

PUBLIC DISCLOSURE

October 3, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

WEX Bank
Certificate Number: 34697

111 Sego Lily Drive, Suite 250
Sandy, UT 84070

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

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San Francisco, California 94105

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.

WEX Bank operated under a FDIC-approved Community Reinvestment Act (CRA) Strategic Plan during the evaluation period. The following conclusions supports the overall rating.

- New community development (CD) loans, qualified investments and donations exceed the minimum established goals for outstanding performance for 2019, 2020 and 2021.
- Cumulative combined CD loans, qualified investments and donations exceed the minimum established goals for satisfactory performance for 2019 and 2020 and exceed the minimum established goals for outstanding performance for 2021.
- CD service hours exceed the minimum established goals for outstanding performance for 2019 and exceed the minimum established goals for satisfactory performance for 2020 and 2021.

Discriminatory or Other Illegal Credit Practices

Violations of Section 5 of the Federal Trade Commission (FTC) Act, Unfair or Deceptive Acts or Practices, resulted in the FDIC adjusting the bank's overall rating from "Satisfactory" to "Needs to Improve."

DESCRIPTION OF INSTITUTION

WEX Bank is a Utah-chartered industrial bank headquartered in Sandy, Utah. WEX Bank is a wholly-owned subsidiary of WEX, Inc., and has no affiliates or subsidiaries that affected this evaluation. No merger or acquisition activity occurred since the prior evaluation. The bank received a “Satisfactory” CRA Rating at its previous FDIC CRA Performance Evaluation, dated December 9, 2019, based on Interagency Strategic Plan Examination Procedures.

WEX Bank is a national lender, offering proprietary credit products to commercial fleet services for fueling, maintaining, and servicing commercial vehicles via secured and unsecured credit cards. The bank did not originate any farm or residential mortgages during the review period. The bank utilizes brokered deposits primarily as a source of funds, as well as federal funds lines of credit, merchant payables, and pre-paid employee checking accounts to fund the fleet and MasterCard receivables.

The bank operates from a single, non-retail office. During the review period, the bank moved its main office from Midvale, UT, to Sandy, UT, both of which are within the bank’s designated assessment area (AA). The bank does not operate a traditional brick-and-mortar office, and does not have deposit-taking abilities through bank tellers or automated teller machines.

The June 30, 2022, Consolidated Reports of Condition and Income (Call Report) reported the bank’s total assets at \$5.9 billion, including total loans of \$4.0 billion, and total deposits of \$5.1 billion. The following table depicts WEX Bank’s June 30, 2022, loan portfolio composition and primary business focus of commercial loans.

Loan Portfolio Distribution as of 6/30/22		
Loan Category	\$(000s)	%
Construction and Land Development	0	0.0
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	0	0.0
Secured by Multifamily (5 or more) Residential Properties	2,615	0.1
Secured by Nonfarm Nonresidential Properties	0	0.0
Total Real Estate Loans	2,615	0.1
Commercial and Industrial Loans	4,008,780	99.9
Agricultural Loans	0	0.0
Consumer Loans	0	0.0
Other Loans	0	0.0
Lease financing receivables	0	0.0
Less: Unearned Income	0	0.0
Total Loans	4,011,395	100.0
<i>Source: 6/30/2022 Call Report</i>		

Examiners did not identify any financial, legal, or other impediments that affect WEX Bank’s ability to meet the credit needs of its AA.

DESCRIPTION OF ASSESSMENT AREA

WEX Bank defined its AA as all of Salt Lake County, which is part of the Salt Lake City, Utah Metropolitan Statistical Area (MSA) #41620, and is located along the Wasatch Mountain front. The geographic composition of the AA has not changed since the previous evaluation.

Economic and Demographic Data

The AA consists of 212 census tracts (CTs), designated as: 7 low-income, 51 moderate-income, 86 middle-income, 65 upper-income, and 3 CTs where income information was not available. The following table shows select demographic, housing, and business information of the AA.

Demographic Information of the Assessment Area						
Assessment Area: Salt Lake County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	212	3.3	24.1	40.6	30.7	1.4
Population by Geography	1,078,958	3.2	22.8	43.1	30.0	0.9
Housing Units by Geography	372,990	3.1	24.3	42.6	29.2	0.7
Owner-Occupied Units by Geography	233,092	1.5	17.5	44.9	35.6	0.5
Occupied Rental Units by Geography	118,800	6.4	36.9	39.4	16.1	1.2
Vacant Units by Geography	21,098	2.3	28.9	35.3	33.3	0.2
Businesses by Geography	128,724	2.8	20.8	38.9	36.6	0.9
Farms by Geography	1,995	2.6	19.4	40.6	37.0	0.4
Family Distribution by Income Level	247,693	19.9	17.6	22.0	40.5	0.0
Household Distribution by Income Level	351,892	22.3	16.6	20.4	40.6	0.0
Median Family Income MSA - 41620 Salt Lake City, UT MSA		\$71,849	Median Housing Value			\$247,942
			Median Gross Rent			\$966
			Families Below Poverty Level			9.2%
<i>Source: 2015 ACS and 2021 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>						

According to data obtained from the U.S. Bureau of Labor Statistics, the Salt Lake County unemployment rate as of January 2022 has improved since the previous evaluation. Overall, the AA is below the national unemployment average. The following table depicts the unemployment rates for 2022 in the bank's AA in comparison with the state and national levels.

Unemployment Rates		
Area	January 2021	January 2022
	%	%
Salt Lake County	3.6	2.4
State of Utah	3.3	2.2
National Average	6.3	4.0
<i>Source: Bureau of Labor Statistics</i>		

According to Moody’s Analytics as of September 2022, rising interest rates and economic uncertainty is putting a strain on the finance industry due to the decrease in consumer demand. There continues to be a high concentration of high-wage jobs in the tech and knowledge-based industries within the AA. The Salt Lake City metro has more job openings than qualified workers. The AA is also experiencing low housing affordability, which is taking a bigger toll on migration and population growth. The largest employers for Salt Lake County are as follows: University of Utah, Intermountain Health Care, Wal-Mart Stores, Zions Bancorp, and Delta Airlines.

Competition

The AA is a highly competitive market for financial products and services. According to the FDIC Deposit Market Share Report as of June 30, 2022, there are 46 financial institutions operating in the AA. WEX Bank ranked 14th with \$5.1 billion in total deposits, accounting for 0.64 percent of the market share. Morgan Stanley Bank and Ally Bank are the deposit market share leaders holding 21.0 and 17.7 percent, respectively, of the AA’s deposits. The AA is competitive for WEX Bank as several other industrial banks are also headquartered in the Salt Lake City metropolitan area. Many of these industrial financial institutions follow Interagency Strategic Plan Examination Procedures, as well as limited purpose and wholesale designation procedures, resulting in an unusually high level of competition for the extension of CD investments and services within the AA.

Community Contact(s)

As part of the evaluation process, examiners reviewed a recent community contact with an economic development organization that serves Salt Lake County. The organization focuses on creating prosperity and economic opportunity for county residents. The contact noted that financial institutions have been responsive to community credit needs; however, there continues to be a need for affordable, multi-family housing and for providing technical support to small businesses.

Credit and Community Development Needs and Opportunities

Considering the information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing, economic development, and community services for low- and moderate-income (LMI) individuals represent the primary credit needs of the AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated December 9, 2019, to the current evaluation dated October 3, 2022. Examiners used the Interagency Procedures for Institutions with Strategic Plans to evaluate WEX Bank's CRA performance. The bank operated under one FDIC-approved Strategic Plan, effective January 1, 2019, for the CRA evaluation. The FDIC approved an amendment to the Plan on February 11, 2021, due to the impact of COVID-19 on the AA, with an effective date of January 1, 2020. The CRA evaluation compares the bank's performance in 2019 to the original Plan and 2020-2021 to the Plan's amended measurable goals.

Activities Reviewed

Examiners reviewed bank records to determine if the bank met the measurable goals established in the Strategic Plan. To evaluate the bank's performance, examiners analyzed qualified CD loans, investments, donations, and services for 2019, 2020 and 2021. Specific details on the bank's goals and its performance related to each goal are presented within the Conclusions on Performance Criteria section of this performance evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

WEX Bank's CRA performance under the Strategic Plan reflects a satisfactory performance in helping to meet the credit needs of the designated AA in a manner consistent with the measurable goals established in the Strategic Plan during the evaluation period. The following information relates to the measurable performance goals established, which covers the timeframe from January 1, 2019, to December 31, 2021.

Community Development Lending and Investments

The bank's level of CD loans and investments met the established minimum goals for satisfactory performance under the Strategic Plan. WEX Bank's Strategic Plan established performance goals for CD loans and qualified investments in the AA. The Strategic Plan includes separate goals that consider new CD loans and investments made during each plan year within the AA, calculated by analyzing the total dollar amount of new CD Loans and investments made within the plan year expressed as a percentage of average assets. The original and amended plans included separate cumulative combined CD loan and investment goals made within the AA for both new and prior period CD investments and loans. The Strategic Plan notes that average assets are calculated using Line 9 of Schedule RC-K of WEX Bank's Call Reports from the previous calendar year. As such, examiners calculated WEX Bank's average assets by averaging the last four quarterly balances from Line 9 of Schedule RC-K of the previous year.

The following table summarizes WEX Bank's performance in new CD loans and investments for 2019, 2020 and 2021.

New Community Development Loans and Investments					
Plan Year	Bank Established Goals		Bank Performance		
	Satisfactory (%)	Outstanding (%)	New Loans/Investments (\$000)	Prior Year Average Assets (\$000)	Actual Performance (%)
2019	0.30	0.40	11,616	2,824,580	0.41
2020	0.30	0.40	13,509	2,960,654	0.46
2021	0.30	0.40	11,369	2,434,144	0.47

Source: Bank Records and Strategic Plan

The following table illustrates that a majority of CD loans and investments made during 2019, 2020 and 2021 were focused on affordable housing for LMI individuals and communities, an identified credit and CD need within the AA.

New Community Development Loans and Investments										
Plan Year	Affordable Housing		Community Services		Economic Development		Revitalization or Stabilization		Total	
	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
2019	13	6,569	16	42	2	5,005	0	0	31	11,616
2020	18	9,459	8	50	1	4,000	0	0	27	13,509
2021	25	11,319	7	44	1	6	0	0	33	11,369

Source: Bank Records

As noted, the bank has separate goals for cumulative combined CD loans and investments made within the bank’s AA. The following table illustrates the bank’s satisfactory performance in combined CD loans and investments. The amount of combined CD loans and investments for each plan year includes all new CD loans and investments made within the plan year plus prior period CD investments as of each plan year.

Combined Community Development Loans and Investments Performance					
Plan Year	Bank Established Goals		Bank Performance		
	Satisfactory (%)	Outstanding (%)	Community Development Loans and Investments (\$000)	Prior Year Average Assets (\$000)	Actual Performance (%)
2019	1.25 – 1.50	1.50 – 1.75	36,837	2,824,580	1.30
2020	1.25 – 1.50	1.50 – 1.75	41,189	2,960,654	1.39
2021	1.25 – 1.50	1.50 – 1.75	39,367	2,434,144	1.62

Source: Bank Records and Strategic Plan

Below are notable examples of CD loans and investments WEX Bank made during the evaluation period:

Community Development Lending

- WEX Bank is a member of a community reinvestment corporation (CRC), a multi-bank non-profit organization that provides financing for multi-family housing to LMI individuals and families, as well as underserved communities within Salt Lake County and a broader statewide

or regional area. The CRC maintains a revolving loan fund, which is WEX Bank’s primary source of CD lending activity. During the 2019- 2021 plan years, WEX Bank maintained a \$6.0 million, \$7.0 million and \$8.0 million revolving commitment, respectfully, to the CRC. During the evaluation period, WEX Bank participated in 11 loans in 2019, 16 loans in 2020 and 23 loans in 2021.

Community Development Investments

- WEX Bank continues to invest in a CRA mutual fund portfolio managed by a CRC. The fund uses investment dollars to purchase mortgage-backed securities specifically earmarked for WEX Bank. In 2020, the bank invested an additional \$2.0 million to this fund.
- During the review period, WEX Bank invested a total of \$9.0 million into a Community Development Loan fund. This fund promotes economic development to small businesses in LMI geographies within the bank’s AA.
- WEX Bank donated \$3.0 thousand in 2019, \$6.0 thousand in 2020, and \$5.0 thousand in 2021 to an organization that helps LMI families in crisis. This organization provides educational opportunities and resources to help diffuse the possibility of domestic violence and abuse.
- In 2019, 2020 and 2021, WEX Bank donated a total of \$13.5 thousand to an organization that supports LMI families by providing after school care, a teen center and classes on gang prevention.

Community Development Services

WEX Bank exceeded the established goals for an outstanding performance related to CD services for 2019. The bank met its amended goals for 2020 and 2021 for a satisfactory performance. The bank set a goal for each plan year of CD service hours based on the number of full-time employees (FTE) that are based in Utah. In March 2020, the Utah Governor issued a Stay Home directive, which negatively affected the bank’s outreach program for CD service hour opportunities. Since the original goals for the 2020-2021 plan year were impacted by COVID-19, the bank filed an amended Plan with the FDIC to reflect fewer hours per FTE.

Community Development Service Hours			
Plan Year	Bank Established Goals		Bank Performance
	Satisfactory	Outstanding	Qualified Service Hours
2019	250	300	314
2020	100.50	134	112
2021	140	210	183

Source: Bank Records and Strategic Plan

The following table illustrates that a substantial majority of CD service hours provided in 2019, 2020, and 2021 were focused on community services to LMI individuals, an identified CD need within the AA.

Community Development Service Hours					
Plan Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	Hours	Hours	Hours	Hours	Hours
2019	19	295	0	0	314
2020	23	89	0	0	112
2021	4	179	0	0	183

Source: Bank Records

Below are notable examples of CD service activities that bank employees provided during the review period.

- A WEX Bank employee contributed a total of 46 hours in 2019-2021 to an organization that helps revitalize LMI communities by providing affordable housing to those in need throughout the AA. This employee serves as a Board member to this organization.
- WEX Bank employees used their financial expertise to teach elementary-aged students how to earn, save, and budget personal funds through in-person financial exercises provided to the children. The majority of the students participate in the National School Lunch Program for free- or reduced-lunch. WEX Bank employees volunteered 30 hours in the 2019 plan year to this CD service activity.
- Nine WEX Bank employees provided 250 hours in 2019, 72 hours in 2020, and 167 hours in 2021 to deliver free income tax preparation services to LMI individuals in the AA.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The FDIC adjusted the CRA rating from “Satisfactory” to “Needs to Improve” due to illegal credit practices present during the CRA evaluation period. The illegal credit practices resulted in multiple violations of Section 5 of the FTC Act, Unfair or Deceptive Acts or Practices. Each violation impacted a significant number of customers across numerous fuel card programs. The duration of the violations was extensive and the illegal credit practices were ongoing for multiple years during the current evaluation period. When the violations were brought to management’s attention, they implemented corrective measures to address the root cause of the violations and to remediate its impact on customers, including through customer restitution. The bank’s policies and procedures, training, and monitoring and/or audit activities were not adequate to prevent the illegal credit practices.

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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.