**Section 345.250 Community Development Test for Wholesale or Limited Purpose Banks**

a) Scope of test. The FDIC assesses a wholesale or limited purpose bank's record of helping to meet the credit needs of its assessment area under the community development test through its community development lending, qualified investments, or community development services.

b) Designation as a wholesale or limited purpose bank. In order to receive a designation as a wholesale or limited purpose bank, a bank shall file a request, in writing, with the Department, at least three months prior to the proposed effective date of the designation. If the Department approves the designation, it remains in effect until the bank requests revocation of the designation or until one year after the Department notifies the bank that the Department has revoked the designation on its own initiative.

c) Performance criteria. The Secretary evaluates the community development performance of a wholesale or limited purpose bank considering the assessment factors in Section 345.200 and pursuant to the following criteria:

1) The number and amount of community development loans (including originations and initial purchases of loans and other community development loan data provided by the bank, such as data on loans outstanding, commitments, and letters of credit), qualified investments, or community development services;

2) The use of innovative or complex qualified investments, community development loans, or community development services and the extent to which the investments are not routinely provided by private investors; and

3) The bank's responsiveness to credit and community development needs.

d) Indirect activities. At a bank's option, the Secretary will consider in its community development performance assessment:

1) Qualified investments or community development services provided by an affiliate of the bank, if the investments or services are not claimed by any other institution; and

2) Community development lending by affiliates, consortia and third parties, subject to the requirements and limitations in Section 345.220(c) and (d).

e) Benefit to assessment area.

1) Benefit inside assessment area. The Secretary considers all qualified investments, community development loans, and community development services that benefit areas within the bank's assessment area or a broader Statewide or regional area that includes the bank's assessment area.

2) Benefit outside assessment area. The Secretary considers the qualified investments, community development loans, and community development services that benefit areas outside the bank's assessment area, if the bank has adequately addressed the needs of its assessment area.

f) Community development performance rating. The Secretary rates a bank's community development performance as provided in Section 345.APPENDIX A.