



Comptroller of the Currency  
Administrator of National Banks

# Community Developments

Community Affairs  
Department

*Fact Sheet*

## **CRA: Community Development Loans, Investments and Services**

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### **What is the definition of “community development”?**

To qualify as “community development,” an activity must fall into one of the following four categories:

- Affordable housing (including multifamily rental housing) for low- and moderate-income (LMI) individuals.
- Community services targeted to LMI individuals.
- Activities that promote economic development by financing businesses or farms eligible by size (small business development company or small business investment company programs) OR that have annual gross revenues equal to or less than \$1,000,000. These activities must also support permanent job creation, retention, or improvement for persons who are currently LMI, in LMI geographies, or in areas targeted for redevelopment by federal, state, local, or tribal governments.
- Activities that revitalize or stabilize LMI geographies, designated disaster areas and certain underserved or

distressed nonmetropolitan middle-income geographies, by attracting and retaining businesses and residents.

### **What are examples of community development loans?**

- Loans for affordable housing rehabilitation and construction and permanent financing of multifamily rental property serving LMI persons
- Loans to nonprofit organizations serving primarily LMI housing or other community development needs
- Loans in support of community facilities in LMI areas or to facilities that support LMI persons.
- Loans to community development financial institutions (CDFIs), community development corporations (CDCs), and minority- and women-owned financial institutions.
- Loans to governmental entities for community development purposes.
- Loans to finance environmental cleanup or redevelopment of an industrial site in LMI geographies.

## What are examples of community development investments?

Community development investments include any grants to, or deposits or shares in:

- Financial intermediaries (e.g., CDFIs, CDCs, minority- and women-owned financial institutions) that primarily lend in LMI areas or to LMI persons.
- Organizations engaged in affordable housing and rehabilitation, including multifamily rental housing.
- Organizations promoting economic development by financing small businesses, including small business investment companies.
- Projects eligible for low-income housing tax credits.
- Community development entities with new markets tax credit allocations.
- State and municipal obligations that specifically support affordable housing or other community development activities.
- Nonprofit organizations serving LMI housing or other community development needs such as home ownership and home maintenance counseling.
- Organizations supporting activities essential to the capacity of LMI persons or geographies to utilize credit or sustain economic development.

## What are examples of community development services?

- Technical assistance to nonprofit, tribal, or government organizations serving LMI housing needs or economic revitalization.
- Lending executives to organizations facilitating affordable housing construction and rehabilitation.
- Providing credit counseling, home buyer counseling, home maintenance counseling, or financial planning to promote community development.
- School savings programs targeting LMI persons.
- Financial services with a primary purpose of community development such as low-cost or free government check cashing.

## For more information

- The OCC's Web-site about national bank community development opportunities generally at: [www.occ.treas.gov/cdd/resource.htm](http://www.occ.treas.gov/cdd/resource.htm)
- OCC's District Community Affairs Officers, whose contact information can be obtained at: [www.occ.treas.gov/cdd/commfoc.htm](http://www.occ.treas.gov/cdd/commfoc.htm)