**Section 1055.210 Performance Tests, Standards, and Ratings, in General**

a) Performance tests and standards. The Secretary assesses the performance of a covered mortgage licensee in an examination as outlined in this Section. The Secretary applies the assessment factors, as provided in Section 1055.200, and lending and service tests, as provided in Sections 1055.220 and 1055.230 in evaluating the performance of a covered mortgage licensee. However, a covered mortgage licensee that achieves at least a "satisfactory" rating under both the lending and service tests may warrant consideration for an overall rating of "outstanding" depending on the covered mortgage licensee's performance in making qualified investments and community development loans to the extent authorized under law, in accordance with Section 1055.APPENDIX A(b)(3).

b) Performance context. The Secretary applies the tests and standards in subsection (a) in the context of:

1) demographic data on median income levels, distribution of household income, nature of housing stock, housing costs, and other relevant data pertaining to the State;

2) any information about lending and service opportunities in the State maintained by the covered mortgage licensee or obtained from community organizations, state, local, and tribal governments, economic development agencies, or other sources;

3) the covered mortgage licensee's product offerings and business strategy as determined from data provided by the covered mortgage licensee in the State;

4) the covered mortgage licensee's capacity and constraints, including the size and financial condition of the covered mortgage licensee, the economic climate (national, regional, and local), safety and soundness limitations, and any other factors that significantly affect the covered mortgage licensee's ability to provide lending or services in the State;

5) the covered mortgage licensee's past performance and the performance of similarly situated lenders in the State; and

6) any other information deemed relevant by the Secretary.

c) Assigned ratings. The Secretary assigns to a covered mortgage licensee one of the following four ratings pursuant to Sections 1055.240 and 1055.APPENDIX A: "outstanding"; "satisfactory"; "needs to improve"; or "substantial noncompliance" as provided in 205 ILCS 735/35-15(c). The rating assigned by the Secretary reflects the covered mortgage licensee's record of helping to meet the mortgage credit needs of the State, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the covered mortgage licensee.

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