

PUBLIC DISCLOSURE

November 16, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Century Bank of Kentucky, Inc.
Certificate Number: 35450

201 W Woodford St
Lawrenceburg, Kentucky 40342

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 meet the credit needs of its assessment area (AA) in a manner consistent with its resources and capabilities.

Century Bank of Kentucky, Inc. (Century) originated a significant percentage of loans outside of its AA, which is the primary reason for the adverse rating, despite other criteria that reflects reasonable performance. The following statements summarize the institution’s overall lending performance:

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution’s size, financial condition, and AA credit needs.
- The bank made a substantial majority of its home mortgage loans and a majority of its small business loans outside the AA.
- The AA does not include low- or moderate-income census tracts; therefore, the geographic distribution criterion would not result in meaningful conclusions.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Century is a \$179.5 million institution headquartered in Lawrenceburg, Kentucky. Century Bancshares, Inc., also headquartered in Lawrenceburg, owns the bank. Century continues to operate from a single location located in Anderson County in the central part of Kentucky. The bank has not opened or closed any branches and did not have any merger or acquisition activities since the previous evaluation. The bank received a “Satisfactory” rating at its previous FDIC Performance Evaluation, dated January 5, 2018, using the Small Institution CRA Examination Procedures.

Century continues to offer a range of conventional home mortgage, small business, and consumer loan products. It also offers secondary market loans through another community bank in central Kentucky. Because Century does not make the credit decision on the secondary market loans, they are not reflected in the home mortgage tables. Examiners considered the secondary market loans as performance context.

The bank offers a variety of deposit services, including checking, savings, money market accounts, and certificates of deposit. Alternative banking services include internet and mobile banking, telephone banking, electronic bill pay, and an automated teller machine (ATM). The ATM at the main branch accepts deposits.

As of the September 30, 2023, Reports of Condition and Income (Call Report), the bank reported total assets of \$179.5 million, total loans of \$122.0 million, total securities of \$39.3 million, and total deposits of \$166.2 million. As shown in the following table, the major categories of loans by

dollar volume are 1-4 family residential lending totaling 47.4 percent, and commercial lending (includes commercial real estate and commercial and industrial loans) totaling 33.2 percent.

Loan Portfolio Distribution as of 09/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	16,493	13.5
Secured by Farmland	1,848	1.5
Secured by 1-4 Family Residential Properties	57,859	47.4
Secured by Multifamily (5 or more) Residential Properties	2,991	2.5
Secured by Nonfarm Nonresidential Properties	35,697	29.3
Total Real Estate Loans	114,888	94.2
Commercial and Industrial Loans	4,809	3.9
Agricultural Production and Other Loans to Farmers	7	0.0
Consumer Loans	2,299	1.9
Other Loans	38	0.0
Total Loans	122,041	100.0
<i>Source: Call Reports</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its performance. Century designated a single AA consisting of all of Anderson County. The AA meets the requirements of the CRA regulation in that it consists of whole, contiguous census tracts and does not arbitrarily exclude low- and moderate-income (LMI) geographies. Although Century’s AA has not changed since the previous evaluation, the release of the 2020 U.S. Census data resulted in the split of one census tract in the AA into two tracts. Therefore, the total number of CTs increased since the last evaluation. The AA received a full-scope review. The following sections discuss demographic and economic information for the AA.

Economic and Demographic Data

The AA includes six census tracts in Anderson County with the following income designations: no low-, no moderate-, two middle-, and four upper-income tracts. The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	0.0	33.3	66.7	0.0
Population by Geography	23,852	0.0	0.0	32.1	67.9	0.0
Housing Units by Geography	9,483	0.0	0.0	33.1	66.9	0.0
Owner-Occupied Units by Geography	6,610	0.0	0.0	29.9	70.1	0.0
Occupied Rental Units by Geography	2,147	0.0	0.0	47.2	52.8	0.0
Vacant Units by Geography	726	0.0	0.0	21.1	78.9	0.0
Businesses by Geography	1,811	0.0	0.0	39.0	61.0	0.0
Farms by Geography	130	0.0	0.0	24.6	75.4	0.0
Family Distribution by Income Level	5,919	16.8	13.4	16.6	53.2	0.0
Household Distribution by Income Level	8,757	15.4	12.8	19.0	52.8	0.0
Median Family Income Non-MSAs - KY		\$61,700	Median Housing Value			\$163,272
Families Below Poverty Level		11.6%	Median Gross Rent			\$734

*Source: 2020 U.S. Census, 2022 D&B Data, and FFIEC. Due to rounding, totals may not equal 100.0%. *The NA category consists of geographies that have not been assigned an income designation.*

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. According to 2022 D&B Data, the AA contains 9,483 housing units. Of these, 69.7 percent (6,610) are owner-occupied, 22.6 percent (2,147) are occupied rentals, and 7.7 percent (726) are vacant. The AA does not include low- or moderate-income census tracts; therefore, the geographic distribution criterion would not result in meaningful conclusions.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of loans by Gross Annual Revenue (GAR) level. According to 2022 D&B data, there are 1,811 businesses operating in the AA. GARs for these businesses include 90.5 percent (1,638) with \$1 million or less, 2.2 percent (40) with more than \$1 million, and 7.3 percent (133) with unknown revenues. Approximately 89.0 percent of these businesses have GARs of less than \$500,000. In addition, 64.6 percent of area businesses have four or fewer employees and 93.7 percent operate from a single location. Service industries represent the largest portion of businesses at 32.2 percent, followed by non-classifiable establishments at 22.5 percent, and retail trade at 9.9 percent.

Examiners used the Federal Financial Institutions Examination Council (FFIEC) median family income estimates to analyze home mortgage loans under the Borrower Profile criterion. The following table shows the income ranges for the AA during the evaluation period.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021: \$52,600	<\$26,300	\$26,300 to <\$42,080	\$42,080 to <\$63,120	≥\$63,120
2022: \$61,700	<\$30,850	\$30,850 to <\$49,360	\$49,360 to <\$74,040	≥\$74,040

Source: FFIEC

Examiners considered unemployment data when evaluating the bank’s ability to lend in its AA. Data obtained from the U.S. Bureau of Labor and Statistics indicates the unemployment rates increased significantly in 2020, likely due to the economic impact of the COVID-19 pandemic. As illustrated in the table below, employment rates decreased in 2021 and continued to trend lower than national and state rates, indicating the potential for higher consumer borrowing capacity.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Anderson County	5.9	3.8	3.2
State Average	4.1	4.4	3.9
National Average	8.1	5.3	5.6

Source: Bureau of Labor Statistics

Competition

Century operates in a highly competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, four financial institutions operate six full-service branches in the AA. Of these institutions, Century ranks first with 45.4 percent of the deposit market share.

Although Century is not subject to Home Mortgage Disclosure Act (HMDA) or CRA data collection and reporting requirements, market share data provides a measure of the level of demand and competition for home mortgage and small business loans in the AA. Aggregate home mortgage lending data for 2022 reflects 138 lenders originated or purchased 842 home mortgage loans. The top three lenders account for approximately 28.6 percent of the total market share. Similarly, data for 2021 reflects 153 lenders originated or purchased 1,321 home mortgage loans. This indicates a high demand for home mortgages within the AA.

Aggregate small business lending data for 2021, the most recent year for which aggregate data is available, reflects 37 lenders originated or purchased 333 small business loans in the AA. This indicates moderate demand for small business loans within the AA.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit needs and opportunities, including the bank’s responsiveness to those needs.

Examiners contacted a local representative familiar with Anderson County’s housing market. The contact stated the local housing inventory is low, including affordable housing, and that high interest rates have further decreased the availability of affordable housing for certain borrowers.

The representative stated the area has seen very little new construction due to the increase in costs for material. However, there was a recent development of an apartment complex for government-subsidized housing. The contact identified affordable housing as a community need, and opined that local financial institutions are meeting this need. The contact also stated most borrowers are obtaining financing from mortgage companies rather than local financial institutions due to lower interest rates.

Examiners also contacted a representative familiar with economic development in the area. The representative indicated small business lending was a primary credit need and opined that local institutions were meeting that need.

Credit Needs

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined home mortgage, specifically affordable housing and small business lending represent the primary credit needs of the AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated January 5, 2018, to the current evaluation dated November 16, 2023. Examiners used the Small Institution CRA Examination Procedures to evaluate Century's performance, which includes the Lending Test, as detailed in the Appendix.

Activities Reviewed

Examiners identified home mortgage and small business lending as the primary product lines. Examiners considered the bank's business strategy, the number and dollar volume of loans originated during the evaluation period, loan portfolio composition, and AA credit needs. The bank's record of originating home mortgage loans contributed greater weight to the overall conclusions due to the larger volume when compared to small business lending. No other loan types such as consumer or small farm loans represent a major product line; therefore, they provide no material support for conclusions or rating, and examiners did not analyze them. Bank records indicate the lending focus and product mix remained consistent throughout the evaluation period.

Examiners analyzed the universe of home mortgage loans made between January 1, 2021, and December 31, 2022 for the Borrower Profile criterion. The bank originated 121 home mortgage loans totaling \$19.4 million in 2021 and 120 home mortgage loans totaling approximately \$24.0 million in 2022. The 2015 ACS data provided a standard of comparison for home mortgage loans originated in 2021; the 2020 U.S. Census data provided a standard of comparison for 2022 loans.

Examiners also analyzed the universe of small business loans originated between January 1, 2021, and December 31, 2022, for the Borrower Profile criterion. The bank originated or renewed 47 small business loans for \$7.2 million in 2021 and 34 small business loans for \$7.6 million in 2022. D&B data for 2021 and 2022 provided a standard of comparison for small business loans.

Although examiners analyzed and presented the number and dollar volume of home mortgage and small business loans, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals and small businesses served.

In evaluating the Borrower Profile criterion, only loans extended within the AA were considered.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, Century demonstrated poor performance under the Lending Test. The Assessment Area Concentration is the primary support for this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable given the bank’s size, financial condition, and AA credit needs. Century’s LTD ratio, calculated from Call Report data, averaged 84.8 percent over the last 23 calendar quarters from March 31, 2018, to September 30, 2023. The ratio ranged from a high of 97.8 percent as of September 30, 2018, to a low of 71.8 percent as of March 31, 2023. The bank’s average LTD ratio exceeds that of similarly situated institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and loan portfolio distribution.

LTD Ratio Comparison		
Bank	Total Assets as of 9/30/2023 (\$000s)	Average Net LTD Ratio (%)
Century Bank of Kentucky, Inc.	179,472	84.8
Similarly-Situated Institution #1	157,024	64.9
Similarly-Situated Institution #2	156,035	70.4
Similarly-Situated Institution #3	150,340	71.1
<i>Source: Call Reports 3/31/2018 – 9/30/2023</i>		

Assessment Area Concentration

The AA concentration criterion is the primary reason for the bank’s overall rating. As reflected in the table below, Century made a substantial majority of home mortgage loans, by number and dollar, outside the AA in 2021 and 2022. Additionally, in 2021, the bank made a majority of small business loans, by number, inside the AA, but made a majority by dollar outside the AA. In 2022, the bank made a majority of small business loans, by number, outside the AA, and made a substantial majority by dollar outside the AA.

Century’s home mortgage lending data reflects significant activity for non-owner occupied lending outside the AA. Examiners largely attribute this to the bank’s lending to borrowers for investment purposes, such as rental property. In addition to the loans depicted in the table, the bank facilitated 19 secondary market loans inside the AA in 2021 and 9 in 2022. While this activity does increase the percentage of loans inside the AA, the bank’s performance still reflects a substantial majority of home mortgage loans outside the AA.

Additionally, despite a majority of small business loans by number, on average, being inside the AA, the bank’s small business lending by number inside the AA decreased by approximately 10.3 percent from 2021 to 2022. Small business lending by dollar also decreased within the AA by approximately 21.1 percent from 2021 to 2022.

Loans outside the AA are not included in the Borrower Profile analyses because they do not impact the credit needs of the AA. Given the limited lending activity within the AA, performance under the Borrower Profile criteria received less weight in the conclusions and rating in this Performance Evaluation.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	21	17.4	100	82.6	121	3,069	15.9	16,284	84.1	19,353
2022	29	24.2	91	75.8	120	5,197	21.7	18,768	78.3	23,965
Subtotal	50	20.7	191	79.3	241	8,266	19.1	35,052	80.9	43,318
Small Business										
2021	27	57.4	20	42.6	47	3,255	45.1	3,956	54.9	7,211
2022	16	47.1	18	52.9	34	1,827	24.0	5,785	76.0	7,612
Subtotal	43	52.3	38	47.7	81	5,082	34.5	9,741	65.5	14,823
<i>Source: Bank Data. Due to rounding, totals may not equal 100.0%.</i>										

Geographic Distribution

Given that the AA contains no low- or moderate-income census tracts, analysis of this criterion would not result in meaningful conclusions. Therefore, examiners did not evaluate the Geographic Distribution performance criterion.

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. However, the significant volume of loans outside the AA effects the Borrower Profile performance. As noted above, performance in this criterion received less weight in the overall rating given that the analysis includes only loans originated in the AA. Examiners focused on the percentage of home mortgage loans to LMI borrowers and the percentage of small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is reasonable. The following table displays Century’s lending distribution by borrower income level for home mortgage loans extended within the AA.

In 2021, the bank originated two home mortgage loans to low-income borrowers, which is in line with demographics. In 2022, the number of families designated as low-income increased from 9.8 to 16.8 percent. The bank's lending to low-income borrowers also increased in 2022, although the bank's performance is lower than the demographics. According to demographic data, approximately 6.7 and 11.6 percent of families in the area reported income levels below the poverty level in 2021 and 2022, respectively. Due to their limited financial resources, families with incomes below the poverty level often do not have the capacity to support traditional home mortgage loans. This limits the demand and opportunity for the bank to lend to low-income borrowers. Considering this information, the bank's lending to low-income borrowers is reasonable.

Century's lending to moderate-income borrowers is slightly above demographics in 2021 and falls below demographics in 2022. In addition to the loans reflected in the table below, the bank helped facilitate two secondary market loans to moderate-income borrowers in the AA in 2022 and none to LMI borrowers in 2021. Considering this information and the bank's performance to low-income borrowers, examiners consider the bank's overall performance to LMI borrowers to be reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2022	16.8	4	13.8	2,202	42.4
2021	9.8	2	9.5	231	7.5
Moderate					
2022	13.4	1	3.5	15	0.3
2021	13.8	3	14.3	576	18.8
Middle					
2022	16.6	5	17.2	710	13.7
2021	16.7	4	19.1	614	20.0
Upper					
2022	53.2	16	55.2	1,794	34.5
2021	59.6	7	33.3	1,097	35.8
Not Available					
2022	0.0	3	10.3	476	9.2
2021	0.0	5	23.8	551	17.9
Totals					
2022	100.0	29	100.0	5,197	100.0
2021	100.0	21	100.0	3,069	100.0
<i>Source: 2020 U.S. Census, 2015 ACS, Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>					

Small Business Loans

The distribution of small business loans reflects reasonable penetration of businesses with GARs of \$1 million or less. The following table shows that in 2021, the bank originated 88.9 percent of loans to businesses with GARs of \$1 million or less, which is in line with demographics. In 2022, the bank's performance was lower than demographics. However, given that the performance

among business with GARs of \$1 million or less in 2021 was on par with demographics, examiners determined that overall performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000					
2022	90.4	13	81.3	1,317	72.1
2021	89.5	24	88.9	2,829	86.9
>\$1,000,000					
2022	2.2	2	12.5	500	27.4
2021	2.7	3	11.1	426	13.1
Revenue Not Available					
2022	7.3	1	6.2	10	0.5
2021	7.9	0	0.0	0	0.0
Totals					
2022	100.0	16	100.0	1,827	100.0
2021	100.0	27	100.0	3,255	100.0
<i>Source: 2021 & 2022 D&B Data, Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>					

Response to Complaints

Century did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

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 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.