

PUBLIC DISCLOSURE

December 2, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

State Bank of Southwest Missouri
Certificate Number: 26358

3310 East Sunshine Street
Springfield, Missouri 65804

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Region Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

This document is an evaluation of this 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. 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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INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the assessment area credit needs.
- A majority of the home mortgage and small business loans reviewed were made within the institution's assessment area.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area, considering pertinent demographic data, performance context information, and other relevant factors.
- The distribution of borrowers reflects poor penetration among individuals of different income levels and businesses of different sizes in the assessment area. However, this did not adversely impact the overall rating when considering pertinent performance context information and other relevant factors.
- The institution has not received any CRA-related complaints since the previous CRA evaluation performed as of October 7, 2013; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

State Bank of Southwest Missouri is a financial institution with \$131,235,000 in total assets, as of September 30, 2019. Total assets have increased from \$91,727,000 at the previous evaluation, which represents an increase of 43.1 percent. The bank is a wholly-owned subsidiary of State Bancshares, Inc., Springfield, Missouri. State Bank of Southwest Missouri is a full-service financial institution operating from its sole office location in a middle-income census tract (CT) in Springfield, Missouri. The bank has not opened or closed any locations since the previous evaluation.

The bank offers a variety of consumer and business loan and deposit products. As of September 30, 2019, the bank had net loans of \$97,299,000 and total deposits of \$117,388,000, resulting in a net loan-to-deposit (NLTD) ratio of 82.9 percent. The loan portfolio is detailed below.

Loan Portfolio Distribution as of 09/30/2019		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	8,899	9.1
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	60,462	62.0
Secured by Multifamily (5 or more) Residential Properties	2,496	2.6
Secured by Nonfarm Nonresidential Properties	12,166	12.5
Total Real Estate Loans	84,023	86.2
Commercial and Industrial Loans	6,286	6.4
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	7,248	7.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	11	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	97,568	100.00
<i>Source: Reports of Condition and Income</i>		

As shown in the preceding table, home mortgage loans (loans secured by 1-4 family residential properties) are the primary lending focus of the bank, followed by commercial loans (loans secured by non-residential/non-agricultural real estate and commercial and industrial loans).

According to management, the bank does not have an advertising budget but instead relies on repeat business from existing customers and word of mouth referrals. The bank's customer base is largely comprised of individuals employed in the medical industry. Management states that this has been the case since the bank was opened by a group of medical professionals in 1985. Word of mouth referrals come predominately from this sector of the community. However, the sole office location, which is located at a busy intersection, does advertise home mortgage lending on its electronic billboard in front of the bank as an additional means to gain new customers. Furthermore, in an effort to service the low- and moderate-income individuals in the assessment area, bank staff participate in a privately funded home ownership program where bank staff provide financial education to low- and moderate-income individuals.

State Bank of Southwest Missouri has no legal or financial impediments that would prevent it from meeting the credit needs of the assessment area. The bank received a CRA rating of "Satisfactory" at the previous FDIC evaluation dated October 7, 2013, which utilized Small Bank Evaluation Procedures.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of a portion of Greene County in the Springfield, Missouri Metropolitan Statistical Area (Springfield MSA). The assessment area includes 53 CTs and is unchanged from the previous evaluation; however, some of the CT income designations have changed. Based on 2015 American Community Survey (ACS) data, the assessment area currently consists of 5 low-income CTs, 19 moderate-income CTs, 16 middle-income CTs, 12 upper-income

CTs, and one CT having no income designation. The low- and moderate-income CTs are predominately located near the campus of Missouri State University. In addition, homes within the low- and moderate-income CTs consist largely of rental units.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: State Bank of Southwest Missouri						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	53	9.4	35.8	30.2	22.6	1.9
Population by Geography	230,631	7.4	31.1	30.5	29.0	1.9
Housing Units by Geography	106,249	8.2	32.4	31.5	27.2	0.7
Owner-Occupied Units by Geography	53,699	4.6	21.6	32.7	41.0	0.0
Occupied Rental Units by Geography	43,715	11.7	43.3	31.2	12.4	1.4
Vacant Units by Geography	8,835	12.0	44.0	25.7	16.8	1.5
Businesses by Geography	15,822	3.8	37.6	32.6	25.2	0.7
Farms by Geography	382	4.2	25.7	29.1	40.8	0.3
Family Distribution by Income Level	54,609	22.6	18.5	19.7	39.2	0.0
Household Distribution by Income Level	97,414	25.3	18.6	17.6	38.5	0.0
Median Family Income MSA - 44180 Springfield, MO MSA		\$54,948	Median Housing Value			\$127,827
			Median Gross Rent			\$696
			Families Below Poverty Level			13.9%
<i>Source: 2015 ACS Census and 2018 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2017 FFIEC-updated median family income figure for the Springfield, Missouri Metropolitan Statistical Area was used to analyze home mortgage loans under the Borrower Profile criterion for the assessment area. The following table presents the low-, moderate-, middle-, and upper-income categories. These categories are based on the 2017 FFIEC-updated median family income figure of \$59,500.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Springfield, MO MSA Median Family Income (44180)				
2018 (\$59,500)	<\$29,750	\$29,750 to <\$47,600	\$47,600 to <\$71,400	≥\$71,400
<i>Source FFIEC</i>				

Competition

The assessment area is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 2018, there were 30 financial institutions that operated 122 full-service branches within Greene County. Of these institutions, State Bank of Southwest Missouri was ranked 6th with a 1.3 percent deposit market share. In addition, one of the community contacts, discussed below, stated that there is a highly competitive environment for banking services within the Springfield MSA.

Community Contacts

During this evaluation, examiners conducted two community contacts in the bank’s assessment area. The contacts were made by regulatory personnel to obtain a profile of the community, identify community development opportunities and general credit needs of the assessment area, and assess opportunities for participation by local financial institutions. One contact was from a local affordable housing agency. The other was with a governmental economic development department. The contacts characterized the area economy as stable and improving and could not identify any unmet community needs regarding local banking products and services. The contacts also stated that the area is well banked, and the local financial institutions are meeting the banking needs of the community, including residential real estate and small business loan needs. The contacts were generally satisfied with the level of banking products and services being offered in the community by all financial institutions.

One of the contacts characterized the quality of housing stock in lower-income areas as older and deteriorating. The contact also stated that a significant portion of low- and moderate-income housing is held for rental purposes, which has led to a relative shortage of affordable good quality housing for purchase. Finally, the contact offered that sufficient cash flow is often an issue for families looking to purchase a home.

Credit Needs

Examiners ascertained through discussions with management and individuals familiar with southwestern Missouri that home mortgage and small business loans represent the most prevalent credit needs within the assessment area.

SCOPE OF EVALUATION

General Information

This CRA evaluation was conducted using Small Bank CRA Evaluation Procedures. This evaluation addresses the CRA performance of the bank since the previous CRA evaluation on October 7, 2013, through December 2, 2019, the date of this evaluation.

Activities Reviewed

As stated earlier, the bank's primary loan products by dollar volume are residential real estate and commercial loans. Additionally, these are the loan products emphasized by the bank's business strategy. As a result, home mortgage and small business loans were reviewed to evaluate the bank's CRA performance. Agricultural, construction and land development, and consumer lending do not constitute a significant portion of the overall lending efforts, so these loan products were not reviewed.

Home mortgage loan data collected under the Home Mortgage Disclosure Act (HMDA) for 2017 and 2018 were also reviewed to evaluate residential real estate lending efforts. Specifically, 45 loans totaling \$10,343,000 in 2017 and 63 loans totaling \$8,948,379 in 2018 were reviewed. However, since the bank's lending performance in 2017 and 2018 was consistent, only 2018 HMDA data is presented in this evaluation for the Geographic Distribution and Borrower Profile analyses. Home mortgage lending performance in 2018 was compared to 2018 HMDA aggregate lending data and 2015 ACS data. Examiners primarily focused on comparisons to aggregate lending data when available since this data is a better indicator of market conditions and loan demand.

Small business loans originated or renewed from January 1, 2018, to December 31, 2018, were also reviewed. Management indicated that a review of lending activity from this time frame should be representative of the bank's lending performance since the previous evaluation. For the Assessment Area Concentration analysis, examiners reviewed all 2018 small business loan originations and renewals, which consist of 30 loans totaling \$4,803,512. For the Geographic Distribution and Borrower Profile analysis, examiners reviewed all loans within the bank's assessment areas, consisting of 24 loans totaling \$4,149,262 in 2018. Examiners utilized 2018 D&B data to evaluate small business lending performance.

Examiners analyzed lending performance by both the number and dollar volume of loans. However, the performance by number of loans is emphasized in the Geographic Distribution and Borrower Profile analyses as it is generally a better indicator of the efforts to serve small businesses and lower-income individuals throughout the assessment areas. Home mortgage loans received more weight than small business loans in drawing conclusions as these loans represent a majority of the bank's loan portfolio.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, State Bank of Southwest Missouri demonstrated satisfactory performance under the Lending Test. Lending performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Geographic Distribution criteria relative to home mortgage and small business lending support this conclusion. Although Borrower Profile demonstrated poor performance, pertinent performance context information and other relevant factors mitigated this criteria from adversely affecting the overall rating.

Loan-to-Deposit Ratio

State Bank of Southwest Missouri's average net loan-to-deposit (NLTD) ratio of 89.9 percent is reasonable given the asset size and financial condition of the bank and the credit needs of the assessment area. The bank's ratio reasonably compares to the average NLTD ratio of similarly situated lenders. The lending performance of similarly situated lenders serves as an additional method of assessing the adequacy of a NLTD ratio. Similarly situated lenders are defined as financial institutions that are located in or near the assessment area and are the most comparable to the bank based on asset size, market served, product offerings, loan portfolio composition, and branching structure. The table below shows the average quarterly NLTD ratios for this bank and two similarly situated lenders. The average ratios were calculated based on Reports of Condition and Income for the 24 quarters ending December 31, 2013, to September 30, 2019.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 09/30/2019 (\$000s)	Average Net LTD Ratio (%)
State Bank of Southwest Missouri	\$131,235	89.8%
Systematic Savings Bank	\$36,829	88.8%
Citizens Bank of Rogersville	\$92,327	84.9%

Source: Reports of Condition and Income 12/31/2013 – 09/30/2019

The bank's commitment to make credit available is further evidenced through its origination of long-term fixed rate mortgages through the secondary market that also serve to meet the residential lending needs of the assessment area's borrowing base. For 2017, the bank originated and sold 68 loans totaling \$15,211,329, and for 2018, the bank originated and sold 55 loans totaling \$13,557,206. Since these loans are sold, they would not be reflected in the quarterly NLTD ratio measures and are in addition to the reportable loans included on the bank's HMDA loan application register.

Assessment Area Concentration

State Bank of Southwest Missouri originated a majority of home mortgage loans and small business loans in its assessment area. The following table summarizes the institution's record of lending within the assessment area by number and dollar volume.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	26	57.8	19	42.2	45	5,334	51.6	5,009	48.4	10,343
2018	32	50.8	31	49.2	63	5,486	61.3	3,463	38.7	8,948
Subtotal	58	53.7	50	46.3	108	10,820	56.1	8,472	43.9	19,291
Small Business	24	80.0	6	20.0	30	4,149	86.4	655	13.6	4,804
<i>Source: Bank Data, 2017 and 2018 HMDA Data Due to rounding, totals may not equal 100.0</i>										

While considered reasonable, the percentage of home mortgage loans in the assessment area has declined since the last evaluation. Bank management is aware of this trend and intends to reassess the appropriateness of the designated assessment area.

Geographic Distribution

Overall, the bank’s geographic distribution of lending reflects a reasonable dispersion throughout the assessment area, considering pertinent performance context information, including demographic data and other relevant factors. This conclusion was reached through examiner review of the home mortgage and small business loans that were originated within the assessment area. In evaluating the bank’s performance in the assessment area, regulatory personnel considered the proximity of the bank’s office to the low- and moderate-income CTs in the assessment area.

Home Mortgage Loans

The bank’s geographic distribution of home mortgage lending throughout the assessment area is considered reasonable. The following table illustrates the geographic distribution of the bank’s 2018 home mortgage lending within the assessment area by the number and dollar amount of loans originated in comparison to 2015 ACS data and 2018 HMDA aggregate data.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: State Bank of Southwest Missouri						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.6	4.7	0	0.0	0	0.0
Moderate	21.6	21.6	7	21.9	619	11.3
Middle	32.7	33.5	11	34.4	2,165	39.5
Upper	41.0	40.2	14	43.8	2,702	49.3
Not Available	0.0	0.1	0	0.0	0	0.0
Total	100.0	100.0	32	100.0	5,486	100.0

*Source: 2015 ACS Census; 1/1/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

As illustrated above, only a small percentage of owner-occupied housing units within the assessment area are located in the five low-income CTs. As a result, little weight is given to the lack of bank lending in these CTs. The bank’s lending in moderate-income CTs mirrors the percentage of owner-occupied housing units and the HMDA aggregate lending data.

Small Business Loans

The bank’s geographic distribution of small business lending is considered reasonable . The following table illustrates the geographic distribution of the bank’s 2018 small business lending within the assessment area by the number and dollar amount of loans originated.

Geographic Distribution of Small Business Loans					
Assessment Area: State Bank of Southwest Missouri					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.8	0	0.0	0	0.0
Moderate	37.6	10	41.7	859	20.7
Middle	32.6	8	33.3	2,877	69.3
Upper	25.2	6	25.0	413	10.0
Not Available	0.7	0	0.0	0	0.0
Totals	100.0	24	100.0	4,149	100.0

*Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0*

Only a small percentage of businesses within the assessment area are located in the five low-income CTs. As a result, little weight is given to the bank’s lack of lending in these CTs. The bank’s lending in moderate-income CTs slightly exceeds the percentage of businesses in those CTs.

Borrower Profile

The overall distribution of borrowers reflects poor penetration among individuals of different income levels and businesses of different sizes in the assessment area. This conclusion was reached through examiner review of the home mortgage loans that were originated within the assessment area. Although small business lending reflected reasonable performance, the overall performance was deemed poor due to home mortgage lending receiving more weight in the analysis.

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among individuals of different income levels, including low- and moderate-income individuals. The following table reflects the distribution of the home mortgage loans reviewed by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: State Bank of Southwest Missouri						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.6	7.9	1	3.1	88	1.6
Moderate	18.5	16.5	1	3.1	75	1.4
Middle	19.7	17.7	3	9.4	299	5.5
Upper	39.2	33.4	16	50.0	2,771	50.5
Not Available	0.0	24.5	11	34.4	2,253	41.1
Totals	100.0	100.0	32	100.0	5,486	100.0
<i>Source: 2015 ACS Census ; 1/1/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

The bank’s lending to low-income borrowers compares poorly to both the percentage of low-income families in the assessment area and the aggregate lending data. Similarly, the bank’s lending to moderate-income borrowers compares poorly to both the percentage of moderate-income families in the assessment area and the aggregate lending data.

Regulatory personnel also considered the bank’s secondary market activity that was mentioned previously. A review of the bank’s secondary market activity in 2017 and 2018 indicates additional lending to low- and moderate-income borrowers. Specifically for 2017 secondary market loans originated within the assessment area, 9.1 percent were extended to low-income borrowers and 13.6 percent were extended to moderate-income borrowers. For 2018 secondary market loans in the assessment area, 3.2 percent were extended to low-income borrowers and 9.7 percent were extended

to moderate-income borrowers. This secondary market lending includes products that provide down-payment assistance that is of particular benefit to low- or moderate-income individuals.

As mentioned earlier, a significant portion of assessment area housing is held for rental purposes, which has led to a relative shortage of affordable good quality housing for purchase. This fact, combined with a highly competitive banking environment, has made it difficult for the bank to have a higher penetration of loans to low- and moderate-income borrowers. The bank has also tried to attract low- and moderate-income borrowers through their involvement with the previously mentioned affordable lending program. While these factors do indicate that the bank is making efforts to increase lending to low- and moderate-income individuals, home mortgage lending to low- and moderate-income borrowers still reflects poor performance.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The bank’s lending to businesses with gross annual revenues of \$1 million or less, based on the number of loans, is generally consistent with demographic data.

The following table reflects the distribution of small business loans reviewed based on the gross annual revenue of the business.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: State Bank of Southwest Missouri					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	79.1	16	66.7	3,184	76.7
>1,000,000	7.7	8	33.3	965	23.3
Revenue Not Available	13.2	0	0.0	0	0.0
Totals	100.0	24	100.0	4,149	100.0
<i>Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

As shown above, the bank’s small business lending performance is slightly below the D&B lending percentage. However, two loans totaling \$153,856 are just over \$1 million in gross annual revenues.

Response to Complaints

State Bank of Southwest Missouri has not received any CRA-related complaints since the prior Performance Evaluation dated October 7, 2013.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified during this evaluation.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
- 4) The geographic distribution of the bank's loans; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in

information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.