 610
  - 611 C) small business loans by loan amount at origination; and
  - 612
  - 613 D) consumer loans, to low-, moderate-, middle-, and upper- income  
 614 individuals.
  - 615
  - 616 3) Community development lending. The credit union's community  
 617 development lending, including the number and amount of community  
 618 development loans, and their complexity and innovativeness; and
  - 619
  - 620 4) Innovative or flexible lending practices. The credit union's use of  
 621 innovative or flexible lending practices in a safe and sound manner to  
 622 address the credit needs of low- and moderate-income individuals or  
 623 geographies. In assessing performance pursuant to this Part, the Secretary  
 624 shall consider whether a credit union offers Special Credit Programs that  
 625 are in conformity with and explicitly authorized by the Equal Credit  
 626 Opportunity Act (15 U.S.C. 1691(c)), Regulation B of 12 CFR 1002.8,  
 627 and the Illinois Human Rights Act [775 ILCS 5/4-104(C)]. The credit  
 628 union must be able show that the program will fall under any of the  
 629 following:
  - 630
  - 631 A) any credit assistance program expressly authorized by federal or  
 632 state law for the benefit of an economically disadvantaged class of  
 633 persons;
  - 634
  - 635 B) any credit assistance program offered by credit union for the  
 636 benefit of its members or an economically disadvantaged class of  
 637 persons; or
  - 638
  - 639 C) any special credit program offered by a credit union, or in which  
 640 such an organization participates to meet special social needs, if it  
 641 meets certain standards prescribed in 12 CFR1002.8(a)(3)(i).
  - 642

- 643 c) Affiliate lending.  
644  
645 1) At a credit union's option, the Secretary will consider loans by an affiliate  
646 of the credit union, if the credit union provides data on the affiliate's loans  
647 pursuant to Section 185.410.  
648  
649 2) The Secretary considers affiliate lending subject to the following  
650 constraints:  
651  
652 A) no affiliate may claim a loan origination or loan purchase if  
653 another institution claims the same loan origination or purchase  
654 and in this regard the credit union shall monitor and keep records  
655 of whether such claims exist; and  
656  
657 B) if a credit union elects to have the Secretary consider loans within  
658 a particular lending category made by one or more of the credit  
659 union's affiliates in a particular assessment field, the credit union  
660 shall elect to have the Secretary consider, in accordance with  
661 Section 185.220(c)(1), all the loans within that lending category in  
662 that particular assessment field made by all of the credit union's  
663 affiliates.  
664  
665 3) The Secretary does not consider affiliate lending in assessing a credit  
666 union's performance under Section 185.220(b)(2)(A).  
667  
668 d) Lending by a consortium or a third party. Community development loans  
669 originated or purchased by a consortium in which the credit union participates or  
670 by a third party in which the credit union has invested:  
671  
672 1) will be considered, at the credit union's option, if the credit union reports  
673 the data pertaining to these loans under Section 185.410; and  
674  
675 2) may be allocated among participants or investors, as they choose, for  
676 purposes of the lending test, except that no participant or investor:  
677  
678 A) may claim a loan origination or loan purchase if another participant  
679 or investor claims the same loan origination or purchase and in this  
680 regard the credit union shall monitor and keep records of whether  
681 such claims exist; or  
682  
683 B) may claim loans accounting for more than its percentage share  
684 (based on the level of its participation or investment) of the total  
685 loans originated by the consortium or third party.



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- e) Lending performance rating. The Secretary rates a credit union's lending performance as provided in 185.APPENDIX A (Ratings).

**Section 185.230 Investment Test**

- a) Scope of test. The investment test evaluates a credit union's record of helping to meet the credit needs of its assessment field through qualified investments that benefit its assessment field.
- b) Exclusion. Activities considered under the lending or service tests shall not be considered under the investment test.
- c) Affiliate investment. At a credit union's option, the Secretary will consider, in its assessment of a credit union's investment performance, a qualified investment made by an affiliate of the credit union, if the qualified investment is not claimed by any other institution. If a credit union has established a foundation, the Secretary will consider, at the credit union's option, qualified investments and donations of any such foundation if those investments or donations have the primary purpose of community development.
- d) Disposition of branch premises. Donating, selling on favorable terms, or making available on a rent-free basis a branch of the credit union that is located in a predominantly minority neighborhood to a minority depository institution or women's depository institution (as these terms are defined in 12 U.S.C. 2907(b)) or to credit unions designated by the National Credit Union Administration as low-income or minority depository institutions will be considered as a qualified investment.
- e) Performance criteria. The Secretary evaluates the investment performance of a credit union considering all of the applicable assessment factors in Section 185.200 and pursuant to the following criteria:
  - 1) the dollar amount of qualified investments;
  - 2) the innovativeness or complexity of qualified investments;
  - 3) the responsiveness of qualified investments to credit and community development needs;
  - 4) the degree to which the qualified investments assist existing low- and moderate-income residents to be able to remain in affordable housing in their neighborhoods; and

729  
 730 5) the degree to which the qualified investments are not routinely provided  
 731 by private investors.  
 732

733 f) Investment performance rating. The Secretary rates a credit union's investment  
 734 performance as provided in 185.APPENDIX A (Ratings).  
 735

736 **Section 185.240 Service Test**  
 737

738 a) Scope of test. The service test evaluates a credit union's record of helping to meet  
 739 the credit needs of its assessment field by analyzing both the availability and  
 740 effectiveness of a credit union's systems for delivering retail banking services and  
 741 the extent and innovativeness of its community development services. Credit  
 742 unions that provide all or a majority of their services via mobile and other digital  
 743 channels must fulfill their obligation to meet the financial service needs of their  
 744 assessment fields, including low-income to moderate-income neighborhoods,  
 745 consistent with their common bond.  
 746

747 b) Areas benefited. Community development services must benefit a credit union's  
 748 assessment field  
 749

750 c) Affiliate service. At a credit union's option, the Secretary will consider, in his or  
 751 her assessment of a credit union's service performance, a community development  
 752 service provided by an affiliate of the credit union, if the community development  
 753 service is not claimed by any other institution and in this regard the credit union  
 754 shall monitor and keep records of whether such claims exist.  
 755

756 d) Performance criteria – Retail Banking Services. The Secretary evaluates the  
 757 availability and effectiveness of a credit union's systems for delivering retail  
 758 banking services, considering all of the applicable assessment factors in Section  
 759 185.200 and pursuant to the following criteria:  
 760

761 1) the current distribution of the credit union's branches among low-,  
 762 moderate-, middle-, and upper-income geographies, if applicable;  
 763

764 2) in the context of its current distribution of the credit union's branches, the  
 765 credit union's record of opening and closing branches, particularly  
 766 branches located in low- and moderate-income geographies or primarily  
 767 serving low- and moderate- income individuals;  
 768

769 3) the availability and effectiveness of alternative systems for delivering  
 770 retail banking services (e.g., ATMs, surcharge-free ATMs within its  
 771 network, ATMs not owned or operated by or exclusively for the credit

- 772 union, banking by telephone or computer, loan production offices, and  
773 bank-at-work or bank-by-mail programs) in low- and moderate-income  
774 geographies and to low- and moderate-income individuals;  
775
- 776 4) the range of services provided in low-, moderate-, middle-, and upper-  
777 income geographies, if applicable, and the degree to which the services are  
778 tailored to meet the needs of those geographies; and  
779
- 780 5) The credit union's record of effectively marketing its retail banking  
781 services and products to unbanked or underbanked persons and offering  
782 retail banking services and products targeted to meet the needs of  
783 unbanked and underbanked persons. In determining whether a credit union  
784 offers retail banking services and products targeted to meet the needs of  
785 unbanked and underbanked persons, the Department shall consider:  
786
- 787 A) whether the credit union is BankOn certified or offers accounts  
788 substantially and materially similar to BankOn certified accounts;  
789 or  
790
- 791 B) whether the credit union offers financial services and products to  
792 users of alternative financial products or services, provided that,  
793 that the credit union has affirmatively and reasonably demonstrated  
794 that:  
795
- 796 i) the credit union offers such accounts or such financial  
797 services and products in conjunction with focused and  
798 sustained marketing efforts reasonably designed to reach  
799 unbanked and underbanked persons;  
800
- 801 ii) unbanked and underbanked persons may reasonably  
802 conveniently obtain or use such accounts or such financial  
803 services and products; and  
804
- 805 iii) the credit union offers such accounts or such financial  
806 services and products at a cost to the unbanked and  
807 underbanked persons that is significantly lower than would  
808 otherwise be incurred by the users of alternative financial  
809 products or services.  
810
- 811 e) Performance criteria – Community Development Services. The Secretary  
812 evaluates community development services considering all of the applicable  
813 assessment factors in Section 185.200 and pursuant to the following criteria:  
814

- 815 1) the extent to which the credit union provides community development  
816 services; and  
817  
818 2) the innovativeness and responsiveness of community development  
819 services.  
820  
821 f) Service performance rating. The Secretary rates a credit union's service  
822 performance as provided in 185.APPENDIX A (Ratings).  
823

824 **Section 185.250 Community Development Test for Wholesale or Limited Purpose Credit**  
825 **Unions**  
826

- 827 a) Scope of test. The Secretary assesses a wholesale or limited purpose credit  
828 union's record of helping to meet the credit needs of its assessment field under the  
829 community development test through its community development lending,  
830 qualified investments, or community development services.  
831  
832 b) Designation as a wholesale or limited purpose credit union. In order to receive a  
833 designation as a wholesale or limited purpose credit union, a credit union shall file  
834 a request, in writing, with the Secretary, at least six months prior to the proposed  
835 effective date of the designation. If the Secretary approves the designation, it  
836 remains in effect until the credit union requests revocation of the designation or  
837 until one year after the Secretary notifies the credit union that the Secretary has  
838 revoked the designation on his/her own initiative.  
839  
840 c) Performance criteria. The Secretary evaluates the community development  
841 performance of a wholesale or limited purpose credit union considering all of the  
842 applicable assessment factors in Section 185.200 and pursuant to the following  
843 criteria:  
844  
845 1) the number and amount of community development loans (including  
846 originations and initial purchases of loans and other community  
847 development loan data provided by the credit union, such as data on loans  
848 outstanding, commitments, and letters of credit), qualified investments, or  
849 community development services;  
850  
851 2) the use of innovative or complex qualified investments, community  
852 development loans, or community development services and the extent to  
853 which the investments are not routinely provided by private investors; and  
854  
855 3) the credit union's responsiveness to credit and community development  
856 needs.  
857

- 858 d) Indirect activities. At a credit union's option, the Secretary will consider in its  
859 community development performance assessment:  
860  
861 1) qualified investments or community development services provided by an  
862 affiliate of the credit union, if the investments or services are not claimed  
863 by any other institution; and  
864  
865 2) community development lending by affiliates, consortia and third parties,  
866 subject to the requirements and limitations in Sections 185.220(c) and (d).  
867  
868 e) Benefit to assessment field.  
869  
870 1) Benefit inside assessment field. The Secretary considers all qualified  
871 investments, community development loans, and community development  
872 services that benefit areas within the credit union's assessment field  
873  
874 2) Benefit outside assessment field. The Secretary considers the qualified  
875 investments, community development loans, and community development  
876 services that indirectly benefit the credit union's assessment field, if the  
877 credit union has adequately addressed the direct needs of its assessment  
878 field.  
879  
880 f) Community development performance rating. The Secretary rates a credit union's  
881 community development performance as provided in 185.APPENDIX A  
882 (Ratings).  
883

884 **Section 185.260 Small Credit Union and Intermediate Small Credit Union Performance**  
885 **Standards**  
886

- 887 a) Performance criteria.  
888  
889 1) Except as set forth in Section 185.460, the Secretary evaluates the record  
890 of a small credit union of helping to meet the credit needs of its  
891 assessment field pursuant to all of the applicable assessment factors in  
892 Section 185.200 and subsection (b).  
893  
894 2) The Secretary evaluates the record an intermediate small credit union, of  
895 helping to meet the credit needs of its assessment field pursuant to all of  
896 the applicable assessment factors in Section 185.200, subsections (b) and  
897 (c).  
898  
899 b) Lending test. A small credit union and intermediate small credit union's lending  
900 performance in home mortgage, small business, community development lending,

901 consumer lending, or any other type of lending, as applicable is evaluated  
902 pursuant to the following criteria:

- 903
- 904 1) the credit union's loan-to-share ratio, adjusted for seasonal variation and,  
905 as appropriate, other lending-related activities, such as loan originations  
906 for sale to the secondary markets, community development loans, or  
907 qualified investments;
  - 908
  - 909 2) the credit union's record of lending to and, as appropriate, engaging in  
910 other lending-related activities for borrowers of different income levels  
911 and businesses of different sizes;
  - 912
  - 913 3) the geographic distribution of the credit union's loans in the context of its  
914 relevant field of membership;
  - 915
  - 916 4) the credit union's record of taking action, if warranted, in response to  
917 written complaints about its performance in helping to meet credit needs  
918 in its assessment field and its performance with regard to fair lending  
919 policies and practices; and
  - 920
  - 921 5) the origination of loans to businesses with gross annual revenues of  
922 \$1,000,000 or less, particularly those in low-income and moderate-income  
923 neighborhoods. Subsection (b)(5) applies only to credit unions that make  
924 business loans.

925

926 c) Community Development Test. An intermediate small credit union's community  
927 development performance is also evaluated pursuant to the following criteria:

- 928
- 929 1) the number and amount of community development loans;
  - 930
  - 931 2) the extent to which the credit union provides community development  
932 services;
  - 933
  - 934 3) the credit union's responsiveness through such activities to community  
935 development lending, investment, and service needs; and
  - 936
  - 937 4) at the election of the credit union, the number and amount of qualified  
938 investments.

939

940 d) Small credit union and intermediate small credit union performance rating. The  
941 Secretary considers all of the applicable assessment factors in Section 185.200  
942 and rates the performance of a credit union evaluated under Section 185.260 as  
943 provided in 185.APPENDIX A (Ratings).

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**Section 185.270 Strategic Plan**

- a) Alternative election. The Secretary will assess a credit union's record of helping to meet the credit needs of its assessment field considering all of the applicable assessment factors in Section 185.200 under a strategic plan if:
  - 1) the credit union has submitted the plan to the Secretary as provided for in Section 185.270;
  - 2) the Secretary has approved the plan;
  - 3) the plan is in effect; and
  - 4) the credit union has been operating under an approved plan for at least one year.
  
- b) Data reporting. The Secretary's approval of a plan does not affect the credit union's obligation, if any, to report data as required by Section 185.410.
  
- c) Plans in general.
  - 1) Term. A plan may have a term of no more than five years, and any multi-year plan must include annual interim measurable goals under which the Secretary will evaluate the credit union's performance.
  - 2) Treatment of affiliates. Affiliated credit unions may prepare a joint plan if the plan provides measurable goals for each credit union. Activities may be allocated among credit unions at the credit union's option, provided that the same activities are not considered for more than one credit union.
  
- d) Public participation in plan development. Before submitting a plan to the Secretary for approval, a credit union shall:
  - 1) informally seek suggestions from members of the public in its assessment field covered by the plan while developing the plan;
  - 2) once the credit union has developed a plan, formally solicit public comment on the plan for at least 30 days by publishing notice in at least one newspaper of general circulation in each assessment field covered by the plan and on the internet; and

- 986 3) during the period of formal public comment, make copies of the plan  
987 available for review by the public at no cost at all offices of the credit  
988 union in any assessment field covered by the plan and provide copies of  
989 the plan upon request for a reasonable fee to cover copying and mailing, if  
990 applicable.  
991
- 992 e) Submission of plan. The credit union shall submit its plan to the Secretary at least  
993 six months prior to the proposed effective date of the plan. The credit union shall  
994 also submit with its plan a description of its informal efforts to seek suggestions  
995 from members of the public, any written public comment received, and, if the  
996 plan was revised in light of the comment received, the initial plan as released for  
997 public comment.  
998
- 999 f) Plan content.
- 1000
- 1001 1) Measurable goals.
- 1002
- 1003 A) A credit union shall specify in its plan measurable goals for  
1004 helping to meet the credit needs of each assessment field covered  
1005 by the plan, particularly the needs of low- and moderate-income  
1006 geographies and low- and moderate-income individuals, through  
1007 lending, investment, and services, as appropriate and considering  
1008 all of the applicable assessment factors in Section 185.200.  
1009
- 1010 B) A credit union shall address in its plan all applicable performance  
1011 categories and, unless the credit union has been designated as a  
1012 wholesale or limited purpose credit union, shall emphasize lending  
1013 and lending-related activities. Nevertheless, a different emphasis,  
1014 including a focus on one or more performance categories, may be  
1015 appropriate if responsive to the characteristics and credit needs of  
1016 its assessment field, considering public comment and the credit  
1017 union's capacity and constraints, product offerings, and business  
1018 strategy.  
1019
- 1020 2) Confidential information. A credit union may submit additional  
1021 information to the Secretary on a confidential basis which shall not be  
1022 deemed a public record as defined in [5 ILCS 140/2] or be subject to the  
1023 public disclosure provisions of [5 ILCS 140/1], but the goals stated in the  
1024 plan must be sufficiently specific to enable the public and the Secretary to  
1025 judge the merits of the plan.  
1026
- 1027 3) Satisfactory and outstanding goals. A credit union shall specify in its plan  
1028 measurable goals that constitute "satisfactory" performance. A plan may



- 1029 specify measurable goals that constitute "outstanding" performance. If a  
 1030 credit union submits, and the Secretary approves, both "satisfactory" and  
 1031 "outstanding" performance goals, the Secretary will consider the credit  
 1032 union eligible for an "outstanding" performance rating.  
 1033
- 1034 4) Election if satisfactory goals not substantially met. A credit union may  
 1035 elect in its plan that, if the credit union fails to meet substantially its plan  
 1036 goals for a satisfactory rating, the Secretary will evaluate the credit union's  
 1037 performance under the lending, investment, and service tests, the  
 1038 community development test, or the small credit union performance  
 1039 standards, as appropriate.  
 1040
- 1041 g) Plan approval.  
 1042
- 1043 1) Timing. The Secretary will act upon a plan within 90 calendar days after  
 1044 the Secretary receives the complete plan and other material required under  
 1045 Section 185.270(e) and (f). If the Secretary fails to act within this time  
 1046 period, the plan shall be deemed approved unless the Secretary extends the  
 1047 review period in writing.  
 1048
- 1049 2) Public participation. In evaluating the plan's goals, the Secretary  
 1050 considers the public's involvement in formulating the plan, written public  
 1051 comment on the plan, and any response by the credit union to public  
 1052 comment on the plan.  
 1053
- 1054 3) Criteria for evaluating plan. The Secretary considers all of the applicable  
 1055 assessment factors in Section 185.200 and evaluates a plan's measurable  
 1056 goals using the following criteria, as appropriate and applicable:  
 1057
- 1058 A) the extent and breadth of lending or lending-related activities,  
 1059 including, as appropriate, the distribution of loans among different  
 1060 geographies, businesses and farms of different sizes, and  
 1061 individuals of different income levels, the extent of community  
 1062 development lending, and the use of innovative or flexible lending  
 1063 practices to address credit needs;  
 1064
- 1065 B) the amount and innovativeness, complexity, and responsiveness of  
 1066 the credit union's qualified investments; and  
 1067
- 1068 C) the availability and effectiveness of the credit union's systems for  
 1069 delivering retail banking services and the extent and  
 1070 innovativeness of the credit union's community development  
 1071 services.

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- h) Plan amendment. During the term of a plan, a credit union may request the Secretary to approve an amendment to the plan on grounds that there has been a material change in circumstances. The credit union shall develop an amendment to a previously approved plan in accordance with the public participation requirements of Section 185.270(d).
- i) Plan assessment. The Secretary approves the goals and assesses performance under a plan as provided for in 185.APPENDIX A (Ratings).

**Section 185.280 Assigned Ratings**

- a) Ratings in general. Subject to Section 185.280(b) and (c), the Secretary assigns to a credit union a rating of "outstanding", "satisfactory", "needs to improve", or "substantial noncompliance" based on the credit union's performance under the lending, investment and service tests, the community development test, the small credit union's performance standards, the intermediate small credit union's standards, or an approved strategic plan, as applicable.
- b) Lending, investment, and service tests. The Secretary assigns a rating for a credit union assessed under the lending, investment, and service tests in accordance with the following principles:
  - 1) a credit union that receives an "outstanding" rating on the lending test receives an assigned rating of at least "satisfactory";
  - 2) a credit union that receives an "outstanding" rating on both the service test and the investment test and a rating of at least "satisfactory" on the lending test receives an assigned rating of "outstanding"; and
  - 3) no credit union may receive an assigned rating of "satisfactory" or higher unless it receives a rating of at least "satisfactory" on the lending test.
- c) Effect of evidence of discriminatory or other illegal credit practices.
  - 1) The Secretary's evaluation of a credit union's ILCRA performance is adversely affected by evidence of discriminatory or other illegal credit practices in any geography by the credit union or in any assessment field by any affiliate whose loans have been considered as part of the credit union's lending performance. In connection with any type of lending activity described in Section 185.220(a), evidence of discriminatory or other credit practices that violate an applicable law, rule, or regulation includes, but is not limited to:

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- A) Discrimination against applicants on a prohibited basis in violation, for example, of the Equal Credit Opportunity Act (15 U.S.C. 1691-1691f) or the Fair Housing Act (42 U.S.C. 3601-19), including, for example, relying on or giving force or effect to discriminatory appraisals to deny loan applications where the covered financial institution knew or should have known of the discrimination;
  - B) Violations of the Home Ownership and Equity Protection Act (15 U.S.C. 1601-02, 1639-41);
  - C) Violations of section 5 of the Federal Trade Commission Act (15 U.S.C. 45);
  - D) Violations of section 8 of the Real Estate Settlement Procedures Act (12 U.S.C. 2607);
  - E) Violations of the Truth in Lending Act (15 U.S.C. 1635) provisions regarding a consumer's right of rescission;
  - F) Violations of the Article 4 [Financial Credit] of Illinois Human Rights Act [775 ILCS 5/Art. 4];
  - G) Violations of the Illinois High Risk Home Loan Act [815 ILCS 137]; and
  - H) Violations of the Illinois Fairness in Lending Act [815 ILCS 120].
- 2) In determining the effect of evidence of practices described in subsection (c)(1) on the credit union's assigned rating, the Secretary considers the nature, extent, and strength of the evidence of the practices; the policies and procedures that the credit union (or affiliate, as applicable) has in place to prevent the practices; any corrective action that the credit union (or affiliate, as applicable) has taken or has committed to take, including voluntary corrective action resulting from self-assessment; and any other relevant information.

1153 **Section 185.290 Effect of ILCRA Performance on Applications**

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- a) ILCRA Performance. Among other factors, the Secretary takes into account the record of performance under the ILCRA of each applicant credit union in considering an application for approval of:

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- 1159
- 1160 1) The relocation of the credit union's main office or a branch, but only when
- 1161 express prior approval is otherwise required under applicable State law of
- 1162 administrative rule; and
- 1163
- 1164 2) The merger, consolidation, acquisition of assets, or assumption of
- 1165 liabilities.
- 1166 b) New financial institutions. A newly chartered credit union shall submit with its
- 1167 application for a permit to organize a description of how it will meet its ILCRA
- 1168 objectives. The Secretary takes the description into account in considering the
- 1169 application and may deny or condition approval on that basis.
- 1170
- 1171 c) Interested parties. The Secretary takes into account any views submitted by
- 1172 interested parties in accordance with the public notice posted pursuant to Section
- 1173 35-20 of ILCRA.
- 1174
- 1175 d) Denial or conditional approval of application. A credit union's record of ILCRA
- 1176 performance may be the basis for denying or conditioning approval of an
- 1177 application listed in subsection (a).
- 1178

1179 SUBPART C: RECORDS, REPORTING, AND DISCLOSURE REQUIREMENTS;  
 1180 EXAMINATIONS; ENFORCEMENT

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1182 **Section 185.400 Assessment Field Delineation**

- 1183
- 1184 a) The Secretary does not evaluate the institution's delineation of its assessment field
- 1185 as a separate performance criterion, but the Secretary reviews the delineation for
- 1186 compliance with the requirements of this Section.
- 1187
- 1188 b) Except as otherwise set forth in subsection (f), a credit union shall delineate as its
- 1189 assessment field:
- 1190
- 1191 1) members from its occupational common bonds, if any;
- 1192
- 1193 2) members from its associational common bonds, if any;
- 1194
- 1195 3) members other than community common bond members admitted to
- 1196 membership under the Illinois Credit Union Act, if any; and
- 1197
- 1198 4) the geographic areas containing members and persons eligible for
- 1199 membership pursuant to its community common bonds or portions thereof,
- 1200 if any, that the credit union reasonably believes it can serve. In evaluating

1201 whether a credit union can reasonably serve persons eligible for  
1202 membership pursuant to its community common bonds, the credit union  
1203 shall consider its:

- 1204
- 1205 A) Size;
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- 1207 B) Financial health;
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- 1209 C) Ability to effectively promote and market membership and  
1210 membership services and products throughout the community  
1211 common bond in a cost-effective manner;
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- 1213 D) Applicable legal restrictions,
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- 1215 E) The location of its offices, branches, and other facilities; and
- 1216
- 1217 F) Other relevant considerations, including without limitation, the  
1218 size, configuration and existence of political subdivisions and  
1219 geographic barriers within the geographic areas.

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1221 c) A credit union may choose to include or exclude any community common bonds  
1222 located outside of the State of Illinois from its assessment field. A credit union  
1223 may choose to include or exclude any members for membership pursuant to its  
1224 occupational or associational common bonds located outside of the State of  
1225 Illinois from its assessment.

1226

1227 d) A credit union shall not arbitrarily exclude low-income and moderate-income  
1228 neighborhoods, persons, and areas where there is a lack of access to safe and  
1229 affordable banking and lending services from its assessment field. A credit  
1230 union's assessment field shall not reflect illegal discrimination.

1231

1232 e) With respect to a community common bond, a credit union may delineate only its  
1233 members as its assessment field with approval of the Secretary when inclusion of  
1234 geographic areas containing persons eligible for membership pursuant to its  
1235 community common bonds, if any, would be unreasonable or impractical in the  
1236 credit union's specific case. In evaluating whether to approve such a request, the  
1237 Secretary shall consider:

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- 1239 1) The size of the credit union;
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- 1241 2) The financial health of the credit union;
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- 1243 3) Applicable legal restrictions;

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- 4) The ability to effectively promote and market membership and membership services and products throughout the community common bond in a cost-effective manner; and
  - 5) Any other relevant considerations, including without limitation, the size, configuration and existence of political subdivisions and geographic barriers within the geographic areas presented by the credit union.
- f) A credit union may delineate only the geographic areas containing members and persons eligible for membership pursuant to its community common bonds or portions thereof as its assessment field when such delineation is reasonable and consistent with a meaningful evaluation of the credit union's ILCRA record. In reviewing whether such delineation is reasonable, the Secretary shall consider:
- 1) The size of geographic areas designated by the credit union;
  - 2) The number of Illinois residents living or working in the delineated geographic areas;
  - 3) Whether the geographic area contains low-income and moderate-income neighborhoods, or areas where there is a lack of access to safe and affordable banking and lending services;
  - 4) the size of the credit union;
  - 5) The financial health of the credit union;
  - 6) The ability to effectively promote and market membership and membership services and products throughout the community common bond in a cost-effective manner;
  - 7) Applicable legal restrictions;
  - 8) the location of its offices, branches, and other facilities; and
  - 9) Any other relevant considerations, including without limitation, the size, configuration and existence of political subdivisions and geographic barriers within the geographic areas presented by the credit union.
- g) The credit union shall memorialize the bases for its assessment field delineation at or before the end of the implementation period set forth in Section 185.490. The credit union shall memorialize the bases for its assessment field delineation in

1287 writing and provide a copy of the writing to the Secretary. The following governs  
1288 a credit union changing its assessment field:  
1289

1290 1) A credit union may choose to change the delineation of its assessment  
1291 field at any time, except a credit union may not change the delineation of  
1292 its assessment field after an examination has been scheduled; and  
1293

1294 2) A credit union shall modify the delineation of its assessment field when  
1295 there is a material modification to the credit union's field of membership  
1296 or other material change in circumstances.  
1297

1298 h) A credit union may request a written finding from the Secretary that its  
1299 assessment field delineation complies with this Section prior to the initial ILCRA  
1300 examination. The request shall include the credit union's bases for its assessment  
1301 field delineation and any other documentation required by the Secretary to  
1302 evaluate the request. The request shall be made no later than 90 days before the  
1303 end of the applicable implementation period set forth in Section 185.490. No  
1304 later than 90 days after receipt a complete request, the Secretary shall provide a  
1305 written finding that the delineation is in compliance with the requirements of this  
1306 Section or that the delineation is not in compliance together with the reasons. The  
1307 time periods set forth in the Section may be extended for good cause shown or by  
1308 agreement between the Secretary and credit union. A credit union may rely in  
1309 good faith on the Secretary's written finding with respect to any subsequent  
1310 efforts by the Secretary to reject or modify the prior assessment field delineation  
1311 unless and until there has been a material modification to the credit union's field  
1312 of membership or other material change in circumstances.  
1313

1314 i) The Secretary uses the assessment field delineated by a credit union in its  
1315 evaluation of the credit union's ILCRA performance unless the Secretary  
1316 determines that the assessment field does not comply with the requirements of this  
1317 Section. If the Secretary determines that the assessment field delineated by the  
1318 credit union does not comply with this requirement of this Section, the Secretary  
1319 shall provide the credit union at least one additional reasonable opportunity to  
1320 delineate an assessment field in compliance with the requirements of this Section.  
1321

1322 j) For purposes of this Section, a "material modification or material change in  
1323 circumstances" shall be deemed to exist if there has been a significant change in  
1324 the members served by the credit union or the geographic areas containing  
1325 members and persons eligible for membership from its community common  
1326 bonds or portions thereof, if any, that the credit union reasonably believes it can  
1327 serve after considering the factors enumerated in subsection (b) or subsection (f)  
1328 as applicable.  
1329

1330 k) For purposes of the Section, "members" means current members as reflected on  
1331 the membership list of the credit union, as that membership list changes from time  
1332 to time.  
1333

1334 **Section 185.410 Data Collection, Reporting, and Disclosure**  
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1336 a) Credit unions shall comply with all data collection, reporting and disclosure  
1337 requirements as required by applicable law.  
1338

1339 b) A credit union, except a credit union that meets the definition of a small credit  
1340 union or intermediate small credit union, which is subject to HMDA reporting  
1341 requirements, shall report to the Department the location of each home mortgage  
1342 loan application, origination, or purchase outside the credit union's assessment  
1343 field in accordance with the requirements of 12 CFR 1003.  
1344

1345 c) Optional data collection and maintenance.  
1346

1347 1) Consumer Loans. A credit union may collect and maintain in machine  
1348 readable form (as prescribed by the Secretary) data for consumer loans  
1349 originated or purchased by the credit union for consideration under the  
1350 lending test. A credit union may maintain data for one or more of the  
1351 following categories of consumer loans: motor vehicle, credit card, other  
1352 secured, and other unsecured. If the credit union maintains data for loans  
1353 in a certain category, it shall maintain data for all loans originated or  
1354 purchased within that category. The credit union shall maintain data  
1355 separately for each category, including for each loan:  
1356

1357 A) A unique number or alpha-numeric symbol that can be used to  
1358 identify the relevant loan file;  
1359

1360 B) The loan amount at origination or purchase;  
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1362 C) The loan location; and  
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1364 D) The gross annual income of the borrower that the credit union  
1365 considered in making its credit decision.  
1366

1367 2) Other loan data. At its option, a credit union may provide other  
1368 information concerning its lending performance, including additional loan  
1369 distribution data or any other data required or permitted to be reported by  
1370 banks under federal or State banking regulations.  
1371



- 1372 d) Data on affiliate lending. A credit union that elects to have the Secretary consider  
 1373 loans by an affiliate, for purposes of the lending or community development test  
 1374 or an approved strategic plan, shall collect, maintain, and report for those loans  
 1375 the data that the credit union would have collected, maintained, and reported had  
 1376 the loans been originated or purchased by the credit union. For home mortgage  
 1377 loans, the credit union shall also be prepared to identify the home mortgage loans  
 1378 reported under 12 CFR Part 1003 (Home Data Disclosure) by the affiliate.  
 1379
- 1380 e) Data on lending by a consortium or a third party. A credit union that elects to  
 1381 have the Secretary consider community development loans by a consortium or  
 1382 third party, for purposes of the lending or community development tests or an  
 1383 approved strategic plan, shall report for those loans the data that the credit union  
 1384 would have reported had the loans been originated or purchased by the credit  
 1385 union.  
 1386

1387 **Section 185.420 Content and Availability of ILCRA File**  
 1388

- 1389 a) Information available to the field of membership. A credit union shall maintain  
 1390 an ILCRA file for its field of membership that includes the following information:  
 1391
- 1392 1) all written comments received from the public for the current year and  
 1393 each of the prior two calendar years that specifically relate to the credit  
 1394 union's performance in helping to meet community credit needs, and any  
 1395 response to the comments by the credit union, if neither the comments nor  
 1396 the responses contain statements that reflect adversely on the good name  
 1397 or reputation of any persons other than the credit union or publication of  
 1398 which would violate specific provisions of law.  
 1399
- 1400 2) a copy of the public section of the credit union's most recent ILCRA  
 1401 Performance Evaluation prepared by the Secretary. The credit union shall  
 1402 place this copy in the ILCRA file within 30 business days after its receipt  
 1403 from the Secretary. A copy of the public section includes:  
 1404
- 1405 A) The assessment factors utilized to determine the credit union's  
 1406 descriptive rating;  
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- 1408 B) The Secretary's conclusion with respect to each assessment factor;  
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- 1410 C) A discussion of the facts supporting the conclusions;  
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- 1412 D) The credit union's descriptive rating and the basis therefor;  
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- 1414 E) The assigned overall rating;

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- F) Any other information the Secretary finds that the ends of justice and the public advantage will be served by the disclosure; and
  - G) A summary of public comments.
- 3) a list of the credit union's branches, their street addresses, and geographies;
  - 4) a list of branches opened or closed by the credit union during the current year and each of the prior two calendar years, their street addresses, and geographies;
  - 5) a list of services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at the credit union's branches and descriptions of material differences in the availability or cost of services at particular branches, if any. At its option, a credit union may include information regarding the availability of alternative systems for delivering retail banking services (e.g., ATMs, ATMs not owned or operated by or exclusively for the credit union, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs);
  - 6) the field of membership as defined in the credit union's Article of Incorporation and Article III of the bylaws;
  - 7) its assessment field delineation; and
  - 8) any other information the credit union chooses.
- b) Additional information available to the field of membership.
    - 1) Credit Unions other than small credit unions or intermediate small credit unions. A credit union, except a small credit union or intermediate small credit union or a credit union that was a small credit union or intermediate small credit union the prior calendar year, shall include in its ILCRA file the following information pertaining to the credit union and its affiliates, if applicable, for each of the prior two calendar years. If the credit union has elected to have one or more categories of its consumer loans considered under the lending test, for each of these categories, the number and amount of loans:
      - A) to low-, moderate-, middle-, and upper-income individuals;

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- B) located in low-, moderate-, middle-, and upper-income census tracts; and
  - C) located inside the credit union's assessment field and outside the credit union's assessment field.
- 2) Credit Union required to report Home Mortgage Disclosure Act (HMDA) data. A credit union required to report home mortgage loan data pursuant 12 CFR Part 1003 (Home Disclosure Data) shall include in its ILCRA file a written notice that the institution's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (Bureau's) Website at [www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda). In addition, a credit union that elected to have the Secretary consider the mortgage lending of an affiliate for any of these years shall include in its ILCRA file the affiliate's HMDA Disclosure Statement for those years. The credit union shall place the statements in the ILCRA file within three business days after its receipt.
  - 3) Small credit unions and intermediate small credit unions. A small credit union or intermediate small credit union or a credit union that was a small credit union or intermediate small credit union during the prior calendar year shall include in its ILCRA file the credit union's loan-to-share ratio by asset class for each quarter of the prior calendar year and, at its option, additional data on its loan-to-share ratio.
  - 4) Credit unions with strategic plans. A credit union that has been approved to be assessed under a strategic plan shall include in its ILCRA file a copy of that plan. A credit union need not include information submitted to the Secretary on a confidential basis in conjunction with the plan.
  - 5) Credit unions with less than satisfactory ratings. A credit union that received a less than satisfactory rating during its most recent examination shall include in its ILCRA file a description of its current efforts to improve its performance in helping to meet the credit needs of its entire community. The credit union shall update the description quarterly.
- c) Location of information. A credit union shall make available to the field of membership for inspection upon request and at no cost the information required in this Section as follows:
- 1) at the main office and, if an interstate credit union, at one branch office in each state, all information in the ILCRA file; and

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- 2) at each branch, if any:
    - A) a copy of the public section of the credit union's most recent ILCRA Performance Evaluation and a list of services provided by the branch; and
    - B) within five calendar days of the request, all the information in the ILCRA file relating to the assessment field in which the branch is located.
  - d) Copies. Upon request, a credit union shall provide copies, on paper, electronically, or in another form acceptable to the person making the request, of the information in its ILCRA file. The credit union may charge a reasonable fee not to exceed the cost of copying and mailing, if applicable. A credit union shall not charge a fee if the information is only provided electronically.
  - e) Updating. Except as otherwise provided in Section 185.420, a credit union shall ensure that the information required by Section 185.420 is current as of April 1 of each year.
  - f) Notwithstanding subsections (a) through (e), this Section does not prohibit a credit union from establishing and implementing standards and procedures that a person must follow to obtain the ILCRA file. Such standards and procedures shall provide reasonable access to the ILCRA file. In determining whether such standards and procedures are reasonable, the Secretary shall consider:
    - 1) The credit union's size and financial condition;
    - 2) The location of the credit union and its hours of operation;
    - 3) Whether the ILCRA file is available electronically; and
    - 4) Any other unique circumstances presented by the credit union.
  - g) A credit union may request a written finding from the Secretary that its standards and procedures provide reasonable access to the file from the Secretary. Any credit union which relies on such a finding shall not be subject to an enforcement action by the Department for a violation of this Section. Unless extended by the Secretary in writing, any such finding shall expire at the end of the credit union's next examination.

1543 h) The Department shall make the public section of the written evaluation available  
1544 to all persons for inspection or copying pursuant to 205 ILCS 735/35-15(b).  
1545 Public comments, together with any response from a credit union will be  
1546 considered by the Secretary in evaluating our ILCRA performance and may be  
1547 made public.  
1548

1549 **Section 185.430 Public Notice by Credit Union**  
1550

1551 A credit union shall provide in the public lobby of its main office and each of its branches, if  
1552 any, and on its website, the appropriate public notice set forth in 185.APPENDIX B. Only a  
1553 branch of a credit union having more than one assessment field shall include the bracketed  
1554 material in the notice for branch offices. Only a credit union that is an affiliate of a holding  
1555 company shall include the second to the last sentence of the notices. A credit union shall include  
1556 the last sentence of the notices only if it is an affiliate of a holding company that is not prevented  
1557 by statute from acquiring additional credit unions.  
1558

1559 **Section 185.440 Publication of Planned Examination Schedule**  
1560

1561 The Secretary publishes at least 30 days in advance of the beginning of each calendar quarter a  
1562 list of credit unions scheduled for ILCRA examinations in that quarter.  
1563

1564 **Section 185.450 Very Small Credit Union Examination Procedures**  
1565

1566 a) At the time of examination any credit union that satisfies either of the following  
1567 eligibility standards as shown in its Year-end Call report and other related  
1568 documentation may elect to use the Very Small Credit Union Examination  
1569 Procedures set forth in 185.APPENDIX D:  
1570

- 1571 1) Total assets less than \$25,000,000; or  
1572
- 1573 2) Total assets less than \$100,000,000 that lent or originated less than 50  
1574 residential mortgage loans reportable under the Home Mortgage  
1575 Disclosure Act in the previous calendar year. The \$100,000,000 threshold  
1576 shall be adjusted based on amendments made by the National Credit  
1577 Union Administration from time to time in its definition of "small entity"  
1578 for purposes of the federal Regulatory Flexibility Act (5 U.S.C. Section  
1579 601, et seq.). For purposes of this subsection (a), "lent" or "originated"  
1580 means the credit union was responsible for underwriting, making credit  
1581 decisions for, issuing commitments for, or funding for the residential  
1582 mortgage loan; "residential mortgage loan" means any loan primarily for  
1583 personal, family or household use that is secured by a mortgage, deed or  
1584 trust or other equivalent consensual security interest on a dwelling or  
1585 residential real estate upon which is constructed or intended to be

1586 constructed a dwelling; and "dwelling" means a residential structure or  
1587 mobile home which contains one to four family housing units or  
1588 individual units of condominiums or cooperatives. For purposes of this  
1589 subsection (a), "lent" or "originated" does not include the performance of  
1590 brokerage or referral activities.

- 1591
- 1592 b) For any credit union which elects to use the Very Small Credit Union  
1593 Examination Procedures set forth in 185.APPENDIX D., the Secretary shall apply  
1594 the assessment factors, as provided in Section 185.200. The written evaluation  
1595 shall comply with all requirements for a written evaluation set forth in Section  
1596 15(b) of the ILCRA.
- 1597
- 1598 c) Any credit union which receives an overall rating of "substantial noncompliance"  
1599 on its last examination shall not be eligible to use the Very Small Credit Union  
1600 Examination Procedures set forth in 185.APPENDIX D on its next examination.
- 1601
- 1602 d) Nothing contained in this Section, prohibits the Secretary from considering other  
1603 sources of information including, but not limited to, evidence of discriminatory or  
1604 other illegal credit practices, or public comments in assessing whether a credit  
1605 union is meeting the financial services needs of local communities pursuant to  
1606 Section 185.200.
- 1607
- 1608 e) The Very Small Credit Union Examination Procedures set forth in  
1609 185.APPENDIX D shall in no way limit public participation.
- 1610
- 1611 f) A credit union electing to use the Very Small Credit Union Examination  
1612 Procedures set forth in 185.APPENDIX D does not affect the credit union's  
1613 obligation, if any, to report data as required by Section 185.410.
- 1614
- 1615 g) A credit union electing to use the Very Small Credit Union Examination  
1616 Procedures set forth in 185.APPENDIX D does not affect the credit union's  
1617 obligation to maintain an ILCRA file as required by Section 185.420.
- 1618
- 1619 h) A credit union that elects to use the Very Small Credit Union Examination  
1620 Procedures set forth in 185.APPENDIX D shall have at least three months to  
1621 complete the examination. The credit union shall have the opportunity to review  
1622 its proposed examination response with an examiner prior to the due date.
- 1623

1624 **Section 185.460 Examination Authority and Cooperation**

- 1625
- 1626 a) Pursuant to the Secretary's authority under the ILCRA, including, but not limited  
1627 to, Sections 35-15 and 35-25 of the Act. The Secretary and his or her appointees  
1628 may examine the entire books, records, documents, and operations of each credit

1629 union, affiliates, or agents, and may examine any credit union, its affiliates', or  
1630 agents' officers, directors, employees, and agents under oath.

1631  
1632 b) A credit union shall be required to fully cooperate in any examination conducted  
1633 pursuant to this Part. Cooperation includes, but is not limited to:

- 1634
- 1635 1) timely and full production of books, records, and documents, in any  
1636 reasonable format requested by the Department; and
  - 1637
  - 1638 2) ensuring all officers, directors, employees, and agents of the credit union  
1639 are available for depositions or interviews upon reasonable notice.
  - 1640
  - 1641 3) Except as otherwise specified in ILCRA or this Part, examination related  
1642 to this Part shall be conducted consistent with 205 ILCS 305/9(3.5), 38 Ill.  
1643 Adm. Code 190.25, and accompanying Guidelines for Regulatory Scope,  
1644 Clarity and Resolution of Examination Items issued on June 26, 2014 as  
1645 amended from time to time.
  - 1646

1647 **Section 185.470 Examination Schedule**

1648  
1649 a) The Secretary may conduct a discretionary ILCRA examination of a credit union  
1650 at any time.

1651  
1652 b) Initial CRA examinations of credit unions shall be conducted according to the  
1653 following schedule:

1654

- 1655 1) Initial ILCRA examinations of credit unions with total assets of \$1 billion  
1656 or more, as shown by its Year-end Call Report, shall not be conducted  
1657 until at least nine months after the rules contained in this Part are filed  
1658 with the Secretary of the State and shall be conducted within three years.

1659

- 1660 2) Initial ILCRA examinations of credit unions with total assets of  
1661 \$391,000,000 to less than \$1 billion, as shown by its Year-end Call  
1662 Report, shall not be conducted until at least nine months after the rules  
1663 contained in this Part are filed with the Secretary of State and shall be  
1664 conducted within four years.

1665

- 1666 3) Initial ILCRA examinations of credit unions with total assets of  
1667 \$10,000,000 but less than \$391,000,000, as shown by its Year-end Call  
1668 Report, shall not be conducted until at least fifteen months after the rules  
1669 contained in this Part are filed with the Secretary of State and shall be  
1670 conducted within five years.

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- 4) Initial ILCRA examinations of credit unions with total assets of less than \$10,000,000, as shown by its Year-end Call Report, shall not be conducted until at least fifteen months after the rules contained in this Part are filed with the Secretary of State and shall be conducted within six years.
  - c) Mandatory ILCRA examinations of credit unions shall be conducted according to the following schedule:
    - 1) ILCRA examinations of credit unions with total assets of greater than or equal to \$391,000,000, as shown by its Year-end Call Report, shall be conducted as follows:
      - A) For a credit union 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.
      - B) For a credit union that is assigned a "needs improvement" 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.
      - C) For a credit union 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.
    - 2) ILCRA examinations of credit unions with total assets of less than \$391,000,000, as shown by its Year-end Call Report, shall be conducted as follows:
      - A) For a credit union 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.
      - B) For a credit union that is assigned a "satisfactory" rating in its most recent prior examination under the ILCRA, the next examination



1714 shall be initiated within four years of the issuance of the report of  
 1715 examination of its most recent prior examination under the ILCRA.

1716  
 1717 C) For a credit union that is assigned a "needs improvement" rating in  
 1718 its most recent prior examination under the ILCRA, the next  
 1719 examination shall be initiated within two years of the issuance of  
 1720 the report of examination of its most recent prior examination  
 1721 under the ILCRA.

1722  
 1723 D) For a credit union that is assigned a "substantial noncompliance"  
 1724 rating in its most recent prior examination under the ILCRA, the  
 1725 next examination shall be initiated within one year of the issuance  
 1726 of the report of examination of its most recent prior examination  
 1727 under the ILCRA.

1728  
 1729 d) A credit union may request reconsideration to evaluate whether a less than  
 1730 satisfactory ILCRA rating may be modified. The request for reconsideration shall  
 1731 be in writing and shall identify each aspect of the written evaluation and the  
 1732 Department's findings that the credit union requests the Department to reconsider.  
 1733 The credit union shall provide any evidence, analyses, or information the credit  
 1734 union believes justifies changing the credit union's ILCRA rating to the  
 1735 Department. Upon receipt of such request, pursuant to Section 185.460(b)(3), the  
 1736 Secretary shall adhere to the progressive steps of review set forth in 38 Ill. Adm.  
 1737 Code Section 190.25(d). A request for reconsideration shall be delivered in  
 1738 writing no later than 90 days after the date the Secretary publishes the public  
 1739 section of the written evaluation. For purposes of this Section, "publication" shall  
 1740 mean posting the written evaluation to the Department's website. If the Secretary  
 1741 determines a change of rating is justified, the Secretary shall publish a  
 1742 supplemental written evaluation with the new ILCRA rating and all bases for  
 1743 changing the rating. A credit union may request reconsideration of an ILCRA  
 1744 rating and the Department's written ILCRA evaluation and findings only as set  
 1745 forth in this Section.

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 1747 **Section 185.480 Examination Fees**

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 1749 a) Examination Fees

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 1751 1) Annual Fees. Each fiscal year, credit unions shall pay an annual ILCRA  
 1752 fee to the Department based upon its total assets as shown on its Year-end  
 1753 Call Report at the following rate:

<b>TOTAL ASSETS</b>	<b>ILCRA ANNUAL</b>	<b>ILCRA ANNUAL</b>
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	<b>FISCAL YEAR 2025</b>	<b>FISCAL YEAR 2026</b>
\$1,000,000 or less	No Charge	No Charge
Over \$1,000,000 and not over \$10,000,000	No Charge	No Charge
Over \$10,000,000 and not over \$30,000,000	\$1,000	\$1,050
Over \$30,000,000 and not over \$50,000,000	\$2,000	\$2,100
Over \$50,000,000 and not over \$100,000,000	\$3,000	\$3,150
Over \$100,000,000 and not over \$350,000,000	\$4,500	\$4,725
Over \$350,000,000 and over \$500,000,000	\$9,000	\$9,450
Over \$500,000,000 and not over \$1,000,000,000	\$13,000	\$13,650
Over \$1,000,000,000 and not over \$10,000,000,000	\$18,000	\$18,900
Over \$10,000,000,000	\$24,000	\$25,000

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2) When out-of-state travel occurs in the conduct of any examination, the credit union shall make arrangements to reimburse the Department all charges for services such as travel expenses, including airfare, hotel and per diem incurred by the employee. These expenses are to be in accord with applicable travel regulations published by the Department of Central Management Services and approved by the Governor's Travel Control Board (80 Ill. Adm. Code 2800).

b) All fees received pursuant to this Part shall be deposited in the Credit Union Fund and subject to Section 12(6) of the Illinois Credit Union Act [205 ILCS 305/12(6)].

c) Notwithstanding Section 185.490, the fee for fiscal year 2025 shall be due on September 1, 2024. The fee for each fiscal year thereafter shall be due within 30 days of the start of each fiscal year. For purposes of this Section, "fiscal year" means a period beginning on July 1 of any calendar year and ending on June 30 of the next calendar year.

**Section 185.490 Implementation Period**

a) Credit unions with total assets of \$391,000,000 or more shall have nine months from the effective date of this Part to comply with the requirements of this Part.

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- b) Credit unions with total assets less than \$391,000,000 shall have fifteen months from the effective date of this Part to comply with the requirements of this Part.

**Section 185.500 Enforcement**

- a) Any failure to comply with a requirement of the ILCRA, this Part or other law referenced in ILCRA or this Part shall be grounds for enforcement actions as authorized under the ILCRA and under the Act, as applicable to the particular credit union.
- b) Any such failure to comply with a requirement of the ILCRA may also be grounds for referral to law enforcement or administrative authority with jurisdiction over the subject matter.
- c) In addition to any other action authorized by law, the Secretary may enter agreed upon orders, stipulations, or settlement agreements for the purpose of resolving any such failure to comply.
- d) Except as otherwise specified in this Illinois Community Reinvestment Act or this Part, enforcement and supervision related to this Part shall be conducted consistent with 205 ILCS 305/9(3.5), 38 Ill. Adm. Code Section 190.25; and accompanying regulatory guidelines.

**Section 185.510 Provisions for Granting of Variance from Rules**

The Secretary may grant variances in individual cases from this Part in individual cases where it is determined that in their sole discretion that:

- a) The provision from which the variance is granted is not statutorily mandated;
- b) No party will be injured by granting the variance; and
- c) The rule from which the variance is granted would, in the particular case, be unnecessarily burdensome.

1814 **Section 185.APPENDIX A Ratings**

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- a) Ratings in general.
  - 1) In assigning a rating, the Secretary evaluates a credit union's performance under the applicable performance criteria in this Part, in accordance with Section 185.200, Section 185.210, and Section 185.280. Notwithstanding any contrary provision in this Part, the Secretary may consider as a basis to adjust a credit union's overall rating, the following:
    - A) Providing low-cost education loans to low-income borrowers;
    - B) Activities in cooperation with Community Development Financial Institutions, minority- or women-owned financial institutions;
    - C) Certification as a Community Development Financial Institution or designated as a Minority Depository Institution or Low-Income Designated credit union;
    - D) The offering of Special Credit Programs; and
    - E) The evidence of discriminatory or other illegal credit practices.
  - 2) A credit union's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. A credit union that does not have a community common bond shall not be evaluated according to any criteria that references geographies or geographic area. A credit union with a field of membership consisting of multiple common bonds that includes community common bonds shall not be evaluated according to any criteria that references geographies or geographic area, except with respect to its community common bonds. A rating shall take into consideration the credit union's defined membership by-law provisions, as prescribed in 205 ILCS 305/15, and the lending and investment authority restrictions and other limitations and restrictions under 205 ILCS 305. The credit union's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate rating profile as follows. A credit union will be evaluated by how it serves its assessment field. A credit union's rating will not be negatively impacted by the composition of its assessment field including without limitation the income and geographic demographic data of borrowers in the assessment

- 1856 field so long as the assessment field is delineated in accordance with  
1857 Section 185.400.
- 1858 3) The Secretary may take a credit union's lack of previous experience with  
1859 ILCRA examinations into account and the length of the implementation  
1860 period into consideration while assessing the performance of the credit  
1861 union during its first ILCRA examination.
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- 1863 b) Credit Unions evaluated under the Lending and Service Tests.
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- 1865 1) Lending Performance Rating. The Secretary assigns each credit union's  
1866 lending performance one of the five following ratings.
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- 1868 A) Outstanding. The Secretary rates a credit union's lending  
1869 performance "outstanding" if, in general, it demonstrates:
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- 1871 i) Excellent responsiveness to credit needs in its assessment  
1872 field, taking into account the number and amount of home  
1873 mortgage, and consumer loans, if applicable, in its  
1874 assessment field;
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- 1876 ii) An excellent geographic distribution of loans in its  
1877 assessment field, provided, however, a geographic analysis  
1878 is relevant in the context of the credit union's membership  
1879 by-law provisions;
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- 1881 iii) An excellent distribution, particularly in its assessment  
1882 field, of loans among members of different income levels,  
1883 given the product lines offered by the credit union;
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- 1885 iv) An excellent record of serving the credit needs of highly  
1886 economically disadvantaged persons in its assessment field,  
1887 and low-income members, including loans and other efforts  
1888 to assist existing low- and moderate-income members to be  
1889 able to remain in their neighborhoods, consistent with safe  
1890 and sound operations;
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- 1892 v) Extensive use of innovative or flexible lending practices in  
1893 a safe and sound manner to address the credit needs of low-  
1894 and moderate-income members or geographies;
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- vi) There is no evidence of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
  - vii) An excellent record relative to fair lending policies and practices; and
  - viii) It is a leader in making community development loans.
- B) High satisfactory. The Secretary rates a credit union's lending performance "high satisfactory" if, in general, it demonstrates:
- i) Good responsiveness to credit needs in its assessment field, taking into account the number and amount of home mortgage, and consumer loans, if applicable, in its assessment field;
  - ii) A good geographic distribution of loans in its assessment field, provided, however, a geographic analysis is relevant in the context of the credit union's membership by-law provisions;
  - iii) A good distribution, particularly in its assessment field, of loans among members of different income levels, given the product lines offered by the credit union;
  - iv) A good record of serving the credit needs of highly economically disadvantaged persons in its assessment field, and low-income members, including loans and other efforts to assist existing low- and moderate-income members to be able to remain in their neighborhoods, consistent with safe and sound operations;
  - v) Use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income members or geographies;
  - vi) There is no evidence of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
  - vii) A good record relative to fair lending policies and practices; and

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- viii) It has made a relatively high level of community development loans.
- C) Low satisfactory. The Secretary rates a credit union's lending performance "low satisfactory" if, in general, it demonstrates:
  - i) Adequate responsiveness to credit needs in its assessment field, taking into account the number and amount of home mortgage, and consumer loans, if applicable, in its assessment field;
  - ii) An adequate geographic distribution of loans in its assessment field, provided, however, a geographic analysis is relevant in the context of the credit union's membership by-law provisions;
  - iii) An adequate distribution, particularly in its assessment field, of loans among members of different income levels, given the product lines offered by the credit union;
  - iv) An adequate record of serving the credit needs of highly economically disadvantaged persons in its assessment field, and low-income members, including loans and other efforts to assist existing low- and moderate-income members to be able to remain in their neighborhoods, consistent with safe and sound operations;
  - v) Limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income members or geographies;
  - vi) There is no evidence of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
  - vii) An adequate record relative to fair lending policies and practices; and
  - viii) It has made an adequate level of community development loans.

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- D) Needs to improve. The Secretary rates a credit union's lending performance "needs to improve" if, in general, it demonstrates:
- i) Poor responsiveness to credit needs in its assessment field, taking into account the number and amount of home mortgage, and consumer loans, if applicable, in its assessment field;
  - ii) A poor geographic distribution of loans, particularly to low- and moderate-income geographies, in its assessment field, provided, however, a geographic analysis is relevant in the context of the credit union's membership by-law provisions;
  - iii) A poor distribution, particularly in its assessment field, of loans among members of different income levels, given the product lines offered by the credit union;
  - iv) A poor record of serving the credit needs of highly economically disadvantaged persons in its assessment field, and low-income members, including loans and other efforts to assist existing low- and moderate-income members to be able to remain in their neighborhoods, consistent with safe and sound operations;
  - v) Little use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income members or geographies;
  - vi) There is possible evidence of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
  - vii) A poor record relative to fair lending policies and practices; and
  - viii) It has made a low level of community development loans.
- E) Substantial noncompliance. The Secretary rates a credit union's lending performance as being in "substantial noncompliance" if, in general, it demonstrates:



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- i) A very poor responsiveness to credit needs in its assessment field, taking into account the number and amount of home mortgage, and consumer loans, if applicable, in its assessment field;
  - ii) A very poor geographic distribution of loans, particularly to low- and moderate-income geographies, in its assessment field, provided, however, a geographic analysis is relevant in the context of the credit union's membership by-law provisions;
  - iii) A very poor distribution, particularly in its assessment field, of loans among members of different income levels, given the product lines offered by the credit union;
  - iv) A very poor record of serving the credit needs of highly economically disadvantaged persons in its assessment field, and low-income members, including loans and other efforts to assist existing low- and moderate-income members to be able to remain in their neighborhoods, consistent with safe and sound operations;
  - v) No use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income members or geographies;
  - vi) Origination of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
  - vii) A very poor record relative to fair lending policies and practices; and
  - viii) It has made few, if any, community development loans.
- 2) Service performance rating. The Secretary assigns each credit union's service performance one of the five following ratings.
- A) Outstanding. The Secretary rates a credit union's service performance "outstanding" if, in general, the credit union demonstrates:

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- i) Its service delivery systems are readily accessible to members and geographies of different income levels in its assessment field;
  - ii) To the extent changes have been made, its record of opening and closing branches has improved the accessibility of its delivery systems, particularly to low- and moderate-income members or in low- and moderate-income geographies;
  - iii) Its services (including, where appropriate, business hours) are tailored to the convenience and needs of its assessment field, particularly low- and moderate-income members or in low- and moderate-income geographies; and
  - iv) It is a leader in providing community development services.
- B) High satisfactory. The Secretary rates a credit union's service performance "high satisfactory" if, in general, the credit union demonstrates:
- i) Its service delivery systems are accessible to members and geographies of different income levels in its assessment field;
  - ii) To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income members and in low- and moderate-income geographies;
  - iii) Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment field, particularly low- and moderate-income members and low- and moderate-income geographies; and
  - iv) It provides a relatively high level of community development services.
- C) Low satisfactory. The Secretary rates a credit union's service performance "low satisfactory" if, in general, the credit union demonstrates:

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- i) Its service delivery systems are reasonably accessible to members and geographies of different income levels in its assessment area;
  - ii) To the extent changes have been made, its record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income members and in low- and moderate-income geographies;
  - iii) Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment field, particularly low- and moderate-income members and low- and moderate-income geographies; and
  - iv) It provides an adequate level of community development services.
- D) Needs to improve. The Secretary rates a credit union's service performance "needs to improve" if, in general, the credit union demonstrates:
- i) Its service delivery systems are unreasonably inaccessible to portions of its assessment field, particularly to low- and moderate-income members or to low- and moderate-income geographies;
  - ii) To the extent changes have been made, its record of opening and closing branches has adversely affected the accessibility its delivery systems, particularly to low- and moderate- income members or in low- and moderate-income geographies;
  - iii) Its services (including, where appropriate, business hours) vary in a way that inconveniences its assessment field, particularly low- and moderate-income members or low- and moderate-income geographies; and
  - iv) It provides a limited level of community development services.

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- E) Substantial noncompliance. The Secretary rates a credit union's service performance as being in "substantial noncompliance" if, in general, the credit union demonstrates:
    - i) Its service delivery systems are unreasonably inaccessible to significant portions of its assessment field, particularly to low- and moderate-income members or to low- and moderate-income geographies;
    - ii) To the extent changes have been made, its record of opening and closing branches has significantly adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income members or in low- and moderate-income geographies;
    - iii) Its services (including, where appropriate, business hours) vary in a way that significantly inconveniences its assessment field, particularly low- and moderate-income members or low- and moderate-income geographies; and
    - iv) It provides few, if any, community development services.
  - c) Investment performance rating. The Secretary assigns each credit union's investment performance one of the five following ratings:
    - 1) Outstanding. The Secretary rates a credit union's investment performance "outstanding" if, in general, it demonstrates:
      - A) An excellent level of qualified investments, particularly those that are not routinely provided by private investors, often in a leadership position;
      - B) Extensive use of innovative or complex qualified investments; and
      - C) Excellent responsiveness to credit and community development needs.
    - 2) High Satisfactory. The Secretary rates a credit union's investment performance "high satisfactory" if, in general, it demonstrates:
      - A) A significant level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position;

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- B) Significant use of innovative or complex qualified investments;  
and
  - C) Good responsiveness to credit and community development needs.
- 3) Low satisfactory. The Secretary rates a credit union's investment performance "low satisfactory" if, in general, it demonstrates:
- A) An adequate level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position;
  - B) Occasional use of innovative or complex qualified investments;  
and
  - C) Adequate responsiveness to credit and community development needs.
- 4) Needs to improve. The Secretary rates a credit union's investment performance "needs to improve" if, in general, it demonstrates:
- A) A poor level of qualified investments, particularly those that are not routinely provided by private investors;
  - B) Rare use of innovative or complex qualified investments; and
  - C) Poor responsiveness to credit and community development needs.
- 5) Substantial noncompliance. The Secretary rates a credit union's investment performance as being in "substantial noncompliance" if, in general, it demonstrates:
- A) Few, if any, qualified investments, particularly those that are not routinely provided by private investors;
  - B) No use of innovative or complex qualified investments; and
  - C) Very poor responsiveness to credit and community development needs.

- 2234 d) Wholesale or limited purpose credit unions. The Secretary assigns each  
2235 wholesale or limited purpose credit union's community development performance  
2236 one of the four following ratings.  
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- 2238 1) Outstanding. The Secretary rates a wholesale or limited purpose credit  
2239 union's community development performance "outstanding" if, in general,  
2240 it demonstrates:  
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- 2242 A) A high level of community development loans, community  
2243 development services, or qualified investments, particularly  
2244 investments that are not routinely provided by private investors;  
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- 2246 B) Extensive use of innovative or complex qualified investments,  
2247 community development loans, or community development  
2248 services; and  
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- 2250 C) Excellent responsiveness to credit and community development  
2251 needs in its assessment field.  
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- 2253 2) Satisfactory. The Secretary rates a wholesale or limited purpose credit  
2254 union's community development performance "satisfactory" if, in general,  
2255 it demonstrates:  
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- 2257 A) An adequate level of community development loans, community  
2258 development services, or qualified investments, particularly  
2259 investments that are not routinely provided by private investors;  
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- 2261 B) Occasional use of innovative or complex qualified investments,  
2262 community development loans, or community development  
2263 services; and  
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- 2265 C) Adequate responsiveness to credit and community development  
2266 needs in its assessment field.  
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- 2268 3) Needs to improve. The Secretary rates a wholesale or limited purpose  
2269 credit union's community development performance as "needs to improve"  
2270 if, in general, it demonstrates:  
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- 2272 A) A poor level of community development loans, community  
2273 development services, or qualified investments, particularly  
2274 investments that are not routinely provided by private investors;  
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- 2276 B) Rare use of innovative or complex qualified investments,  
2277 community development loans, or community development  
2278 services; and  
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- 2280 C) Poor responsiveness to credit and community development needs  
2281 in its assessment field.  
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- 2283 4) Substantial noncompliance. The Secretary rates a wholesale or limited  
2284 purpose credit union's community development performance in  
2285 "substantial noncompliance" if, in general, it demonstrates:  
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- 2287 A) Few, if any, community development loans, community  
2288 development services, or qualified investments, particularly  
2289 investments that are not routinely provided by private investors;  
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- 2291 B) No use of innovative or complex qualified investments,  
2292 community development loans, or community development  
2293 services; and  
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- 2295 C) Very poor responsiveness to credit and community development  
2296 needs in its assessment field.  
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- 2298 e) Credit Unions evaluated under the small credit union and intermediate small  
2299 credit union performance standards.  
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- 2301 1) Lending test ratings for small credit unions and intermediate small credit  
2302 unions.  
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- 2304 A) Eligibility for a satisfactory rating. The Secretary rates a small  
2305 credit union or intermediate small credit union's performance  
2306 "satisfactory" if, in general, the credit union demonstrates:  
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- 2308 i) A reasonable loan-to-share ratio (considering seasonal  
2309 variations) given the credit union's size, financial condition,  
2310 the credit needs of its assessment field, and taking into  
2311 account, as appropriate, lending-related activities such as  
2312 loan originations for sale to the secondary markets and  
2313 community development loans and qualified investments;  
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- 2315 ii) A majority of its loans and, as appropriate, other lending-  
2316 related activities are in its assessment field;  
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- iii) A distribution of loans to and, as appropriate, other lending related-activities for individuals of different income levels (including low- and moderate-income individuals) and businesses and farms of different sizes that is reasonable given the demographics of the credit union's assessment field;
  - iv) A record of taking appropriate action, as warranted, in response to written complaints, if any, about the credit union's performance in helping to meet the credit needs of its assessment field and reasonable performance with regard to fair lending policies and practices; and
  - v) A reasonable geographic distribution of loans given the credit union's assessment field.
- B) Eligibility for an outstanding rating. A small credit union or intermediate small credit union that meets each of the standards for a "satisfactory" rating under this paragraph and exceeds some or all of those standards may warrant consideration for an overall rating of "outstanding."
- C) Needs to improve or substantial noncompliance ratings. A small credit union or intermediate small credit union also may receive a rating of "needs to improve" or "substantial noncompliance" depending on the degree to which its performance has failed to meet the standards for a "satisfactory" rating.
- 2) Community Development Test Ratings for Intermediate Small Credit Unions
- A) Eligibility for a Satisfactory Community Development Test Rating. The Secretary rates an intermediate small credit union's community development performance "satisfactory" if the credit union demonstrates adequate responsiveness to the community development needs of its assessment field through community development loans, qualified investments, and community development services. The adequacy of the credit union's response will depend on its capacity for such community development activities, its assessment field's need for such community development activities, and the availability of such opportunities for community development in the credit union's assessment field.



- 2361 B) Eligibility for an Outstanding Community Development Test  
2362 Rating. The Secretary rates an intermediate small credit union's  
2363 community development performance "outstanding" if the credit  
2364 union demonstrates excellent responsiveness to community  
2365 development needs in its assessment field through community  
2366 development loans, qualified investments, and community  
2367 development services, as appropriate, considering the credit  
2368 union's capacity and the need and availability of such opportunities  
2369 for community development in the credit union's assessment field.  
2370
- 2371 C) Needs to Improve or Substantial Noncompliance Ratings. An  
2372 intermediate small credit union may also receive a community  
2373 development test rating of "needs to improve" or "substantial  
2374 noncompliance" depending on the degree to which its performance  
2375 has failed to meet the standards for a "satisfactory" rating  
2376
- 2377 3) Service test rating for credit unions that are intermediate small credit  
2378 unions: A credit union that is an intermediate small credit union will be  
2379 rated under the service test in accordance with subsection (b)(2) of  
2380 185.APPENDIX A (Ratings).  
2381
- 2382 f) Overall rating  
2383
- 2384 1) Eligibility for a satisfactory overall rating. No intermediate small credit  
2385 union may receive an assigned overall rating of "satisfactory" unless it  
2386 receives a rating of at least "satisfactory" on both the lending test and  
2387 community development test.  
2388
- 2389 2) Eligibility for an outstanding overall rating.  
2390
- 2391 A) An intermediate small credit union that receives an "outstanding"  
2392 rating on one test and at least "satisfactory" on the other test may  
2393 receive an assigned overall rating of "outstanding".  
2394
- 2395 B) A small credit union that meets each of the standards for a  
2396 "satisfactory" rating under the lending test and exceeds some or all  
2397 of those standards may warrant consideration for an overall rating  
2398 of "outstanding". In assessing whether a credit union's performance  
2399 is "outstanding", the Secretary considers the extent to which the  
2400 credit union exceeds each of the performance standards for a  
2401 "satisfactory" rating and its performance in making qualified  
2402 investments and its performance in providing branches and other

2403 services and delivery systems that enhance credit availability in its  
2404 assessment field.

2405  
2406 3) Needs to improve or substantial noncompliance overall rating. A small  
2407 credit union may also receive a rating of "needs to improve" or  
2408 "substantial noncompliance" depending on the degree to which its  
2409 performance has failed to meet the standards for a "satisfactory" rating.  
2410

2411 g) Strategic plan assessment and rating  
2412

2413 1) Satisfactory goals. The Secretary approves as "satisfactory" measurable  
2414 goals that adequately help to meet the credit needs of the credit union's  
2415 assessment field.  
2416

2417 2) Outstanding goals. If the plan identifies a separate group of measurable  
2418 goals that substantially exceed the levels approved as "satisfactory", the  
2419 Secretary will approve those goals as "outstanding".  
2420

2421 3) Rating. The Secretary assesses the performance of a credit union  
2422 operating under an approved plan to determine if the credit union has met  
2423 its plan goals:  
2424

2425 A) If the credit union substantially achieves its plan goals for a  
2426 satisfactory rating, the Secretary will rate the credit union's  
2427 performance under the plan as "satisfactory".  
2428

2429 B) If the credit union exceeds its plan goals for a satisfactory rating  
2430 and substantially achieves its plan goals for an outstanding rating,  
2431 the Secretary will rate the credit union's performance under the  
2432 plan as "outstanding".  
2433

2434 C) If the credit union fails to meet substantially its plan goals for a  
2435 satisfactory rating, the Secretary will rate the credit union as either  
2436 "needs to improve" or "substantial noncompliance", depending on  
2437 the extent to which it falls short of its plan goals, unless the credit  
2438 union elected in its plan to be rated otherwise, as provided in  
2439 Section 185.270(f)(4).  
2440

2441 h) Other eligible criteria for an outstanding rating. A credit union that achieves at  
2442 least a "satisfactory" rating under the lending and service tests may warrant  
2443 consideration for an overall rating of "outstanding". In assessing whether a credit  
2444 union 's performance is "outstanding", the Secretary will also consider the credit

- 2445 union's performance in making qualified investments and community  
2446 development loans to the extent authorized under law.  
2447
- 2448 i) Component test ratings. The Secretary may develop, by written policy or  
2449 directive, a matrix system which sets forth the methodology for aggregating a  
2450 credit union's scores on the lending, service, and investment tests to arrive at an  
2451 assigned rating.  
2452

2453 **Section 185.APPENDIX B ILCRA Notice**

2454

2455 a) Notice for main office. A credit union shall prominently display the following  
2456 notice at its main office and on its website.

2457

2458

**ILLINOIS COMMUNITY REINVESTMENT ACT NOTICE**

2459

2460 Under the Illinois Community Reinvestment Act (ILCRA), the Secretary of the Department of  
2461 Financial and Professional Regulation (Secretary) evaluates our record of helping to meet the  
2462 credit needs of this community consistent with safe and sound operations, and consistent with  
2463 our common bond. The Secretary also takes this record into account when deciding on certain  
2464 applications submitted by us.

2465

2466 Your involvement is encouraged.

2467

2468 Members and persons eligible to join our credit union are entitled to certain information about  
2469 our operations and our performance under the ILCRA, including, for example, information about  
2470 our branches, such as their location and services provided at them; the public section of our most  
2471 recent ILCRA Performance Evaluation, prepared by the Secretary; and comments received from  
2472 the public relating to our performance in helping to meet community credit needs, as well as our  
2473 responses to those comments. You may review this information today.

2474

2475 At least 30 days before the beginning of each quarter, the Secretary publishes a list of the credit  
2476 unions that are scheduled for ILCRA examination by the Secretary in that quarter. This list is  
2477 available from the Secretary at 320 West Washington Street, 3<sup>rd</sup> Floor Springfield, IL 62786 and  
2478 555 W. Monroe St., Suite 500, Chicago, IL 60661. You may send written comments about our  
2479 performance in helping to meet community credit needs to (name and address of official at credit  
2480 union) and to the Secretary at 320 West Washington Street, 3<sup>rd</sup> Floor Springfield, IL 62786 and  
2481 555 W. Monroe St., Suite 500, Chicago, IL 60661 or electronically at  
2482 <https://idfpr.illinois.gov/admin/cra.html>. Your letter, together with any response by us, will be  
2483 considered by the Secretary in evaluating our ILCRA performance and may be made public.

2484

2485 You may ask to look at any comments received by the Secretary. You may also request from the  
2486 Secretary an announcement of our applications covered by the ILCRA filed with the Secretary.  
2487 [We are an affiliate of (name of holding company), a bank holding company].

2488

2489 b) Notice for branch offices. A credit union shall prominently display the following  
2490 notice at all branch offices and on its website.

2491

2492

**ILLINOIS COMMUNITY REINVESTMENT ACT NOTICE**

2493

2494 Under the Illinois Community Reinvestment Act (ILCRA), the Secretary of the Department of  
2495 Financial and Professional Regulation (Secretary) evaluates our record of helping to meet the

2496 credit needs of this community consistent with safe and sound operations. The Secretary also  
2497 takes this record into account when deciding on certain applications submitted by us.

2498  
2499 Your involvement is encouraged.

2500  
2501 Members and persons eligible to join our credit union are entitled to certain information about  
2502 our operations and our performance under the ILCRA. You may review today the public section  
2503 of our most recent ILCRA evaluation, prepared by Secretary, and a list of services provided at  
2504 this branch. You may also have access to the following additional information, which we will  
2505 make available to you at this branch within five calendar days after you make a request to us:

- 2506
- 2507 1) a map showing the assessment area containing this branch, which is the field in  
2508 which the Secretary evaluates our ILCRA performance in this community or other  
2509 documentation showing the assessment field;
  - 2510 2) information about our branches in this assessment field;
  - 2511 3) a list of services we provide at those locations;
  - 2512 4) data on our lending performance in this assessment field; and
  - 2513 5) copies of all written comments received by us that specifically relate to our  
2514 ILCRA performance in this assessment field, and any responses we have made to  
2515 those comments. If we are operating under an approved strategic plan, you may  
2516 also have access to a copy of the plan.

2517  
2518 If you would like to review information about our ILCRA performance in other communities  
2519 served by us, the ILCRA file for our entire credit union is available at (name of office located in  
2520 state), located at (address).

2521  
2522 At least 30 days before the beginning of each quarter, the Secretary publishes a list of the credit  
2523 unions that are scheduled for ILCRA examination by the Secretary in that quarter. This list is  
2524 available from the Secretary at 320 West Washington Street, 3<sup>rd</sup> Floor Springfield, IL 62786 and  
2525 555 W. Monroe St., Suite 500, Chicago, IL 60661. You may send written comments about our  
2526 performance in helping to meet community credit needs to (name and address of official at credit  
2527 union) and to the Secretary at 320 West Washington Street, 3<sup>rd</sup> Floor Springfield, IL 62786 and  
2528 555 W. Monroe St., Suite 500, Chicago, IL 60661 or electronically at  
2529 <https://idfpr.illinois.gov/admin/cra.html>. Your letter, together with any response by us, will be  
2530 considered by the Secretary in evaluating our ILCRA performance and may be made public.

2531  
2532 You may ask to look at any comments received by the Secretary. You may also request from the  
2533 Secretary an announcement of our applications covered by the ILCRA filed with the Secretary.  
2534 (We are an affiliate of (name of holding company), a holding company. You may request from  
2535 (title of responsible official), Federal Reserve Bank of \_\_\_\_\_ (address) an announcement of  
2536 applications covered by the ILCRA filed by holding companies.)

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- c) The Secretary may update the address or web address to be included on the required notices by posting a notice of the change of address to the Department's website at least 30 days prior to the change.

2542 **Section 185.APPENDIX C Examples of Community Development**

2543

2544 Examples of services, programs, sponsorships, donations, lawful investments, deposits,  
2545 memberships shares, grants, other activities which may be deemed to have the primary purpose  
2546 of community development include, but are not limited to the following:

2547

2548 a) Establishment of or material support of charitable donation accounts and donor  
2549 advised funds that benefit charitable organization which help meet the financial  
2550 services needs of low-income and moderate-income neighborhoods or individuals  
2551 within the credit union's assessment field;

2552

2553 b) Establishment of or material support of foundations and other affiliated  
2554 companies that provide programs and services to meet the credit needs of low-  
2555 income to moderate-income neighborhoods;

2556

2557 c) Material support of small credit unions as defined in Section 185.20 that provide  
2558 programs, products and services to meet the credit needs of low-income to  
2559 moderate-income individuals or families;

2560

2561 d) Offering products and services targeted to expand access to safe and affordable  
2562 banking services;

2563

2564 e) Provision or support of community development services that directly and  
2565 tangibly benefit the assessment field;

2566

2567 f) Offering products and services and/or provision of investments targeted to  
2568 directly and tangibly increase climate resilience in low-income to moderate-  
2569 income neighborhoods;

2570

2571 g) Offering products and services and or provision of investments targeted to  
2572 directly and tangibly mitigate environmental harm in low-income to moderate-  
2573 income neighborhoods;

2574

2575 h) Offering products and services and/or the provision of investments targeted to  
2576 directly and tangibly mitigate the digital divide in low-income and moderate-  
2577 income neighborhoods.

2578

2579 i) Participating in Invest in Illinois or other similar state or federal programs which  
2580 have the primary purpose of community development; and

2581

2582 j) Participating in an activity listed on the Office of the Comptroller of the  
2583 Currency's CRA Illustrative List of Qualifying Activities (May 20, 2020) as  
2584 amended from time to time. The Secretary shall post a link to the Office of the

2585  
2586  
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Comptroller of the Currency's CRA Illustrative List of Qualifying Activities (May 20, 2020) as amended from time to time on the Department's website.



2588 **Section 185.APPENDIX D Very Small Credit Union Examination Procedures**

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- a) Describe your activities to ascertain the financial services needs of your assessment field, if any, and provide supporting documentation.
- b) Describe the extent of marketing, if any, to your assessment field aware of the financial services offered and provide supporting documentation.
- c) Describe efforts and successes, if any, to assist existing low-income and moderate-income residents in your assessment field to be able to remain in affordable housing in their neighborhoods including, but not limited to, origination of mortgage loans including and home improvement and rehabilitation loans. At the discretion of the Secretary, a credit union shall also be required to submit to the Department:
  - 1) HMDA-LAR Quarterly Reports; or
  - 2) The following applicant information:
    - A) Application date;
    - B) Loan Type;
    - C) Property Type;
    - D) Purpose;
    - E) Owner Occupancy;
    - F) Pre-approval;
    - G) Loan Action Taken (details and date);
    - H) Property Address;
    - I) Applicant's Ethnicity;
    - J) Applicant's Race;
    - K) Applicant's Sex; and
    - L) Gross Annual Income.

- 2631 d) For small business lenders, the application and loan details regarding origination  
2632 of loans to businesses in your assessment field with gross annual revenues of  
2633 \$1,000,000.00 or less, particularly those in low-income and moderate-income  
2634 neighborhoods in your assessment field.  
2635
- 2636 e) Describe your participation, if any, including investments, in community  
2637 development and redevelopment programs, small business technical assistance  
2638 programs, minority-owned depository institutions, community development  
2639 financial institutions, and mutually-owned financial institutions, if any, and  
2640 provide supporting documentation.  
2641
- 2642 f) Describe your efforts and successes working with delinquent members in your  
2643 assessment field to facilitate a resolution of the delinquency and provide  
2644 supporting documentation. At the discretion of the Secretary, a credit union shall  
2645 also be required submit to the Department:  
2646
- 2647 1) A delinquency report for the last six months;  
2648
- 2649 2) Collection notes for loans delinquent for sixty or more days; and  
2650
- 2651 3) Current loan status.  
2652
- 2653 g) Describe your efforts and successes, if any, to offer retail banking services to  
2654 unbanked and underbanked persons in your assessment field and provide  
2655 supporting documentation.  
2656
- 2657 h) Provide a written response to any public comments, if any, received since your  
2658 last ILCRA examination.  
2659
- 2660 i) Provide any other information you believe is relevant to assessing whether you  
2661 are meeting the financial services needs of your assessment field.