

**National Credit Union Administration**

**§ 705.4**

**§ 705.0 Applicability.**

Monies from the Community Development Revolving Loan Fund for Credit Unions are governed by this part.

**§ 705.1 Scope.**

(a) This part implements the Community Developments Revolving Loan Program for Credit Unions (Program) under the sole administration of the National Credit Union Administration.

(b) This part establishes the following:

- (1) Definitions;
- (2) The application process and requirements for qualifying for a loan under the program;
- (3) How loan funds are to be made available and their repayment; and
- (4) Technical assistance to be provided to participating credit unions.

**§ 705.2 Purpose of the program.**

(a) The Community Development Revolving Loan Program for Credit Unions is intended to support the efforts of participating credit unions through loans and technical assistance to those credit unions in:

- (1) Providing basic financial and related services to residents in their communities; and
- (2) Stimulating economic activities in the communities they service which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

(b) The policy of NCUA is to revolve loan funds to qualifying credit unions as often as practical in order to gain maximum economic impact on as many participating credit unions as possible.

**§ 705.3 Definitions.**

(a)(1) The term "low-income members" shall mean those members who make less than 80 percent of the average for all wage earners as established by the Bureau of Labor Statistics or those members whose annual household income falls at or below 80% of the median household income for the nation as established by the Census Bureau or those members otherwise defined as low-income members as determined by order of the NCUA Board.

(2) In documenting its low-income membership, a credit union that serves a geographic area where a majority of residents fall at or below the annual income standard is presumed to be serving predominantly low-income members. In applying the standards, Regional Directors shall make allowances for geographical areas with higher costs of living. The following is the exclusive list of geographic areas and the differentials to be used:

	<i>Per- cent</i>
Hawaii .....	40
Alaska .....	36
Washington, DC .....	19
Boston .....	17
San Diego .....	15
Los Angeles .....	14
New York .....	13
San Francisco .....	13
Seattle .....	10
Chicago .....	7
Philadelphia .....	7

(b) For purposes of this part, a *participating credit union* means a state- or federally-chartered credit union (excluding student credit unions) that is specifically involved in the stimulation of economic development activities and community revitalization efforts aimed at benefiting the community it serves; whose membership consists of predominantly low-income members as defined in paragraph (a) of this section or applicable state standards as reflected by a current low-income designation pursuant to §701.34(a)(1) or §741.204 of this chapter or, in the case of a state-chartered nonfederally insured credit union, under applicable state standards; and has submitted an application for a loan and/or technical assistance and has been selected for participation in the Program in accordance with this part.

[58 FR 21646, Apr. 23, 1993, as amended at 60 FR 58504, Nov. 28, 1995; 61 FR 50695, Sept. 27, 1996]

**§ 705.4 Program activities.**

In order to meet the objectives of the Program, a credit union applicant should provide a variety of financial and related services designed to meet the particular needs of the low-income community served. These activities