PUBLIC DISCLOSURE

June 10, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Community Bank of Indiana
Certificate Number: 29878

7880 Wicker Avenue
Saint John, Indiana 46373

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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 **Needs to Improve.**

An institution in this group needs to improve its overall 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.

American Community Bank of Indiana's (ACB) CRA performance is based upon the following:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans and other lending-related activities are in the institution's AA.
- The geographic distribution of loans reflects poor dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

Background

ACB is a full-service bank headquartered in Saint John, Indiana, and operates in the northwestern portion of Indiana. The bank is wholly-owned by AMB Financial Corporation, a one-bank holding company located in Saint John, Indiana. The institution has no affiliates that offer credit products. The bank received a Satisfactory rating at its previous FDIC CRA Performance Evaluation, dated June 17, 2019, based on Interagency Small Institution CRA Examination Procedures.

Operations

ACB operates five full-service offices in its AA. All of the offices are located in Lake County, Indiana, which borders Illinois to the west and Lake Michigan to the north. Lake County is part of the Gary, Indiana Metropolitan Division (#23844). The Gary Metropolitan Division is part of the Chicago-Naperville-Elgin, Illinois-Indiana-Wisconsin Primary Metropolitan Statistical Area (#16980). The bank's main office is in Saint John, and one office is in each of the following cities: Crown Point, Dyer, Hammond, and Munster. No offices have been opened or closed since the prior evaluation. The bank did not complete any mergers or acquisitions during the evaluation period.

The bank's loan products include commercial loans, home mortgage loans, agricultural loans, and consumer loans, primarily focusing on commercial and home mortgage lending. Mortgages are sold on the secondary market. The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include online banking, mobile banking, electronic bill pay, and automated teller machines at each office.

Ability and Capacity
According to the Consolidated Report of Condition (Call Report) dated March 31, 2022, the bank had total assets of $310,462,000; net loans totaling $212,563,000; total deposits of $277,217,000; and total equity capital of $26,736,000. On the same date, the net loans-to-total deposits ratio was 76.7 percent, and the net loans-to-total assets ratio was 68.5 percent. The composition of ACB's loan portfolio as of March 31, 2022, is shown in the following table. The two major categories of loans by dollar volume are home mortgage (includes 1-4 family and multi-family) and commercial at 32.2 percent and 54.4 percent, respectively. The bank's loan portfolio mix is representative of its business strategy and focus. Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA credit needs.

Loan Portfolio Distribution as of 03/31/2022		
Loan Category	**$(000s)**	**%**
Construction and Land Development	26,902	12.5
Secured by Farmland	1,108	0.5
1-4 Family Residential	64,752	30.1
Multi-family (5 or more) Residential	4,400	2.1
Commercial Real Estate	82,883	38.5
Total Real Estate Loans	**180,045**	**83.7**
Commercial and Industrial	34,303	15.9
Agricultural	0	0.0
Consumer	790	0.4
Other	12	<0.1
Less: Unearned Income	0	0.0
Total Loans	**215,150**	**100.0**
Source: Reports of Income and Condition		

DESCRIPTION OF ASSESSMENT AREA

Economic and Demographic Data
The AA contains all 118 census tracts in Lake County. The AA has not changed since the previous evaluation. According to 2015 American Community Survey (ACS) data, census tracts within the AA reflect the following income designations:

- 25 low-income tracts,
- 29 moderate-income tracts,
- 37 middle-income tracts,
- 26 upper-income tracts, and
- 1 census tract with no income designation.

The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area Assessment Area: Lake County IN						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	118	21.2	24.6	31.4	22.0	0.8
Population by Geography	491,596	10.4	22.7	35.6	31.3	0.0
Housing Units by Geography	209,868	13.1	23.3	35.1	28.5	0.0
Owner-Occupied Units by Geography	126,228	6.0	18.3	36.8	38.9	0.0
Occupied Rental Units by Geography	57,086	20.7	29.6	36.1	13.6	0.0
Vacant Units by Geography	26,554	30.0	33.9	24.6	11.5	0.0
Businesses by Geography	46,164	8.5	17.5	37.9	36.1	0.0
Farms by Geography	815	4.5	15.3	34.4	45.8	0.0
Family Distribution by Income Level	123,259	24.7	17.0	20.6	37.7	0.0
Household Distribution by Income Level	183,314	27.0	16.1	17.5	39.4	0.0
Median Family Income MSA - 23844 Gary, IN		$64,075	Median Housing Value			$128,910
			Median Gross Rent			$792
			Families Below Poverty Level			14.2%

Source: 2015 ACS and 2021 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

The 2019, 2020, and 2021 FFIEC-updated median family income levels were used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Gary, IN Median Family Income (23844)				
2019 ($72,700)	<$36,350	$36,350 to <$58,160	$58,160 to <$87,240	≥$87,240
2020 ($74,600)	<$37,300	$37,300 to <$59,680	$59,680 to <$89,520	≥$89,520
2021 ($75,600)	<$37,800	$37,800 to <$60,480	$60,480 to <$90,720	≥$90,720

Source: FFIEC

Per the 2015 ACS data, the AA contains 209,868 housing units. Of these, 60.1 percent are owner-occupied, 27.2 percent are occupied rental units, and 12.7 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units by tract income level.

The economy relies heavily upon small businesses. In the AA, 60.6 percent of businesses have four or fewer employees and 91.9 percent operate from a single location. The analysis of small business loans under the Borrower Profile criterion compares the distribution of borrowers to the distribution of businesses by revenue category. According to 2021 D&B data, approximately 46,164 businesses are located in the AA. Gross annual revenues (GARs) for these businesses are as follows:

- 88.7 percent have revenues of $1 million and less.
- 3.3 percent have revenues over $1 million.
- 8.0 percent have unknown revenues.

The primary employment sectors in the AA are education and health services, retail trade, manufacturing, and government. The largest employers in the AA include Arcelor Mittel, Franciscan Health Systems, Horseshoe Casino & Hotel, and Porter Valparaiso Hospital.

The economy in the AA remained stable for the majority of this evaluation period. As of April 2022, the unemployment rate for Lake County (3.9 percent) is slightly greater than the rates occurring at the state (2.2 percent) and national (3.3 percent) levels. While the lower unemployment rates overall indicate some stability in the economy, inflation is increasing and creating some unease. All unemployment rates are from the Bureau of Labor Statistics.

Competition

The AA is very competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2021, 16 financial institutions operated 136 full-service offices within the AA. ACB ranked 10th in market share in the AA, holding 1.8 percent of all deposits.

There is a high level of competition for home mortgage loans within the AA. In 2020, 442 lenders subject to Home Mortgage Disclosure Act (HMDA) data collection reported 25,519 home mortgage loans originated or purchased. ACB ranked 21st in this group of lenders with a market share of 1.4 percent.

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. The aggregate data, however, assists in determining the level of competition as well as demand for small business loans. Aggregate data for 2020 reveals that 117 institutions reported 9,288 small business loans in the AA, indicating a high degree of competition for this product.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also indicates what credit opportunities are available.

Examiners used three community contacts for this AA. Two of the contacts were community development entities and the third was an affordable housing organization. The contacts said affordable housing, affordable small dollar loans, and small business lending were community needs.

Credit Needs
Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that home mortgage and small business lending represent the primary credit needs in the AA.

SCOPE OF EVALUATION

General Information
This evaluation covers the period from the prior evaluation dated June 17, 2019, to the current evaluation dated June 10, 2022. Examiners used the Interagency Small Institution CRA Evaluation Procedures to evaluate ACB's CRA performance. These procedures include the CRA Small Institution Lending Test.

Activities Reviewed
Examiners determined that the bank's major product lines are home mortgage loans and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loan originations during the evaluation period. Home mortgage loan originations exceed small business loans by both total number and dollar amount. Thus, home mortgage lending received the greatest weight when arriving at overall conclusions. Small farm and consumer lending were not reviewed as these are not major product lines for the bank.

ACB is subject to HMDA data collection requirements. Therefore, all home mortgage loans reported on the bank's 2019, 2020, and 2021 HMDA Loan Application Registers were reviewed for this evaluation. The bank's lending performance is compared to demographic data throughout the review period, while HMDA aggregate data for 2019 and 2020 is also included as a comparison for the bank's lending; aggregate data serves as a better comparator as it represents performance of all reporters subject to the HMDA data collection requirements in the AA. The 2021 HMDA aggregate data was not available as of the evaluation date.

All of the bank's small business loan originations for 2020 and 2021 were reviewed. The required information was readily available in the bank's records. The 2015 ACS and 2021 D&B data are the demographic comparators used for home mortgage and small business lending, respectively, in this evaluation. If different demographic data was used, the data source was noted.

The total loan universes reviewed for each loan product are shown in the following table.

Lending Reviewed for CRA Evaluation		
Loan Category	**Total Number**	**Total Dollar ($000's)**
Home Mortgage		
2019	177	45,223
2020	455	119,360
2021	439	116,805
Total	**1,071**	**281,388**
Small Business		
2020	323	35,566
2021	129	31,182
Total	**452**	**66,748**
Source: Bank Data *Due to rounding, totals may not equal 100.0%*		

While number and dollar volume of loans are presented, examiners emphasized performance by number of loans, because the number of loans is a better indicator of the number of businesses and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

ACB demonstrated poor performance under the Small Bank Lending Test. Poor performance in the Geographic Distribution and Borrower Profile criteria primarily supported this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The LTD ratio, calculated from Call Report data, averaged 88.6 percent over the past 12 calendar quarters from June 30, 2019, to March 31, 2022. The ratio ranged from a low of 76.7 percent as of March 31, 2022, to a high of 95.7 percent as of June 30, 2019. The ratio slowly declined throughout the evaluation period but remained at a reasonable level.

Examiners evaluated ACB's LTD ratio by comparing it to the ratios of similarly-situated banks (SSBs) based on their location, asset size, and lending focus. All of the SSBs operate entirely within the State of Indiana. SSBs 1 and 2 have offices within the AA, while SSBs 3 and 4 are outside of the AA but operate in Indiana. As shown in the following table, ACB's ratio exceeded the ratios of all the SSBs. However, ACB's ratio is very comparable to SSBs 3 and 4, which are also nearest in asset size.

ACB's secondary market mortgage sales in 2019, 2020, and 2021 combined were approximately 812 loans totaling $234 million. Since these loans are sold, they are not reflected in the bank's LTD ratio as the loans are not retained on the bank's books.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2022 $(000s)	Average Net LTD Ratio (%)
American Community Bank of Indiana	**310,462**	**88.6**
Similarly-Situated Institution #1	2,094,884	74.1
Similarly-Situated Institution #2	547,907	60.5
Similarly-Situated Institution #3	284,718	85.3
Similarly-Situated Institution #4	363,100	87.7
Source: Reports of Income and Condition 6/30/2019 through 3/31/2022		

Assessment Area Concentration

A majority of loans and other lending-related activities are in the institution's AA, as shown in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans $(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	$	%	$	%	$(000s)
Home Mortgage										
2019	129	72.9	48	27.1	177	30,613	67.7	14,610	32.3	45,223
2020	368	80.9	87	19.1	455	94,658	79.3	24,702	20.7	119,360
2021	330	75.2	109	24.8	439	82,470	70.6	34,335	29.4	116,805
Subtotal	**827**	**77.2**	**244**	**22.8**	**1,071**	**207,741**	**73.8**	**73,647**	**26.2**	**281,388**
Small Business										
2020	220	68.1	103	31.9	323	26,533	74.6	9,033	25.4	35,566
2021	78	60.5	51	39.5	129	18,455	59.2	12,727	40.8	31,182
Subtotal	**298**	**65.9**	**154**	**34.1**	**452**	**44,988**	**67.4**	**21,760**	**32.6**	**66,748**
Total	**1,125**	**73.9**	**398**	**26.1**	**1,523**	**252,729**	**72.6**	**95,407**	**27.4**	**348,136**
Source: Bank Data *Due to rounding, totals may not equal 100.0%*										

Geographic Distribution

The geographic distribution of loans reflects poor dispersion throughout the AA. Poor performance in home mortgage and small business lending supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans is poor. As shown in the following table, the bank did not originate any loans in the low-income census tracts during the evaluation period.

In the moderate-income census tracts, the bank's lending was significantly below the aggregate data in 2019 and 2020 and the owner-occupied housing level for each year reviewed. Although lending in the moderate-income tracts increased in 2021, it remained well below the owner-occupied housing level. The low level of home mortgage lending in the low- and moderate-income census tracts throughout the review period results in poor geographic distribution.

Geographic Distribution of Home Mortgage Loans Assessment Area: Lake County IN						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2019	6.0	1.3	0	0.0	0	0.0
2020	6.0	0.9	0	0.0	0	0.0
2021	6.0	--	0	0.0	0	0.0
Moderate						
2019	18.3	10.2	6	4.7	235	0.8
2020	18.3	7.9	6	1.6	531	0.6
2021	18.3	--	17	5.2	1,669	2.0
Middle						
2019	36.8	40.1	31	24.0	4,182	13.7
2020	36.8	37.0	82	22.3	14,629	15.5
2021	36.8	--	65	19.7	12,071	14.6
Upper						
2019	38.9	48.5	92	71.3	26,196	85.6
2020	38.9	54.1	280	76.1	79,498	84.0
2021	38.9	--	248	75.2	68,730	83.3
Totals						
2019	**100.0**	**100.0**	**129**	**100.0**	**30,613**	**100.0**
2020	**100.0**	**100.0**	**368**	**100.0**	**94,658**	**100.0**
2021	**100.0**	**--**	**330**	**100.0**	**82,470**	**100.0**
Source: 2015 ACS; Bank Data; 2019 & 2020 HMDA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans is poor. As shown in the following table, lending in the low-income census tracts was considerably below the business population throughout the review period. In the moderate-income census tracts, lending performance only slightly trailed the business population. However, given the bank's limited performance in lending to borrowers in low-income census tracts, performance in the small business lending is poor overall.

Geographic Distribution of Small Business Loans Assessment Area: Lake County IN					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2020	7.9	6	2.7	257	1.0
2021	8.5	1	1.3	282	1.5
Moderate					
2020	16.2	32	14.5	4,455	16.8
2021	17.5	12	15.4	3,991	21.6
Middle					
2020	38.1	80	36.4	10,066	37.9
2021	37.9	26	33.3	3,702	20.1
Upper					
2020	37.7	102	46.4	11,755	44.3
2021	36.1	39	50.0	10,480	56.8
Totals					
2020	**100.0**	**220**	**100.0**	**26,533**	**100.0**
2021	**100.0**	**78**	**100.0**	**18,455**	**100.0**
Source: 2020 & 2021 D&B Data; Bank Data. *Due to rounding, totals may not equal 100.0%.*					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among individuals of different income levels and businesses of different sizes. While the bank's lending to small businesses was reasonable, home mortgage lending received the greatest weight and exhibited poor performance, resulting in poor performance overall.

Home Mortgage Loans

The borrower distribution of home mortgage loans is poor. As shown in the following table, the bank's performance in lending to low-income borrowers in 2019 and 2020 significantly trailed aggregate performance. Further, the bank's performance throughout the review period significantly trailed the percentage of low-income families that reside within the AA. It is worth highlighting that some of this disparity can be attributed to the percent of families that live below the poverty level (14.2 percent). Specifically, families with incomes below the poverty level generally do not have the capacity to support a home mortgage due to their limited financial resources, limiting the demand and opportunity for lending to low-income borrowers. However, the bank's lending performance for all three years is still significantly lower than the remaining percentage of low income families with incomes above the poverty level.

In 2019 and 2020, the bank's lending to moderate-income borrowers also considerably trailed the aggregate data. In addition, despite improvement in 2021, the bank's lending was much lower than the demographic for all three years reviewed. The low level of lending to low- and moderate-income borrowers throughout the review period resulted in poor performance overall.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Lake County IN						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2019	24.7	8.6	2	1.6	52	0.2
2020	24.7	6.7	6	1.6	489	0.5
2021	24.7	--	14	4.2	1,156	1.4
Moderate						
2019	17.0	18.6	10	7.8	1,371	4.5
2020	17.0	17.2	31	8.4	4,251	4.5
2021	17.0	--	37	11.2	5,223	6.3
Middle						
2019	20.6	23.1	20	15.5	2,764	9.0
2020	20.6	22.5	50	13.6	8,144	8.6
2021	20.6	--	59	17.9	9,769	11.8
Upper						
2019	37.7	31.6	95	73.6	26,298	85.9
2020	37.7	33.6	278	75.5	80,391	84.9
2021	37.7	--	208	63.0	64,209	77.9
Not Available						
2019	0.0	18.2	2	1.6	128	0.4
2020	0.0	20.0	3	0.8	1,383	1.5
2021	0.0	--	12	3.6	2,113	2.6
Totals						
2019	**100.0**	**100.0**	**129**	**100.0**	**30,613**	**100.0**
2020	**100.0**	**100.0**	**368**	**100.0**	**94,658**	**100.0**
2021	**100.0**	**--**	**330**	**100.0**	**82,470**	**100.0**
Source: 2015 ACS; Bank Data; 2019 & 2020 HMDA Aggregate Data; "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The small business loan distribution by GARs is reasonable. As shown in the following table, the bank's lending trailed the business population with GARs of $1 million and less in both 2020 and 2021. However, many of the loans originated in 2020 were Paycheck Protection Program (PPP) loans, which were extended in an effort to help businesses keep their workforce employed during the pandemic. Excluding PPP loans, 48.1 percent of small business loans extended in 2020 were to businesses with revenues of $1 million and less. This percentage is in-line with the bank's 2021 performance and reflects a reasonable level of lending; although it remains below the business population, this demographic represents all of the businesses in that revenue range and not solely the population seeking a loan. As smaller businesses tend to seek alternative forms of financing such as home equity lines of credit or credit cards, it is reasonable that the bank's performance would trail the percent of businesses reporting revenues of $1 million and less.

ACB's performance was also comparable to three SSBs with recent performance evaluations that included 2020 lending performance. All of the SSBs were in Indiana, with one operating in the same AA. The distribution of borrowers reflected reasonable penetration among businesses of different sizes for all three SSBs reviewed. For the $1 million and less revenue category, the results for the SSBs were as follows:

- SSB 1 – 49.4 percent of 2020 lending compared to 83.5 percent business population; PPP loans removed.
- SSB 2 – 45.9 percent of 2020 lending compared to 85.0 percent business population; no revisions for PPP loans.
- SSB 3 – 48.6 percent of 2020 lending compared to 85.7 percent business population; PPP loans removed.

Although the bank is not a CRA reporter, aggregate data provides a level of comparison for small business lending opportunities. When adjusted for PPP loans, the bank's performance exceeded aggregate data in 2020, which was the most recent year of aggregate data available. Given these factors, the bank's lending performance for small business loans is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Lake County IN					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
≤$1,000,000					
2020	86.6	57	25.9	16,112	60.7
2021	88.7	42	53.8	11,513	62.4
>$1,000,000					
2020	4.1	163	74.1	10,421	39.3
2021	3.3	36	46.2	6,942	37.6
Revenue Not Available					
2020	9.3	0	0.0	0	0.0
2021	8.0	0	0.0	0	0.0
Totals					
2020	**100.0**	**220**	**100.0**	**26,533**	**100.0**
2021	**100.0**	**78**	**100.0**	**18,455**	**100.0**
Source: 2020 & 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

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 geographic distribution of the bank's loans;
4) 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; 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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

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.