PUBLIC DISCLOSURE

September 23, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Park Bank
Certificate Number: 19608

2401 S Park St
Madison, Wisconsin 53713

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

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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 **Satisfactory.**

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage and small business loans in the assessment area.
- The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment area.
- The distribution of loans to 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 Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

DESCRIPTION OF INSTITUTION

The Park Bank is a full-service commercial bank headquartered in Madison, Wisconsin, and operates in the south-central region of Dane County. The bank remains a wholly owned subsidiary of Park Bancorporation, Inc., a one-bank holding company, also located in Madison, Wisconsin. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated September 7, 2021, based on Intermediate Small Institution Examination Procedures.

The Park Bank operates from its corporate support center in Madison and nine branches in Cross Plains, Madison (five), Middleton, Sun Prairie, and Verona. The corporate support center and two Madison branches are located in moderate-income census tracts, and five additional branches are located in close proximity to the low- and moderate-income census

tracts. Eight branches have Saturday hours and deposit-taking ATMs or video tellers, six have drive-thru accessibility, and one has an ATM that does not take deposits. Since the previous evaluation, the bank opened one branch in Cross Plains in a middle-income census tract in November 2023. No branches were closed, and no merger or acquisition activities occurred during the evaluation period.

The bank offers loan products including home mortgage, commercial, and consumer loans, primarily focusing on home mortgage and commercial lending. The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit, with some deposit accounts that are specifically for nonprofit organizations. Alternative banking services include internet, telephone, and mobile banking services, including mobile deposit, online deposit account opening, online loan applications, and electronic bill pay services.

Additionally, there are 25 bilingual employees available to assist customers with loan transactions, deposit services, teller operations, customer service, personal banking, and loan servicing. The bank maintains a list of individuals with bilingual skills for easy identification of these employees.

Assets totaled $1.5 billion as of June 30, 2024, which includes total loans of $1.3 billion, total securities of $129.9 million, and total equity capital of $134.9 million. Total assets increased $231.0 million, or 18.4 percent, since June 30, 2021. Total loans increased $250.1 million, or 23.8 percent, and securities increased $31.0 million, or 31.3 percent, over the same time period. Residential and commercial loans represent the largest concentrations of the bank's lending activity. The following table shows that loans secured by 1-4 family and multifamily (5 or more) residential properties make up 39.0 percent of the loan portfolio, which is an increase from 25.1 percent of the portfolio on June 30, 2021. Loans secured by non-farm non-residential properties (commercial real estate) and commercial and industrial loans make up 46.5 percent of the loan portfolio, which is a decrease from 63.5 percent of the portfolio on June 30, 2021. This change in the composition of the loan portfolio is primarily the result of the bank's participation in the Paycheck Protection Program administered through the Small Business Administration in 2020 and 2021. This program temporarily increased unsecured commercial loans at the prior evaluation. These loans have been paid and are no longer part of the loan portfolio.

The bank originates the majority of home mortgage loans in the secondary market, which are not included in the following table. Home mortgage loans sold in the secondary market equal $38.5 million (143 loans) in the last four months of 2021, $40.7 million (146 loans) in 2022, $49.0 million (145 loans) in 2023, and $33.7 million (87 loans) in the first seven months of 2024.

Loan Portfolio Distribution as of 6/30/24		
Loan Category	**$(000s)**	**%**
Construction and Land Development	162,694	12.5
Secured by Farmland	228	0.0
Secured by 1-4 Family Residential Properties	283,114	21.8
Secured by Multifamily (5 or more) Residential Properties	223,569	17.2
Secured by Non-farm Non-residential Properties	525,532	40.5
Total Real Estate Loans	**1,195,137**	**92.0**
Commercial and Industrial Loans	78,058	6.0
Agricultural Loans	0	0.0
Consumer Loans	9,173	0.7
Obligations of State and Political Subdivisions in the U.S.	996	0.1
Other Loans	16,122	1.2
Less: Unearned Income	535	0.0
Total Loans	**1,298,951**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. The Park Bank designated a single assessment area in the Madison Metropolitan Statistical Area (MSA). The assessment area has not changed since the prior evaluation. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude any low- or moderate-income geographies. The following sections discuss economic and demographic information for the assessment area.

Economic and Demographic Data

The assessment area includes all census tracts in Dane County. The number of census tracts based on the 2015 American Community Survey (ACS) five-year estimates is 107 and is broken down as follows:

- 4 low-income census tracts,
- 17 moderate-income census tracts,
- 51 middle-income census tracts,
- 29 upper-income census tracts, and
- 6 census tracts with no income designation.

The number of census tracts based on the 2020 U.S. Census is 125, an increase of 18 census tracts including one additional low-income and one additional moderate-income. Census tract income classifications are as follows:

- 5 low-income census tracts,

- 18 moderate-income census tracts,
- 61 middle-income census tracts,
- 34 upper-income census tracts, and
- 7 census tracts with no income designation.

The low- and moderate-income census tracts are primarily located on the south and east sides of Madison and adjacent suburbs. In addition, the assessment area contains several tax increment financing (TIF) districts. These areas are targeted for economic development, revitalization and stabilization, and other community improvement projects. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	125	4.0	14.4	48.8	27.2	5.6
Population by Geography	561,504	4.0	12.8	51.0	28.0	4.1
Housing Units by Geography	236,202	3.7	14.5	52.1	26.7	2.9
Owner-Occupied Units by Geography	133,695	0.9	10.2	57.8	31.0	0.2
Occupied Rental Units by Geography	92,905	7.3	20.7	44.3	21.1	6.6
Vacant Units by Geography	9,602	8.7	15.5	47.5	22.7	5.5
Businesses by Geography	63,583	4.9	12.5	50.1	29.3	3.3
Farms by Geography	2,352	1.7	5.9	66.2	25.6	0.6
Family Distribution by Income Level	125,826	17.1	17.9	23.3	41.7	0.0
Household Distribution by Income Level	226,600	22.0	16.9	18.6	42.5	0.0
Median Family Income MSA - 31540 Madison, WI MSA		$97,334	Median Housing Value			$274,332
			Median Gross Rent			$1,131
			Families Below Poverty Level			5.0%

Sources: 2020 U.S. Census and 2023 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 Park Bank's corporate support center and five branches are located in the City of Madison, and an additional four branches are located in Dane County. According to the U.S. Census Bureau website for 2020, the population estimates for the bank office locations are 4,104 residents in Cross Plains; 269,840 residents in Madison; 21,827 residents in Middleton; 35,967 residents in Sun Prairie; and 14,030 residents in Verona. Dane County is the second-most populous county in Wisconsin with 561,504 residents.

There are 236,202 housing units in the assessment area, with 56.6 percent owner-occupied, 39.3 percent occupied rental, and 4.1 percent vacant. Type of housing is 68.4 percent 1-4 family, 30.7

percent multifamily (five or more units), and 0.9 percent mobile homes. This data provides insight into the potential credit needs and opportunities for various types of residential lending.

The median home sales price increased during the evaluation period in the assessment area and statewide while the number of home sales declined, as shown in the following table. The median home sales price in Dane County is significantly higher year-after-year than the median sales price in the State of Wisconsin. This information indicates that housing affordability may be challenging for low- and moderate-income individuals.

Year	Dane County # of Home Sales	Dane County Median Sales Price	Wisconsin # of Home Sales	Wisconsin Median Sales Price
2021	9,007	351,000	91,232	241,000
2022	7,674	385,000	78,002	265,000
2023	6,167	410,000	64,510	285,000
2024*	5,024	445,394	50,190	310,000
*Source: Wisconsin Realtors Association; *1/1/24 to 9/30/24*				

Examiners rely on the Federal Financial Institution Examination Council (FFIEC)-estimated median family income levels to analyze the home mortgage loans under the Borrower Profile criterion. The FFIEC bases its annual estimates on the most recent U.S. Census or ACS data, and factors in inflation and other economic variables to arrive at a median family income that more closely reflects current economic conditions. The following table presents the low-, moderate-, middle-, and upper-income levels for the Madison MSA.

Median Family Income Ranges in the Madison MSA				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
2021 ($99,000)	<$49,500	$49,500 to <$79,200	$79,200 to <$118,800	≥$118,800
2022 ($111,800)	<$55,900	$55,900 to <$89,440	$89,440 to <$134,160	≥$134,160
2023 ($117,100)	<$58,550	$58,550 to <$93,680	$93,680 to <$140,520	≥$140,520
Source: FFIEC				

Data obtained from the U.S. Bureau of Labor Statistics indicates that the August 2024 unemployment rate was 2.1 percent for Dane County. The highest unemployment rate during the evaluation period was 2.8 percent in June 2023, and the lowest unemployment rate was 1.6 percent in December 2022.

According to 2023 D&B data, there were 63,583 businesses. Gross annual revenues for these businesses are as follows:

- 88.0 percent have $1 million or less,
- 3.7 percent have more than $1 million, and
- 8.3 percent have revenues that were not reported.

Excluding the 5,280 businesses with revenues that were not reported, the 55,942 businesses with revenues of $1 million or less is 96.0 percent and the 2,361 businesses with revenues more than $1 million is 4.0 percent. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by revenue level.

According to February 2024 economic information from Moody's Analytics, the Madison WI MSA is in the business cycle of being at risk. Economic drivers are the State capital, high tech, and financial services. Strengths of the Madison WI MSA include the presence of the University of Wisconsin-Madison and the well-educated workforce, the large and growing tech cluster, and the high per capita income and quality of life. Weaknesses include the costs of living that are higher than other Wisconsin metropolitan areas and the low industrial diversity.

Both University of Wisconsin-Madison and UW Health have over 15,000 employees. Epic Systems Corporation is the largest private sector employer with over 10,000 employees. The company is expanding its Madison footprint as it looks to grow its workforce by more than 10 percent in coming years. UW-Madison is expanding its engineering and technology programs, which will facilitate sourcing talent for Epic and other employers. The largest employment sectors are government (21.6 percent), professional and business services (12.8 percent), education and health services (12.5 percent), manufacturing (9.4 percent), and retail trade (9.0 percent).

Competition

The assessment area is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, there were 32 financial institutions that operate 127 full-service branches within the bank's assessment area. The Park Bank ranked 9th with 4.8 percent of the $24.3 billion in total deposits. Three of the top eight financial institutions in the assessment area are community banks. The other top-ranked banks have a regional or nationwide presence.

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders in the market. In 2023, 318 lenders originated or purchased 15,028 home mortgage loans in the assessment area, and 119 lenders reported 1,623 loans in the low- and moderate-income census tracts in the assessment area. The Park Bank ranked 6th with 2.1 percent market share in the assessment area and ranked 8th with 1.5 percent market share in the low- and moderate-income census tracts. Summit Credit Union and UW Credit Union are the two most prominent home mortgage lenders, accounting for 55.2 percent market share in the assessment area and 54.3 percent market share in the low- and moderate-income census tracts.

The bank is not required to collect or report its small business loan data. Therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. However, the aggregate data reflects the level of demand for small business loans and is therefore included here. Aggregate data for 2022 shows that 94 institutions reported 9,918 small business loans in the assessment area, indicating a moderate degree of competition for this product. The top five lenders are nationwide credit card lenders with average loan sizes of $6,000 to $17,000 and account for 71.3 percent market share. Aggregate data for 2023 is not available at this time.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs and opportunities. This information helps determine whether local financial institutions are responsive to these needs. Examiners reviewed a recently completed community contact with a representative of a municipal organization serving Dane County.

The contact stated that the need for affordable housing is great due to increasing home values in Dane County. In addition, the construction of affordable housing is low. Both issues have made homeownership difficult for low- and moderate-income individuals. The County has had success with TIF districts to support economic development and housing projects. The contact stated that opportunities exist for financial institutions to offer various home loan programs including down-payment assistance programs, lower down payment requirements, and flexible underwriting standards. The contact also stated there is a need for start-up financing for new small businesses.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and economic and demographic data, examiners determined that community development needs for affordable housing, as well as credit needs for home mortgage loans, represent the primary assessment area needs and opportunities. The significant number of low- and moderate-income individuals (35.0 percent) supports this conclusion.

Furthermore, small business loans, particularly those for start-up businesses, are in high demand. The significant percentage of businesses with revenues of $1 million or less (96.0 percent of those reporting income in 2023) and the large number of businesses with four or fewer employees (61.0 percent in 2023) support this conclusion.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated September 7, 2021, to the current evaluation dated September 23, 2024. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate The Park Bank's CRA performance. These procedures include two tests: the Lending Test and the Community Development Test, as detailed in the Appendix. Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. This evaluation does not include any lending activities performed by affiliates.

Examiners relied on the ACS estimates that are updated every five years when considering census demographics throughout this evaluation. For 2021, bank performance was evaluated relative to 2015 ACS data, which was released in 2017 and reflects data collected from 2011 through 2015. For 2022 and 2023, bank performance was evaluated relative to a combination of the 2020 U.S. Census data and the 2020 ACS data. In addition, examiners relied upon records provided by the

bank, D&B business demographic data, community contacts, and loan information reported under the Home Mortgage Disclosure Act (HMDA) and the CRA. The Park Bank's CRA performance was analyzed in relation to the bank's performance context, which includes (but is not limited to) bank size and structure, financial condition, loan mix, resources, limitations, assessment area demographics, economic factors, competition, loan demand, and available opportunities. Examiners used information obtained from a community contact interview to help establish the performance context for this CRA evaluation. The community contact interviewee is a representative in the assessment area and is not affiliated with the bank.

Activities Reviewed

The CRA evaluation is based upon a review of home mortgage and small business loans. These loan products are the primary business focus of the bank. Consumer installment and agricultural loans are not a business focus of the bank, comprise a small portion of the loan portfolio, and were not considered in this evaluation. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Please refer to the Glossary for definitions of the loan products.

The bank is required to collect and report home mortgage loan data pursuant to the requirements of HMDA. Examiners reviewed the universe of home mortgage loans reported under HMDA, which included 877 loans totaling $428.9 million in 2021, 545 loans totaling $251.0 million in 2022, and 399 loans totaling $171.4 million in 2023.

Examiners reviewed small business loans originated from January 1, 2022, through December 31, 2023, as this activity was representative of the entire evaluation period. Examiners reviewed the universe of these loans under the Assessment Area Concentration and Geographic Distribution sections, as there was sufficient, valid, and readily available geocoding information. The bank does not collect or report revenue data for their small business loans; therefore, examiners reviewed a random sample of small business loans for the Borrower Profile section. The below table contains details of the small business loans and selected samples. Examiners used a 10 percent precision level when determining sample size.

Small Business Loans Reviewed						
	Small Business Loan Universe		Small Business Loan Sample		Small Business Loan Sample in the Assessment Area for Borrower Profile	
Year	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2022	189	35,933	51	8,820	40	6,691
2023	175	36,394	51	11,330	44	10,802
Total	364	72,327	102	20,150	84	17,493
Source: Bank Records						

When determining the Lending Test rating, examiners gave greater weight to the performance in home mortgage loans due to the greater number and dollar volume of loans. Examiners gave more weight to the borrower profile and the geographic distribution of loans than loan-to-deposit ratio and assessment area concentration. These two factors are more important because they most directly identify how well the bank serves the traditionally underserved segments of the population

(including low- and moderate-income individuals and geographies, and small businesses). Aggregate and demographic data are used as measures of comparison with more weight generally given to aggregate data. Examiners reviewed the number and dollar volume of loans. 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 people and businesses served.

When determining the Community Development Test rating, examiners evaluated the bank's community development loans, qualified investments, and community development services in the context of available bank resources and opportunities in the assessment area. Community development loans, investments, and services since the prior evaluation dated September 7, 2021, through the current evaluation dated September 23, 2024, were reviewed and are included in this evaluation. Investments made before the prior evaluation that remain outstanding as of the current evaluation date are included as prior period investments at the current book values.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

A "Satisfactory" rating is assigned under the Lending Test. The Park Bank demonstrated reasonable performance under Assessment Area Concentration, Geographic Distribution, and Borrower Profile, and excellent performance under Loan-to-Deposit Ratio.

Loan-to-Deposit Ratio

The Park Bank's loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The average net loan-to-deposit ratio is 103.3 percent, based on Call Report data for the 12 quarters from September 30, 2021, to June 30, 2024. The ratio varied from a low of 91.4 percent as of December 31, 2021, to a high of 113.0 percent as of March 31, 2024.

Examiners evaluated The Park Bank's average net loan-to-deposit ratio by comparing it to six similarly situated banks. Examiners selected the similarly situated banks based on asset size, geographic location, and lending focus. The following table shows that The Park Bank's average net loan-to-deposit ratio exceeds the ratios of the similarly situated banks. Loans sold in the secondary market are not considered in the loan-to-deposit ratios.

Bank	Total Assets ($000s)	Average Net Loan-to-Deposit Ratio (%)
The Park Bank, Madison, WI	**1,488,383**	**103.3**
Lake Ridge Bank, Cross Plains, WI	2,978,900	90.8
Oak Bank, Fitchburg, WI	474,986	87.7
Capitol Bank, Madison, WI	594,408	92.5
Bank of Sun Prairie, Sun Prairie, WI	748,434	103.0
Farmers and Merchants Union Bank, Columbus, WI	504,083	82.3
The Bank of New Glarus, New Glarus, WI	728,724	79.6
Source: Reports of Condition and Income 9/30/2021 - 6/30/2024		

Assessment Area Concentration

The Park Bank made a majority of home mortgage and small business loans within the assessment area as reflected in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$(000)**	**%**	**$(000)**	**%**	**$(000)**
Home Mortgage										
2021	719	82.0	158	18.0	877	384,409	89.6	44,521	10.4	428,930
2022	454	83.3	91	16.7	545	221,507	88.2	29,497	11.8	251,004
2023	321	80.5	78	19.5	399	134,246	78.3	37,155	21.7	171,401
Subtotal	1,494	82.0	327	18.0	1,821	740,162	86.9	111,173	13.1	851,335
Small Business										
2022	159	84.1	30	15.9	189	31,232	86.9	4,701	13.1	35,933
2023	150	85.7	25	14.3	175	32,204	88.5	4,190	11.5	36,394
Subtotal	309	84.9	55	15.1	364	63,436	87.7	8,891	12.3	72,327
Source: Bank Data. Due to rounding, totals may not equal 100.0%.										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts. The Park Bank's branch distribution is well positioned to serve the low- and moderate-income census tracts. The Park Bank's corporate support center and two Madison branches are located in moderate-income census tracts. The Middleton branch and another Madison branch are adjacent to moderate-income census tracts. The Sun Prairie branch and the remaining two Madison branches are located in close proximity to moderate-income census tracts.

Home Mortgage

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank's performance in 2021 exceeds or matches both aggregate and demographic data in the low- and moderate-income census tracts. Although the bank's performance declined in 2022 and 2023, the performance for the evaluation period overall compares reasonably well with aggregate and demographic data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	0.8	0.8	12	1.7	3,246	0.8
2022	0.9	0.7	3	0.7	679	0.3
2023	0.9	0.7	1	0.3	165	0.1
Moderate						
2021	8.8	8.2	63	8.8	89,066	23.2
2022	10.2	9.9	36	7.9	23,270	10.5
2023	10.2	10.1	23	7.2	6,562	4.9
Middle						
2021	57.5	55.5	305	42.4	108,056	28.1
2022	57.8	57.6	206	45.4	57,956	26.2
2023	57.8	57.6	159	49.5	73,295	54.6
Upper						
2021	32.9	35.4	339	47.1	184,042	47.9
2022	31.0	31.5	208	45.8	139,455	63.0
2023	31.0	31.4	138	43.0	54,225	40.4
Not Available						
2021	0.0	0.1	0	0.0	0	0.0
2022	0.2	0.3	1	0.2	147	0.1
2023	0.2	0.3	0	0.0	0	0.0
Totals						
2021	**100.0**	**100.0**	**719**	**100.0**	**384,409**	**100.0**
2022	**100.0**	**100.0**	**454**	**100.0**	**221,507**	**100.0**
2023	**100.0**	**100.0**	**321**	**100.0**	**134,246**	**100.0**

Sources: 2015 ACS; 2020 U.S. Census; Bank Data; 2021, 2022, & 2023 HMDA Aggregate Data; "--" data not available.
Due to rounding, totals may not equal 100.0%.

Small Business

The geographic distribution of small business loans reflects reasonable dispersion. The bank's performance in the low-income census tracts is line with demographic data in both 2022 and 2023. Aggregate data is not shown in the table due to the bank not reporting small business data. However, the bank's performance is in line with aggregate data of 4.5 percent in 2022. Aggregate data for 2023 is not available.

For moderate-income census tracts, the bank's performance of 40.3 percent in 2022 includes 55 of the 64 loans to one business. An automobile leasing company leases vehicles to businesses with one loan for each vehicle being leased. If these 55 loans were considered to be one loan, then the percentage would be 9.5 percent, and more in line with demographic data. Aggregate data for 2022 is 11.4 percent. The bank's performance in 2022 and 2023 is in line with demographic data and is reflective of reasonable performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2022	5.1	7	4.4	2,098	6.7
2023	4.8	8	5.3	1,438	4.5
Moderate					
2022	12.5	64	40.3	5,525	17.7
2023	12.5	16	10.7	3,387	10.5
Middle					
2022	50.3	52	32.7	12,761	40.9
2023	50.1	75	50.0	10,701	33.2
Upper					
2022	28.5	32	20.1	9,355	29.9
2023	29.3	43	28.7	14,511	45.1
Not Available					
2022	3.6	4	2.5	1,493	4.8
2023	3.3	8	5.3	2,167	6.7
Totals					
2022	**100.0**	159	100.0	31,232	100.0
2023	**100.0**	150	100.0	32,204	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; "--" data not available. *Due to rounding, totals may not equal 100.0%.*					

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's reasonable

performance of home mortgage loans supports this conclusion. Examiners placed less weight on the poor performance of small business loans due to the lower number and dollar volume of this loan product. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. They also focused on the percentage by number of small business loans to businesses with revenues of $1 million or less.

Home Mortgage

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. For low-income individuals in all three years, the bank's performance is significantly below the percentage of families that are low-income. A low-income family with an income of $58,550 in 2023 would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing sales price of $410,000 in Dane County in 2023. Therefore, the demand and opportunity for lending to low-income families are relatively limited. For this reason, more emphasis is given to the comparison with aggregate data. Performance dips in 2022; however, it improves in 2023 and is comparable to aggregate data.

Although bank performance to low- and moderate-income individuals is below aggregate and demographic data, this performance is within an acceptable range and is reflective of reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	19.1	6.9	48	6.7	7,703	2.0
2022	17.1	8.2	22	4.8	3,319	1.5
2023	17.1	6.6	19	5.9	2,726	2.0
Moderate						
2021	16.6	19.9	107	14.9	20,915	5.4
2022	17.9	20.0	79	17.4	12,890	5.8
2023	17.9	18.9	42	13.1	7,551	5.6
Middle						
2021	22.6	25.0	131	18.2	34,655	9.0
2022	23.3	25.9	67	14.8	13,952	6.3
2023	23.3	26.3	54	16.8	12,955	9.7
Upper						
2021	41.7	39.5	345	48.0	135,510	35.3
2022	41.7	38.2	211	46.5	82,709	37.3
2023	41.7	40.8	176	54.8	73,447	54.7
Not Available						
2021	0.0	8.7	88	12.2	185,626	48.3
2022	0.0	7.8	75	16.5	108,636	49.0
2023	0.0	7.4	30	9.3	37,568	28.0
Totals						
2021	**100.0**	**100.0**	**719**	**100.0**	**384,409**	**100.0**
2022	**100.0**	**100.0**	**454**	**100.0**	**221,507**	**100.0**
2023	**100.0**	**100.0**	**321**	**100.0**	**134,246**	**100.0**

Sources: 2015 ACS; 2020 U.S. Census; Bank Data; 2021, 2022 & 2023 HMDA Aggregate Data; "--" data not available.
Due to rounding, totals may not equal 100.0%.

Small Business

The distribution of small business loans reflects poor penetration of loans to businesses with revenues of $1 million or less. As shown in the following table, the bank's performance significantly trails the percentage of businesses with revenues of $1 million or less. Of the 33 loans to businesses with revenues over $1 million in 2022, 17 loans are to one business. An automobile leasing company leases vehicles to businesses with one loan for each vehicle being leased. When adjusting the analysis to consider these 17 loans as one loan, the bank's performance as a percentage of the total improves. Specifically, the bank's performance to businesses with revenues

of $1 million or less would be 29.2 percent, which is in line with 2023 performance. Still, this performance trails demographic data.

Although not a direct comparator and not reflected in the table, aggregate data for reported loans to businesses with revenues of $1 million or less equaled 53.6 percent in 2022. Since 2023 aggregate data is not available at this time, examiners compared the bank's performance with similarly situated banks that have designated an MSA portion of Wisconsin as one of their assessment areas. This comparison assists in establishing a standard of demand for small business loans. Examiners selected 11 banks for comparison with lending to small businesses in 2023. The similarly situated banks respective performance ranged from 40.0 percent to 77.9 percent, with more than half of these institutions exceeding 65.0 percent. Performance was poor for the two banks at the low end, and adequate for the other nine banks. The bank's performance, at 29.5 percent, is significantly below the performance of all 11 banks.

The Park Bank's performance to businesses with revenues of $1 million or less is significantly below demographic data, aggregate data, and similarly situated banks' performance, and is reflective of poor performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2022	85.8	7	17.5	1,311	19.6
2023	88.0	13	29.5	3,631	33.6
>$1,000,000					
2022	4.7	33	82.5	5,380	80.4
2023	3.7	31	70.5	7,171	66.4
Revenue Not Available					
2022	9.5	0	0.0	0	0.0
2023	8.3	0	0.0	0	0.0
Totals					
2022	**100.0**	40	100.0	6,691	100.0
2023	**100.0**	44	100.0	10,802	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; "--" data not available. *Due to rounding, totals may not equal 100.0%.*					

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

A "Satisfactory" rating is assigned under the Community Development Test. The Park Bank demonstrated adequate responsiveness to the community development needs and opportunities of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities. The community development performance is consistent with the performance of other similarly situated banks in Wisconsin that were evaluated under the Interagency Intermediate Small Institution Examination Procedures and that were assigned Satisfactory ratings under the Community Development Test. In addition to the quantitative consideration given to the volume of activities, examiners gave qualitative consideration to the impact that these activities have on the community and how the activities meet the needs in the assessment area.

Community Development Loans

The Park Bank originated or renewed 48 community development loans totaling $75.9 million during the evaluation period, which includes four loans for $50.3 million in the broader statewide or regional area. The total level of activity ($75.9 million) represents 5.4 percent of average assets and 6.4 percent of average net loans in the 12 quarters since the prior evaluation. Examiners considered community development loans in the broader statewide or regional area because The Park Bank has been responsive to the community development needs and opportunities in the assessment area. The Park Bank had a higher level of community development loan activity at the prior evaluation with $87.7 million that equated to 7.0 percent of total assets and 8.5 percent of net loans.

Examiners compared The Park Bank's performance with 11 similarly situated banks in Wisconsin that were assessed during the evaluation period under Interagency Intermediate Small Institution Examination Procedures. Five similarly situated banks that received an Outstanding rating in the Community Development Test ranged from 7.6 to 21.6 percent of average assets and 11.4 to 29.4 percent of average net loans. Six similarly situated banks that received a Satisfactory rating in the Community Development Test ranged from 3.0 to 37.8 percent of average assets and 4.3 to 31.7 percent of average net loans. The Park Bank's performance exceeds the performance of 3 of the 11 similarly situated banks and is within the ranges for the latter group of six similarly situated banks receiving a Satisfactory rating in the Community Development Test.

Community development loans include loans in all four categories. The affordable housing category consists of 18 loans totaling $15.7 million for projects where a majority of the housing units have rents that are below the fair market rents for Dane County. These loans demonstrate the bank's responsiveness to the affordable housing needs identified by a community contact. The community service category consists of 24 loans totaling $11.0 million for loans to non-profit organizations that provide services that benefit low- and moderate-income individuals. The economic development category includes three loans for $1.5 million to small businesses that have created permanent jobs in Dane County. Lastly, the revitalization and stabilization category includes three loans for $47.6 million for projects located in low- and moderate-income census tracts within TIF districts. The following table illustrates the bank's community development lending activity by year and purpose.

Community Development Loans										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2021*	2	2,447	1	920	-	-	2	46,625	**5**	**49,992**
2022	8	7,576	11	6,715	2	1,525	1	1,000	**22**	**16,816**
2023	8	5,634	8	3,057	1	19	-	-	**17**	**8,710**
2024**	-	-	4	345	-	-	-	-	**4**	**345**
Total	**18**	**15,657**	**24**	**11,037**	**3**	**1,544**	**3**	**47,625**	**48**	**75,863**
*Source: Bank Data; *September 7 to December 31; **January 1 to September 23* *Includes four loans for $50.3 million in the broader statewide or regional area since the bank has been responsive to the assessment area*										

Notable examples of the bank's community development loans are highlighted below.

- The Park Bank was the lead bank, along with two participating minority-owned banks, in a $45.0 million loan to construct a hotel in a low-income census tract within a TIF district in downtown Milwaukee. This loan helps to revitalize and stabilize that area. This loan makes up 59.3 percent of the dollar volume of total community development loans.
- The bank provided a $415.0 thousand loan for a new office for an organization that assists homeless children and their families find affordable stable housing in Madison.
- The bank made a $1.5 million loan for the expansion of a small business in a moderate-income census tract in Madison. This small business is in the process of hiring additional employees to support their programs.
- The bank made a $2.0 million loan in 2022 to construct a car wash in four locations that are located in or border moderate-income census tracts. The car wash business is providing permanent jobs and increasing services in these four locations. This loan was also renewed in 2023.

Qualified Investments

The Park Bank made 126 qualified investments totaling $6.3 million during the evaluation period. This level of activity represents 0.5 percent of average assets, 4.7 percent of average equity capital, and 5.1 percent of average securities in the 12 quarters since the prior evaluation. Examiners considered qualified investments in the broader statewide or regional area because The Park Bank has been responsive to the community development needs and opportunities in the assessment area. The Park Bank had a similar level of investment activity at the prior evaluation with $7.0 million that equated to 0.6 percent of total assets, 5.5 percent of total equity capital, and 7.1 percent of total securities.

Examiners compared The Park Bank's performance with 11 similarly situated banks in Wisconsin that were assessed during the evaluation period under Interagency Intermediate Small Institution Examination Procedures. Five similarly situated banks that received an Outstanding rating in the Community Development Test ranged from 0.0 to 2.0 percent of average assets, 0.5 to 21.6 percent of average equity capital, and 0.6 to 28.2 percent of average securities. Six similarly situated banks that received a Satisfactory rating in the Community Development Test ranged from 0.0 to 2.1 percent of average assets, 0.0 to 24.4 percent of average equity capital, and 0.0 to 10.2 percent of

average securities. Two of the banks in this comparison had low levels of investment activity, which were supplemented by particularly high levels of community development lending. The Park Bank's performance compares closest to the similarly situated bank with 0.7 percent of average assets, 6.6 percent of average equity capital, and 10.2 percent of average securities and the similarly situated bank with 0.6 percent of average assets, 4.9 percent of average equity capital, and 1.3 percent of average securities. These two banks received Satisfactory ratings in the Community Development Test.

Qualified investments primarily consist of affordable housing investments, which make up 78.5 percent of the dollar volume of total qualified investments. These investments demonstrate the bank's responsiveness to the affordable housing needs identified by a community contact. The following table illustrates the bank's qualified investments by year and purpose.

Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	5	3,419	-	-	-	-	-	-	**5**	**3,419**
2021*	-	-	-	-	1	100	-	-	**1**	**100**
2022	1	1,000	-	-	1	100	-	-	**2**	**1,100**
2023	-	-	-	-	1	100	-	-	**1**	**100**
2024**	1	500	-	-	1	600	-	-	**2**	**1,100**
Subtotal	**7**	**4,919**	**-**	**-**	**4**	**900**	**-**	**-**	**11**	**5,819**
Qualified Grants & Donations	3	50	83	234	23	70	6	155	**115**	**509**
Total	**10**	**4,969**	**83**	**234**	**27**	**970**	**6**	**155**	**126**	**6,328**
*Source: Bank Data; *September 7 to December 31; **January 1 to September 23*										

Notable examples of the bank's qualified investments are highlighted below.

- Prior period investments include four mortgage-backed securities totaling $2.5 million with the underlying home mortgage loans to low- and moderate-income borrowers in Dane County.
- One prior period investment for $913.1 thousand is a fund that provides affordable housing units for tenants with gross annual household income from 40 to 80 percent of area median income. The goal of this fund is to increase housing units for the workforce of Dane County. The bank made another investment in this fund in 2024 for $500.0 thousand.
- The bank invested $1.0 million in an equity fund created to invest in communities that provide federal low-income housing tax credits to corporate investors.
- The four investments in the economic development category for $900.0 thousand are investments in a community development financial institution (CDFI) that supports projects and programs that focus on affordable housing, job creation, economic development, and basic social services. The CDFI provides low-cost financing and expert advisory services to non-profit organizations serving the most disadvantaged communities.

Community Development Services

Bank representatives (bank officers, employees, and board members) provided 82 community development services to various community development-related organizations during the evaluation period. This level of performance is down from the 105 services provided during the prior evaluation period. Bank management supports employee involvement with various non-profit organizations by providing paid time-off to conduct these activities as a representative of the bank.

Examiners compared The Park Bank's performance with 11 similarly situated banks in Wisconsin that were assessed during the evaluation period under Interagency Intermediate Small Institution Examination Procedures. Five similarly situated banks that received an Outstanding rating in the Community Development Test ranged from 80 to 160 services. Six similarly situated banks that received a Satisfactory rating in the Community Development Test ranged from 8 to 44 services. The Park Bank's performance with 82 services exceeds the performance of 7 of the 11 banks.

The following two tables illustrate the bank's community development services by year and purpose, first by number of activities and second by number of hours spent on those activities. Recurring activities as president, treasurer, board member, or committee member of the qualifying organization are counted as one activity per year.

Community Development Services by Activities					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
2021*	2	16	-	-	**18**
2022	3	29	6	-	**38**
2023	4	8	3	-	**15**
2024**	1	8	2	-	**11**
Total	**10**	**61**	**11**	**-**	**82**
*Source: Bank Data; *September 7 to December 31; **January 1 to September 23*					

Community Development Services by Hours					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
2021*	14	197	-	-	**211**
2022	14	485	75	-	**574**
2023	8	240	55	-	**303**
2024**	2	96	41	-	**139**
Total	**38**	**1,018**	**171**	**-**	**1,227**
*Source: Bank Data; *September 7 to December 31; **January 1 to September 23*					

Notable examples of the bank's community development services follow.

- Bank representatives served as a board member and a committee member of a non-profit organization located in a moderate-income census tract that serves the Latino population in

Dane County. Two other employees manned a booth for this organization to offer notary services for pre-drafted documents that were suggested by immigration attorneys.

- One bank employee is a committee member of an affordable housing organization in Dane County. Two other bank employees are working as financial coaches to assist families in preparing for home ownership.
- A bank employee served as a board and committee member of a foundation in Dane County that is in the process of creating a food innovation business center that will support the growth of small businesses that wish to create food related products. Entrepreneurs will be offered shared affordable access to commercial food production equipment and infrastructure that are often beyond the reach of typical low capital start-up businesses.
- One bank employee serves as a board member of a CDFI that supports projects and programs that focus on affordable housing, job creation, economic development, and basic social services. The CDFI provides low-cost financing and expert advisory services to non-profit organizations serving the most disadvantaged communities.

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

INTERMEDIATE 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).

Community Development Test

The Community Development Test considers the following criteria:

1) The number and amount of community development loans;
2) The number and amount of qualified investments;
3) The extent to which the bank provides community development services; and
4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

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. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution 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 institution:

(i) Has not been reported or collected by the institution or an affiliate for consideration in the institution'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 institution's assessment area(s) or a broader statewide or regional area including the institution'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 institution'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.

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.