

PUBLIC DISCLOSURE

July 7, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Belle Glade
Certificate Number: 18930

108 Southeast Avenue D
Belle Glade, Florida 33430

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Atlanta Regional Office

10 Tenth Street, Northeast, Suite 800
Atlanta, Georgia 30309

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 overall CRA rating was based on the following conclusions.

- The average net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area's credit needs.
- A majority of the loans reviewed were originated within the assessment area.
- The geographic distribution of the loans reviewed reflects a reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects a reasonable penetration among businesses of different sizes and individuals of different income levels.
- The institution has not received any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Established in 1963, Bank of Belle Glade (BBG) is a state-chartered, community bank headquartered in Belle Glade, Florida. The institution is wholly owned by Belle Glade Bank Corporation, a one-bank holding company, located in Belle Glade, Florida. BBG has no affiliates or subsidiaries. No merger activity has taken place during the evaluation period. At the previous Community Reinvestment Act (CRA) performance evaluation conducted by the FDIC, dated November 12, 2014, the bank received a "Satisfactory" CRA rating using the Small Bank CRA Examination Procedures.

BBG operates from one full-service location with reasonable lobby hours, drive-through teller, and automated teller machine. The office is located in a moderate-income census tract in Palm Beach County. The bank has not opened or closed any branches since the previous evaluation.

The bank offers retail services to meet the needs of the community. BBG provides checking, savings, money market, certificates of deposit, and individual retirement accounts. In addition to physical access, the BBG offers internet (www.bankofbelleglade.com) and telephone banking. Other retail services include on-line bill payments, direct deposit, e-statements, and wire transfers. The bank also offers the Florida Department of Financial Services' "My Money," which is a financial literacy program for individuals with developmental disabilities.

BBG offers a variety of business and consumer credit products that meet the needs of the community. Commercial products include real estate, lines of credit, term, and Small Business Administration (SBA) Paycheck Protection Program (PPP) loans. Since the previous evaluation, the bank originated 48 PPP loans totaling \$8.7 million. Consumer product offerings include home mortgage and secured and unsecured consumer loans. The bank does not extend long-term, fixed-rate home mortgage loans due to interest rate risk considerations. However, BBG processes home mortgage loan applications for the H.E. Hill Foundation, a nonprofit organization that provides funding to low- and moderate-income individuals that may otherwise not qualify for credit. Since the previous evaluation, the bank processed 37 loans totaling \$1.8 million through this foundation.

As of March 31, 2020, BBG reported total assets of \$110.0 million, including total loans of \$31.8 million, and total deposits of \$98.4 million. There have been no material changes to the financial condition of the bank since the previous evaluation: Assets, loans, and deposits have averaged an approximate 6.0 percent increase per year.

There are no legal or financial impediments that would impact the bank’s performance under the CRA. However, there are some impediments in the economy, which could have impacted the bank’s ability to originate loans during the evaluation period. For example, the high poverty rate and the high median housing value; the fact that few large employers exist in the assessment area; and the remote and rural nature of the assessment area could limit the bank’s loan volume. Based on the March 31, 2020, Consolidated Reports of Condition and Income (Call Report), the bank’s loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 3/31/2020		
Loan Category	\$(000s)	%
Construction and Land Development	412	1.3
Secured by Farmland	1,313	4.1
Secured by 1-4 Family Residential Properties	12,561	39.4
Secured by Multifamily (5 or more) Residential Properties	150	0.5
Secured by Nonfarm Nonresidential Properties	12,344	38.8
Total Real Estate Loans	26,780	84.1
Agricultural Loans	127	0.4
Commercial and Industrial Loans	3,919	12.3
Consumer Loans	399	1.3
Obligations of States & Political Subdivisions in the U.S.	466	1.5
Other Loans	133	0.4
Total Loans	31,824	100.0
<i>Source: Call Report 3/31/2020. Due to rounding, totals may not equal 100.0 percent.</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. BBG’s assessment area includes whole census tracts where the bank’s office and where a majority of its loans are originated. The bank-defined area is delineated in accordance with the technical requirements of the CRA regulation and does not arbitrarily exclude any low- and moderate-income census tracts.

BBG’s defined assessment area consists of 9 of the 338 census tracts in Palm Beach County, Florida. The bank’s assessment area is located in the northwestern portion of the county and on the southeastern border of Lake Okeechobee. Palm Beach County is located in the West Palm Beach-Boca Raton-Boynton Beach, Florida, Metropolitan Division (MD). The MD is part of the Miami-Fort Lauderdale-Pompano Beach, Florida, Metropolitan Statistical Area (MSA).

ECONOMIC AND DEMOGRAPHIC INFORMATION

Due to updates in 2015 ACS Census data, the number of census tracts in the assessment area did not change; however, the tract income levels did change. Specifically, the number of low-income

census tracts decreased from six to five, the number of moderate-income census tracts increased from one to three, the number of middle-income census tracts decreased from one to zero, and the number of unknown-income census tracts increased from zero to one. The bank’s office is located in a moderate-income census tract. The following table presents assessment area demographic information based on 2015 ACS Census data and 2019 Dun and Bradstreet data (D&B data).

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	55.6	33.3	0.0	0.0	11.1
Population by Geography	34,563	53.9	45.1	0.0	0.0	1.0
Housing Units by Geography	11,571	54.3	45.7	0.0	0.0	0.0
Owner-Occupied Units by Geography	4,084	44.5	55.5	0.0	0.0	0.0
Occupied Rental Units by Geography	5,420	59.8	40.2	0.0	0.0	0.0
Vacant Units by Geography	2,067	59.5	40.5	0.0	0.0	0.0
Businesses by Geography	1,652	47.1	52.2	0.0	0.0	0.7
Farms by Geography	82	36.6	63.4	0.0	0.0	0.0
Family Distribution by Income Level	6,458	48.5	24.5	11.6	15.5	0.0
Household Distribution by Income	9,504	46.0	23.2	14.7	16.1	0.0
Median Family Income MSA - 48424 West Palm Beach-Boca Raton-Boynton Beach, FL		\$65,914	Median Housing Value			\$92,573
			Median Gross Rent			\$593
			Families Below Poverty Level			30.3%
			Households Below Poverty Level			34.4%
<i>Source: 2015 ACS Census Data and 2019 D&B Data. Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies (census tracts) that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares small business loans to the distribution of businesses and compares home mortgage loans to the distribution of owner-occupied housing units. As shown in the previous table, 2015 ACS Census data and 2019 D&B data show the majority of businesses and owner-occupied housing units were located in moderate-income census tracts. Thus, barring adverse economic and demographic conditions, business and home mortgage loan demand may be higher in these census tracts. Also, there were 11,571 housing units in the area. Of the housing units, 35.3 percent were owner-occupied (a decrease from 37.0 percent at the previous evaluation), 46.8 percent were occupied rental units, and 17.9 percent were vacant. Renters whose rental costs were greater than 30.0 percent of their income remains high at 49.7 percent. Thus, demand for owner-occupied loans may be reduced. Further, the median age of housing in the assessment area was 44 years, indicating potential home improvement lending opportunities.

The analysis of the small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. According to 2019 D&B data, of the 1,652 businesses, 82.1 percent had GARs of \$1.0 million or less; 4.5 percent had more than \$1.0 million; and 13.4 percent had unknown revenues. Per 2019 D&B data, the number of businesses decreased 25.0 percent from 2,146 at the previous evaluation to 1,652. Also, per 2019 D&B data, the number of farms decreased 37.4 percent from 131 at the previous evaluation to 82. These decreases may reduce business and farm lending opportunities for banks.

The FFIEC-updated median family income (MFI) level is used to analyze home mortgage loans under the Borrower Profile criterion. Based on these estimates, the low-, moderate-, middle-, and upper-income categories for 2019 are presented in the following table on the next page. The

median housing value decreased 22.1 percent from \$118,852 at the previous evaluation to \$92,573. However, it remains high given the family poverty rate of 30.3 percent and the high level of low-income families at 48.5 percent.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
West Palm Beach-Boca Raton-Boynton Beach, FL Median Family Income (48424)				
2019 (\$75,400)	<\$37,700	\$37,700 to <\$60,320	\$60,320 to <\$90,480	≥\$90,480
<i>Source: FFIEC</i>				

According to Moody’s Analytics dated May 4, 2020, Palm Beach County is being battered by the extraordinary shutdowns and disruptions that public health officials have ordered to slow the spread of COVID-19. Moody’s also believes there will be a sharp rebound in the labor market because Florida’s unemployment insurance program discourages long periods of joblessness. Thus, unemployed workers will be forced to return to the labor market, even if it means settling for a job that is not well-suited to their experience and training. Moody’s Analytics identified the top industries as professional and business services (18.1 percent), education and health services (16.7 percent), and leisure and hospitality services (14.1 percent). The top employers are Publix Super Markets, Inc., Tenet Healthcare Corp., NextEra Energy/Florida Power and Light Co., and Comcast. According to the Business Development Board of Palm Beach County, U.S. Sugar and Sugar Cane Growers Cooperative are located in Belle Glade, employing approximately 1,752 individuals.

According to the Bureau of Labor Statistics, unemployment rates declined until 2020. The following table reflects the average annual unemployment rates and trend for Palm Beach County, the state, and the nation. The spike in unemployment is in response to the measures imposed to slow the spread of COVID-19.

Unemployment Rates				
Area	2017	2018	2019	April 2020
	%	%	%	%
Palm Beach County	4.2	3.6	3.3	14.2
Florida	4.2	3.6	3.1	13.5
United States	4.3	3.9	3.7	14.7
<i>Source: Bureau of Labor Statistics</i>				

COMPETITION

In addition to the demographics and economics, competition also impacted the bank’s CRA performance. As of June 30, 2019, four FDIC-insured institutions operated five offices within the assessment area. Of these institutions, the bank ranked first in total deposits with a market share of 35.2 percent. PNC Bank, National Association, ranked second at 33.7 percent, followed by Wells Fargo Bank, National Association, at 24.9 percent.

There is a high level of competition for home mortgage loans among several financial intuitions in the assessment area. In 2018, 56 lenders reported a total of 123 originated or purchased home mortgage loans. The top five home mortgage originators (by number of loans) were PNC Bank, National Association; Wells Fargo Bank, National Association; Quicken Loans, Inc.; First Bank;

and Group one Mortgage, Inc. Collectively, these lending institutions accounted for 40.7 percent of the total market share. Although BBG does not report home mortgage loans, the data demonstrates the competitive home lending environment.

In 2018, 161 CRA-reportable institutions originated 59,722 small business loans in Palm Beach County. The top five small business originators (by number of loans) were American Express National Bank; Bank of America, National Association; Chase Bank USA, National Association; Citibank, National Association; and Wells Fargo Bank, National Association. Collectively, these institutions accounted for 43.0 percent of the total market share in the county. Although BBG does not report business loans, the data demonstrates the competitive business lending environment.

COMMUNITY CONTACTS

Contacts with community organizations are often used during evaluations to gain insight regarding the credit needs and economic conditions of a bank's assessment area(s). Individuals interviewed provide information based on their knowledge and expertise in the housing, business, or economic sectors. During this evaluation, examiners performed a contact with a nonprofit organization in Palm Beach County. According to the contact, the foreclosure rate is high within the low- to moderate-income communities in Palm Beach County. Many homeowners were forced into the rental market; this trend has resulted in a booming rental market. As such, credit is an issue for many of these former homeowners. According to another contact, there has been no new housing developments in the cities of Belle Glade, South Bay, and Pahokee in last few years.

CREDIT NEEDS

Based on the demographic information, economic data, and information from the community contact, several conclusions regarding the credit needs of the assessment area can be derived. First, the relatively high number of low- and moderate-income families at 48.5 percent and 24.5 percent, respectively, indicates a continued need for affordable housing. This need is further magnified given that 30.3 percent of the families and 34.4 percent of the households have incomes below the poverty level. The median housing value is also high by comparison at \$92,573. Second, the significant percentage of businesses with GARs of \$1.0 million or less at 82.1 percent reflects a need for small business loans. Third, based on demographic data, the high median age of housing stock at 44 years suggests a need for home improvement loans. Fourth, 46.8 percent of the housing units are occupied rental units and renters whose rental costs were greater than 30.0 percent of their income represented 49.7 percent. And, according to the community contact, there is a continued need for rental units. Thus, this information suggests a need for investor loans for rental properties.

SCOPE OF EVALUATION

GENERAL INFORMATION

This evaluation covers the period from November 13, 2014, to the current evaluation dated July 7, 2020. Examiners used the Small Bank CRA Examination Procedures to evaluate BBG's CRA performance. These procedures include the lending test as described in the Appendices. The bank's assessment area was reviewed using full-scope procedures.

ACTIVITIES REVIEWED

A review of the institution's Call Report, dated March 31, 2020, as shown in the loan portfolio table on page 2, reflected the following: Business loans (i.e., loans secured by non-farm, non-residential properties; and commercial and industrial) represented the largest loan category at 51.1 percent of total loans. Home mortgage loans (i.e., 1-4 family residential) represented the second largest loan category at 39.4 percent of total loans. Farm loans (i.e., secured by farmland and agricultural) at 4.5 percent were not reviewed due to the low volume of such originations compared to the other two aforementioned categories.

For this evaluation, loan distribution analyses were conducted on the bank's 2019 small business and home mortgage loans, which is representative of the bank's activity and focus since the previous evaluation. However, based on the higher volume, small business loans received the most weight in this evaluation.

The universe of small business loans originated by the bank from January 1, 2019 through December 31, 2019 totaled 37 for \$5.2 million was used to evaluate the bank's performance. D&B data for 2019 was used for comparison purposes.

BBG is not subject to the Home Mortgage Disclosure Act. Therefore, the bank is not required to collect and report certain data concerning applications for home mortgage loans. During 2019, bank records reflect BBG originated a universe of 5 home mortgage loans totaling \$1.2 million. All five were used to evaluate the bank's performance. The percentage of owner-occupied housing units by geography and the percentage of families by income level (2015 ACS Census data) were used for comparison purposes.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, BBG demonstrated satisfactory performance under the lending test. The bank's performance in its assessment area, relative to the loan-to-deposit ratio, assessment area concentration, geographic distribution, and borrower profile, support this conclusion.

Loan-to-Deposit Ratio

The average net loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, demographic and economic conditions, and assessment area's credit needs. The net LTD ratio for the previous 22 quarters averaged 32.9 percent. This ratio is calculated on a net basis, excluding loan loss reserves and unearned income. However, when unfunded loan commitments are considered, the net LTDR increases to 34.9 percent. Since the previous evaluation, the LTD ratio has ranged from a low of 29.2 percent as of June 31, 2018, to a high of 39.3 percent as of September 30, 2019. As of March 31, 2020, the LTD ratio was 31.9 percent. The LTD ratio has fluctuated, with no specific trends.

Similarly situated institutions (SSIs) are used for comparison. A SSI will generally share similar attributes such as size, branch network, product lines, and assessment area(s). Examiners identified three SSIs. The average net LTD ratios for these SSIs over the same 22 quarters are shown in the following table. As shown, the bank's LTD ratio is generally reasonable when compared to the SSIs. Refer to the table below for additional details.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2020 \$(000s)	Average Net LTD Ratio (%)
Bank of Belle Glade	110.0	32.9
Peoples Bank of Graceville	104.2	44.2
Heartland National Bank	432.0	47.4
Community State Bank	140.5	52.8

Source: Call Reports 6/30/2014 through 3/31/2020

Assessment Area Concentration

In total, a majority of the loans reviewed were originated inside BBG's assessment area by both number and dollar amount. The following table reveals a majority of the small business loans at 75.7 percent by number and 80.8 percent by dollar amount were originated inside the bank's assessment area. In contrast, a majority of the home mortgage loans by both number and dollar amount were not originated inside the bank's assessment area. Nonetheless, the bank's performance indicate its willingness to serve the credit needs of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	28	75.7	9	24.3	37	4,224	80.8	1,003	19.2	5,227
Home Mortgage	2	40.0	3	60.0	5	165	13.7	1,036	86.3	1,201
Total Loans	30	71.4	12	28.6	42	4,389	68.3	2,039	31.7	6,428

Source: 2019 Bank Records. Due to rounding, totals may not equal 100.0 percent.

Geographic Distribution

The geographic distribution of the loans reviewed reflects a reasonable dispersion throughout the assessment area. This conclusion is based on reasonable dispersion of both loan types. There are no middle- and upper-income census tracts in the assessment area.

Small Business Loans

The geographic distribution of the small business loans reflects a reasonable dispersion throughout the assessment area. As illustrated in the table on the next page, the bank originated 32.1 percent of the small business loans in low-income census tracts. This performance was below comparison data of 47.1 percent. The bank originated 64.3 percent of small business loans in moderate-income census tracts, which was above the comparison data of 52.2 percent.

Geographic Distribution of Small Business Loans					
Tract Level	% of Businesses	#	%	\$(000s)	%
Low	47.1	9	32.1	1,511	35.8
Moderate	52.2	18	64.3	2,613	61.8
Middle	0.0	0	0.0	0	0
Upper	0.0	0	0.0	0	0
NA	0.7	1	3.6	100	2.4
Totals	100.0	28	100.0	4,224	100.0

Source: 2015 ACS Census Data; 2019 D&B Data; 2019 Bank Records. Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The geographic distribution of the home mortgage loans is reasonable. The bank originated two home mortgage loans in the assessment area. The loans were originated to borrowers located in a moderate-income census tract.

Borrower Profile

The distribution of borrowers reflects a reasonable penetration among businesses of different sizes and individuals of different income levels. This conclusion is based on reasonable penetration of both loan types.

Small Business Loans

The distribution of borrowers reflects a reasonable penetration among businesses of different sizes. As illustrated in the following table, the bank originated 60.7 percent of the small business loans to businesses with GARs of \$1.0 million or less. This performance was generally comparable to the demographic data at 82.1 percent, particularly in light of the adverse economics and competition in the assessment area.

Borrower Profile Distribution of Small Business Loans					
GAR Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	82.1	17	60.7	2,064	48.9
>1,000,000	4.5	5	17.9	854	20.2
Revenue Not Available	13.4	6	21.4	1,306	30.9
Totals	100.0	28	100.0	4,224	100.0

Source: 2019 D&B Data; 2019 Bank Records. Due to rounding, totals may not equal 100.0 percent.

Home Mortgage Loans

The distribution of borrowers reflects a reasonable penetration among individuals of different income levels. The bank originated one loan to a middle-income borrower and one loan to a moderate-income borrower in the assessment area.

Response to Complaints

The bank has not received any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the lending test.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

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.