

PUBLIC DISCLOSURE

August 23, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Elgin Bank of Texas
Certificate Number: 3185**

**31 North Main Street
P.O. Box 151
Elgin, Texas, 78621-0151**

Federal Deposit Insurance Corporation

**Division of Supervision and Consumer Protection
1910 Pacific Avenue, 19th Floor
Dallas, Texas 75201**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Elgin Bank of Texas** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **August 23, 2004**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory.**

The FDIC also rated this institution "Satisfactory" at its previous evaluation dated October 1, 1999.

Pursuant to the Community Reinvestment Act (CRA), small bank performance factors were applied to this two-office, \$82.6 million bank headquartered in Elgin, Texas. A small bank is defined as one with assets less than \$250 million at the end of the two preceding calendar years. The small bank performance factors include loan-to-deposit ratio, lending to borrowers of different incomes and businesses of different sizes, lending inside the assessment area, geographic distribution of loans, and response to CRA-related complaints. Management did not request the review of qualified investments and services at this evaluation.

Commercial (small business), agricultural (small farm), and residential real estate (Home Mortgage Disclosure Act - HMDA reportable) loans were chosen as the products upon which to evaluate the bank's record. When arriving at the overall rating, equal weight was placed on the bank's performance with regard to each of these loan types as they represent comparable segments of the loan portfolio. Also, since there were no CRA-related complaints received since the prior evaluation, this factor was not weighted in the assignment of the overall rating. A summary of the conclusions derived from the evaluation of each factor to support this rating is noted below. Performance under each test is detailed elsewhere in this evaluation.

- The institution's lending activity, as measured by the average loan-to-deposit ratio, is satisfactory relative to its financial capacities, overall lending focus, and lending opportunities presented in the assessment area.
- The institution demonstrated a reasonable record of granting credit inside its assessment area as a majority of the sampled loans by number and dollar volume were extended within the assessment area.
- The overall distribution of loans sampled reflects adequate penetration among businesses and farms of different sizes and individuals of different incomes.
- The institution has achieved a reasonable geographic dispersion of loans in relation to the assessment area's geographic makeup and the location of the bank offices.

DESCRIPTION OF INSTITUTION

Elgin Bank of Texas is an independently owned community bank headquartered in Elgin, Texas. In addition to the main office in downtown Elgin, the bank operates a full-service branch located on Highway 290, also located in Elgin. Both offices are located in census tract 9502, a middle-income designated census tract.

Elgin Bank of Texas offers a variety of loan products and services, including consumer, commercial, agricultural, and real estate loans. Lobby banking hours are reasonable and extended hours, as well as Saturday hours, are available at the drive-thru facilities of the branch office. Twenty-four hour banking is offered by means of two automated teller machines. As of the June 30, 2004, Consolidated Report of Condition and Income, the bank reported \$82.6 million in total assets with net loans representing 50 percent of total assets. A breakdown of the bank's asset mix (Table 1) and loan portfolio (Table 2) as of June 30, 2004, is detailed below.

Table 1 – Asset Mix as of June 30, 2004		
<i>Asset Type</i>	<i>Dollar Amount \$(000)</i>	<i>Percent (%)</i>
Net Loans	41,599	50
Investments	28,129	34
Cash and Due From Banks	6,842	8
Other Assets	2,988	4
Premises and Fixed Assets	1,919	2
Federal Funds Sold	1,145	2
Total Assets	82,622	100

Source: Consolidated Report of Condition

Table 2 – Loan Portfolio Mix as of June 30, 2004		
<i>Loan Type</i>	<i>Dollar Amount \$(000)</i>	<i>Percent (%)</i>
Construction & Land Development	1,969	5
Secured by Farmland	5,419	13
1-4 Family Residential	17,487	41
Nonfarm Nonresidential & Multifamily Residential	7,212	17
<i>Total Real Estate Loans</i>	<i>32,087</i>	<i>76</i>
Agriculture	2,943	7
Commercial and Industrial	2,770	7
Consumer (net of unearned income)	4,381	10
Other	52	0
Total Loans	42,233	100

Source: Consolidated Report of Condition

Examination staff did not note legal impediments or other factors that would inhibit the bank's ability to meet community credit needs.

DESCRIPTION OF ASSESSMENT AREA

Elgin Bank of Texas has designated five census tracts that encompass portions of Bastrop, Travis, and Lee Counties as its official assessment area. Bastrop, Travis Counties are part of the Austin-Round Rock Metropolitan Area (MA). The metropolitan portion of the bank’s assessment area includes census tracts 9501 and 9502 in Bastrop County and 18.37 and 22.06 in Travis County. The non-metropolitan portion (Non-MA) of the bank’s assessment area consists of census tract 9801 in Lee County. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies.

Table 3 below illustrates general demographic information of the combined assessment area according to the 2000 U.S. Census.

<i>Table 3 – Geographical Data by Income Level</i>				
<i>Tract Income Level</i>	<i>Census Tracts</i>	<i>Population</i>	<i>Families</i>	<i>Owner-Occupied Housing Units</i>
Low	0	0	0	0
Moderate	0	0	0	0
Middle	4	29,824	7,693	8,398
Upper	1	4,174	1,218	1,363
<i>Totals</i>	5	33,998	8,911	9,761

Source: 2000 U.S. Census

As depicted in Table 3 above, the assessment area is comprised of four census tracts designated as middle-income and one designated upper-income. While the delineated assessment area does not contain any low-income designated census tracts, the area does include low- and moderate-income families. Low- and moderate-income families represent 19.8 and 20.9 percent, respectively, of all the families in the assessment area.

Whole bank analysis is used for this performance evaluation; however, a conclusion for the MA is shown separately from the analysis of the Non-MA assessment areas.

Metropolitan Area

The Austin-Round Rock MA is comprised of the following counties: Bastrop, Caldwell, Hayes, Travis, and Williamson. The bank has designated four census tracts within Bastrop and Travis Counties as its MA assessment area. While these census tracts are within the Austin-Round Rock MA, they are mostly rural areas with some small agricultural production.

In addition to the city containing the bank’s offices, the metropolitan portion of the assessment area includes the far eastern area of Austin and the surrounding smaller communities of Manor and McDade. The MA assessment area meets CRA requirements, consists of whole geographies, and does not arbitrarily exclude low- or moderate-income geographies.

The assessment area is primarily rural in nature and has historically been supported by farming and ranching-related industries. However, rising agricultural costs coupled with declining government agricultural assistance programs have changed the area's economic base. Whereas farming and ranching used to employ a significant number of residents, the area's largest employers (employing a combined 900+ people) are three brick manufacturers (Acme, Elgin Butler, and Hanson), Elgin Independent School District, and the City of Elgin.

Discussions with management and a community contact indicate the termination of agricultural subsidies coupled with rising agricultural products has significantly impacted the agricultural sector by driving many smaller farmers and ranchers out of the business. Others have turned to non-agricultural industries for their primary source of income and use revenues from their part-time ranching and farming efforts to supplement their incomes.

The assessment area is strongly influenced by the growth and development of the City of Austin. Because of its proximity to the City of Austin to the west, Elgin is becoming more of a "bedroom community" as residents commute to Austin daily for employment. Further, Elgin residents look to Austin for higher learning, advanced medical facilities, and retail businesses. For June 2004, Bastrop County had an unemployment rate of 5.8 percent, while Travis County's unemployment rate was 5.1 percent. This compares favorably to the statewide average unemployment rate of 6.5 percent for the same time period.

The institution encounters some degree of competition within the community as several community banks, branches of larger regional financial institutions, and credit unions of large employers in Austin are located within the assessment area. Providing added competition for the bank are mortgage companies and finance companies that are now offering traditional bank loan products in the area.

Non-Metropolitan Area

Lee County contains the upper-income census tract designated as part of the bank's assessment area. The census tract encompasses the City of Lexington. Lee County is a rural community with its economy historically centered in agricultural production and ranching activities. However, due to declining agricultural subsidies and rising production costs, the area is becoming less reliant on agricultural-related operations as farmers and ranchers have had to take other jobs to supplement their income. The bank also encounters a degree of competition from a number of financial institutions, credit unions, and finance companies located in nearby communities. The Non-MA assessment area meets CRA requirements, consists of whole geographies, and does not arbitrarily exclude low- or moderate-income geographies.

Community Contact

An interview with a community member was conducted to provide additional information regarding the condition of the local economy and community credit needs. The contact stated that while farming and ranching were once popular in and around Elgin, there has been a shift away from these jobs as extraordinary efforts are needed just to obtain a modest return. The contact noted a growing economy, and further stated that the primary credit need in the area is for residential and small business loans. Additionally, the contact stated several people are purchasing property in the community to be used as weekend retreats, retirement homes, and mini-ranches, and this has resulted in rising housing market values. The contact had favorable views of the bank, and was not aware of any unmet credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Elgin Bank of Texas has both MA and Non-MA portions of its delineated assessment area. This report presents detailed discussions and data for the bank as a whole regarding the five performance factors for small banks. Conclusions for the MA portion of the assessment area are presented separately from the remainder of this report as shown below.

METROPOLITAN AREA CONCLUSIONS

The bank's overall records and performance with respect to lending to borrowers of different incomes and businesses of different sizes, lending inside the assessment area, and geographic distribution are consistent with the conclusions and rating presented herein for the bank as a whole. There were no significant differences in the bank's performance within the Austin-Round Rock MA portion of the assessment area and its performance in the assessment area as a whole. Therefore, the ratings for the Austin-Round Rock MA portion of the assessment area are satisfactory.

COMBINED ASSESSMENT AREA CONCLUSIONS

Sampling Information

As previously noted, the CRA record for Elgin Bank of Texas is evaluated using five criteria established for small banks. Since there were no CRA-related complaints, the bank's performance in each of the other criteria, except the loan-to-deposit ratio, is based upon a sample of loans. According to the Consolidated Report of Condition for June 30, 2004, the bank reported 41 percent of total loans as residential real estate, 28 percent as commercial, 20 percent as agricultural, and 10 percent as consumer. Additionally, data generated for loans originated in the six month period ended June 30, 2004, affirmed residential real estate, commercial, and agricultural loans comprise the bulk of loans originated during this time frame as they represent 30 percent, 26 percent, and 24 percent, respectively, of the total dollar volume of loans originated during this time frame. As such, commercial (small business), agricultural (small farm), and residential real estate loans were chosen as the focus of this evaluation.

Elgin Bank of Texas originated 550 loans aggregating \$10.9 million in the six month period ended June 30, 2004. Refer to Table 4 for a listing of loan originations detailed by loan category.

Table 4 – Loan Originations for the Six Month Period Ended June 30, 2004				
Loan Category	Number	Percent of Number (%)	Dollar Amount \$(000)	Percent of Amount (%)
Residential Real Estate	50	9	3,244	30
Commercial	73	13	2,827	26
Agricultural	87	16	2,620	24
Consumer	340	62	2,211	20
Gross Loans	550	100	10,902	100

Source: Bank records

As reflected in Table 4, the bank’s primary lending focus during the six-month period ended June 30, 2004, in terms of dollar volume is residential real estate, small business, and agricultural loans. As such, samples of small business and small farm loan products were selected for analysis using a minimum sampling guideline with a 90 percent confidence interval and a 15 percent precision level. Examiners randomly sampled 28 small business and 29 small farm loans to evaluate overall performance. In addition, since the bank is a HMDA reporter and collects information on 1-4 family real estate loans, the readily available data on all 54 approved loans for 2002 was included in the analysis. Data for all residential real estate HMDA reportable loans in 2003 was also reviewed in this analysis. Since results in 2003 did not materially differ from that of 2002, only the results of the 2002 analysis are presented in this evaluation.

LOAN-TO-DEPOSIT RATIO

Elgin Bank of Texas’s lending performance, as measured by the net loan-to-deposit ratio, is satisfactory.

The loan-to-deposit (LTD) ratio is a means of measuring a bank’s lending activity by comparing it to the volume of deposits held. Using data from the Consolidated Reports of Condition for the 18 quarters since the previous evaluation dated October 1, 1999, the bank’s *average* quarterly net LTD ratio is 57.67 percent. As of June 30, 2004, the net LTD is at 57.77 percent and is indicative of the relatively stable and consistent level of performance for this institution. While the loan portfolio has increased 26 percent since the prior evaluation, the deposit base has also increased 12 percent and has offset any notable gains in the LTD ratio. The bank’s ability to sustain a healthy LTD ratio reflects positively on this performance factor.

LOAN-TO-DEPOSIT RATIO (continued)

Table 5 presents a summary of the average quarterly net LTD ratios for this institution and two other competing institutions serving the same general area and offering similar products. There are a number of branch offices of larger nationwide banks and credit unions in the assessment area; however, there was no readily available financial data available on a branch only basis. Therefore, these financial institutions are not listed for comparison.

Bank Name/Location	Total Assets (\$000)	Net Loans (\$000)	Total Deposits (\$000)	Current LTD Ratio (%)	Average LTD Ratio (%)
<i>Elgin Bank of Texas / Elgin, Texas</i>	83,814	40,207	72,886	55.16	57.67
First National Bank / Bastrop, Texas	258,261	149,984	223,898	66.99	67.93
Coupland State Bank / Coupland, Texas	56,742	16,533	43,387	38.11	42.36

Source: Consolidated Report of Condition March 31, 2004

The comparisons noted in Table 5 were selected because they are similarly situated to the subject institution. Both Bastrop and Coupland are similar to Elgin in terms of population. First National Bank in Bastrop is the most similar in terms of number of offices and loan mix, while Coupland State Bank is most similar in terms of asset size.

Overall, subject bank's level of lending activity is satisfactory relative to its financial capacities, overall lending focus, and lending opportunities presented in the assessment area.

LENDING IN ASSESSMENT AREA

The bank's proportion of lending activity within the assessment area is reasonable. According to the regulation, a financial institution can obtain satisfactory performance in this factor if a majority of a financial institution's lending activity is within its assessment area.

An assessment area is a geographical area in which the bank intends to concentrate the majority of its lending. Criteria for a bank's lending performance is based on the number and dollar volume of loans originated within the assessment area. Table 6 illustrates the bank's lending in the assessment area.

Table 6 – Distribution of Loans Extended Inside and Outside of the Assessment Area

Loan Category	Number of Loans					Dollar Volume of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		#	\$(000)	%	\$(000)	
Residential Real Estate	33	61	21	39	54	3,394	69	1,514	31	4,908
Small business	23	82	5	18	28	1,593	93	111	7	1,704
Small farm	26	90	3	10	29	517	57	395	43	912
Total	82	74	29	26	111	5,504	73	2,020	27	7,524

Source: Bank Records

As reflected in the Table 6, Elgin Bank of Texas originated a majority of all sampled loans within the assessment area. This lending performance represents reasonable responsiveness to assessment area credit needs.

LENDING TO AND BUSINESSES AND FARMS OF DIFFERENT SIZES AND BORROWERS OF DIFFERENT INCOMES

Overall, the bank’s record of lending to businesses and farms of different sizes and borrowers of different incomes is satisfactory. A satisfactory record of extending loans to businesses and farms of various sizes is noted. The distribution of borrowers, given the demographics of the assessment area, reflects satisfactory performance among low- and moderate-income individuals. Only those loans extended within the assessment area are included in the analysis.

Small Business Lending

The bank’s record of lending to businesses reveals adequate penetration among businesses of different sizes. This conclusion is based on sound performance with respect to the volume of loans made to businesses with gross annual revenues of \$1 million or less when compared with industry (Dun & Bradstreet) data. Examiners reviewed both the gross annual revenues of the businesses and the size of the business loans to determine the performance of this factor. The emphasis of this review was placed on the distribution of small business loans by gross annual revenues since this is a direct indicator of a bank’s efforts of providing credit to smaller companies.

As revealed in Table 7, Elgin Bank of Texas has a good record of extending loans to businesses of various sizes. In fact, industry data for 2003 indicates 70 percent of the businesses in the assessment area had gross annual revenues of \$1 million or less. Examiners focused on the bank's record based on the business revenues since this is a direct indicator of a bank's efforts of providing credit to small businesses.

Gross Annual Revenue \$(000)	Number	Percent of Number (%)	Number of Businesses 2003 (% of #)	Dollar Volume \$(000)	Percent of Volume (%)
≤ 1,000	16	70	95	353	22
> 1,000	7	30	5	1,240	78
Total	23	100	100	1,593	100

Source: Bank records and Dun & Bradstreet Data

Table 7 presents a comparison of the number and dollar volume of small business loans extended within the bank's assessment area as compared to industry data. Since data relative to loan size is an indirect measure of small business lending performance, small business loans were also analyzed by loan size. The bank's origination of small business loans under \$100,000 both in number and dollar volume, is indicative of the bank's lending efforts with regard to smaller-sized businesses.

Loan Size \$(000)	Number	Percent of Number (%)	Dollar Volume \$(000)	Percent of Volume (%)
≤ 100	16	69	263	16
> 100 to ≤ 250	5	22	650	41
> 250 to ≤ 1,000	2	9	680	43
Total	23	100	1,593	100

Source: Bank records

Elgin Bank of Texas has made a solid commitment to serving the needs of smaller-sized businesses. Overall, Elgin Bank of Texas has achieved a good penetration among businesses of different sizes.

Small farm Lending

The bank’s small farm lending is adequate based on the analysis of sampled loans. A bank’s performance relative to small farm lending is evaluated both in terms of gross annual revenues of the farm and the dollar size of the loan originated. The emphasis of this review was placed on the distribution of small farm loans by gross annual revenues since this is a direct indicator of a bank’s efforts of providing credit to smaller agricultural-related operations.

Table 9 – Distribution of Small Farm Loans by Gross Annual Revenue

Gross Annual Revenue \$(000)	Number	Percent of Number (%)	Number of Farms 2003 (% of #)	Dollar Volume \$(000)	Percent of Volume (%)
≤ 1,000	25	96	94	502	97
> 1,000	1	4	6	15	3
Total	26	100	100	517	100

Source: Bank records and Dun & Bradstreet Data

According to CRA guidelines, a small farm loan is one in which the face amount of the loan is less than \$500,000. Elgin Bank of Texas performed well under this criterion as all but one of the sampled loans was originated for less than \$100,000.

Table 10 – Distribution of Small Farm Loans by Loan Size

Loan Size \$(000)	Number	Percent of Number (%)	Dollar Volume \$(000)	Percent of Volume (%)
≤ 100	16	69	263	16
> 100 to ≤ 250	5	22	650	41
> 250 to ≤ 500	2	9	680	43
Total	23	100	1,593	100

Source: Bank records and Dun & Bradstreet Data

As reflected in Table 10 above, the bank’s origination of small farm loans under \$100,000, is reflective of the bank’s efforts to lend to small farmers and ranchers.

Overall, Elgin Bank of Texas has made a satisfactory effort to serve the needs of small farmers/ranchers and has achieved an adequate dispersion among small agricultural concerns.

Residential Real Estate Lending

The bank's performance of extending residential real estate loans to borrowers of different income levels, particularly low- and moderate-income borrowers, is satisfactory.

An analysis of the distribution of consumer loans by borrower income was conducted using the loans extended within the assessment area. Benchmarks used for analyzing lending to consumers are income levels for the assessment area based upon the area median family income (MFI), as established annually by the Department of Housing and Urban Development (HUD). The bank's assessment area includes portions of Bastrop and Travis counties which lie within the Austin-Round Rock MA. For loans extended within the Austin-Round Rock MA, the analysis of the distribution among the different income levels was based upon the 2002 and 2003 HUD adjusted median family income (MFI) figures for the Austin-Round Rock (formerly Austin-San Marcus) MA. The 2002 and 2003 HUD adjusted MFIs for the Austin-Round Rock MA are \$71,100 and \$68,600, respectively. Additionally, the bank's assessment area includes a portion of Lee County, which is located within the non-metropolitan area of Texas. For loans originated in the Non-MA portion of the assessment area, the analysis for the stratification of borrowers by income levels was based on the 2002 and 2003 HUD estimated MFI for the Texas Non-Metropolitan area of \$36,100 and \$41,200, respectively.

Tables 11 and 12 provide information on how each income level is defined for 2002 only as data in Table 13 presents loans originated in 2002. These income levels are the benchmarks for categorizing the consumer loans in the assessment area. The analysis only includes loans extended within the boundaries of the bank's assessment area.

Low-income	Less than 50% of the MFI	Less than \$35,550
Moderate-income	50% to < 80% of the MFI	\$35,550 to < \$56,880
Middle-income	80% to < 120% of the MFI	\$56,880 to < \$85,320
Upper-income	120% or more of the MFI	\$85,320 or more

Source: Department of Housing and Urban Development

Low-income	Less than 50% of the MFI	Less than \$18,050
Moderate-income	50% to < 80% of the MFI	\$18,050 to < \$28,880
Middle-income	80% to < 120% of the MFI	\$28,880 to < \$43,320
Upper-income	120% or more of the MFI	\$43,320 or more

Source: Department of Housing and Urban Development

The distribution of residential real estate loans originated in the bank's assessment area is detailed in Table 13 below. For comparison purposes, the number of residential real estate loans reported by aggregate lenders is listed.

Table 13 – Distribution of Residential Loans by Borrower Income					
Median Family Income Level	Number	Percent of Number (%)	Aggregate HMDA Data 2002 (%)	Dollar Volume Of Loans \$(000)	Percent of Dollar Amount (%)
Low-income	4	14	10	73	19
Moderate-income	8	27	27	88	23
Middle-income	4	14	34	49	13
Upper-income	13	45	29	168	45
Total	29	100	100	378	100

Source: Bank records and 2002 HMDA

As indicated in Table 13, the bank's lending performance by number with regard to low- and moderate-income borrowers is in line with aggregate lenders and indicative of satisfactory performance.

Overall, management's willingness to serve all income segments of the community is evidenced by the adequate level of lending to businesses and farms of various sizes in relation to industry data, and the level of lending to low- and moderate-income borrowers relative to aggregate lenders.

GEOGRAPHIC DISTRIBUTION OF LOANS

Elgin Bank of Texas has a geographic distribution of loans that reflects a reasonable penetration throughout the assessment area.

As previously mentioned, the assessment area is comprised of four middle- and one upper-income geographies. The lack of low- and moderate-income geographies minimizes the relevance of this performance factor in the overall evaluation. Examiner analysis of sampled loans revealed 76 percent of the number of sampled loans extended within the assessment area was originated in census tract 9501 or 9502, both middle-income census tracts. This analysis depicts a reasonable dispersion of loans given the bank's location (inside census tract 9502) and delivery systems.

RESPONSE TO COMPLAINTS

The bank has procedures in place to address all complaints. There have been no CRA-related complaints received since the previous evaluation.

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS AND REGULATIONS

An analysis of compliance with applicable fair lending regulations identified no violations of the substantive provisions of anti-discrimination laws. Applications were received from all segments of the communities served. There were no indications of any prescreening or discouragement of applicants. All denied applications were supported and consistent with approved applications.

GLOSSARY

Block Group Area - the smallest area defined by the Census Bureau for which it collects data. A subgroup of census tracts or block numbering areas.

Block Numbering Area - an area defined by the Census Bureau with State assistance, similar to a census tract. Usually located in rural areas.

Census Tract - a small locally demarcated area, usually in a metropolitan neighborhood, defined by the decennial census to generally consist of stable boundaries and an average population of 4,000.

HMDA - Home Mortgage Disclosure Act (see HMDA-LAR)

Low-income -

- for a census tract - this refers to income levels less than 50% of the MFI for the MA in which the tract is located.
- for a block numbering area - this income range is less than 50% of the MFI for all non MA areas in the state in which the block numbering area is located.
- for individuals - this refers to income levels less than 50% of the most recent year's estimation of the MFI by the Department of Housing and Urban Development.

MFI - median family income as determined by either the Census Bureau or adjusted by HUD.

Middle-income - determined using the same methodology as for low-income. The percentage used for middle-income designation is 80% - 119%.

Moderate-income - determined using the same methodology as for low-income. The percentage used for moderate-income designation is 50%-79%.

MA - metropolitan statistical area as determined by the Census Bureau. Usually consists of contiguous census tracts and block numbering areas comprising one or more counties including a large population nucleus and nearby communities that have a high degree of interaction and which usually have a combined population of greater than 50,000.

Upper-income - determined using the same methodology as for low-income. The percentage used for upper-income designation is greater than or equal to 120%.