

# **PUBLIC DISCLOSURE**

March 4, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Chasewood Bank  
Certificate Number: 24272

20333 State Highway 249  
Houston, Texas 77070

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

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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 Chasewood Bank's satisfactory Lending Test record supports the overall Community Reinvestment Act (CRA) rating. The following points summarize conclusions regarding the applicable test, discussed in detail elsewhere.

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

## DESCRIPTION OF INSTITUTION

The Chasewood Bank is a commercial bank that began operations in 1983 in Houston, Texas. The bank does not have a holding company or any affiliates or subsidiaries. The Chasewood Bank received a Satisfactory rating at its previous March 21, 2018, Federal Deposit Insurance Corporation (FDIC) CRA Performance Evaluation based on Federal Financial Institutions Examination Council Small Institution CRA Examination Procedures.

The Chasewood Bank functions as a retail bank focusing on commercial loans from two full-service offices in Northwest Houston, Texas. The bank did not open or close any offices, or participate in any merger or acquisition activities since the prior evaluation.

The bank offers a variety of loan products including commercial, residential, construction and land development, and consumer purpose loans. The bank also offers a variety of deposit products including demand deposit, money market deposit, savings, time, and individual retirement accounts. Alternative bank services include online and telephone banking, access to three non-deposit taking automated teller machines, mobile banking, and motor banking. The institution maintains banking hours typical for the area.

As of December 31, 2023, assets totaled \$93.1 million, consisting primarily of net loans and leases of nearly \$61.9 million and cash of \$21.6 million with approximately \$6.1 in current invested securities. Total deposits equaled approximately \$78.9 million as of the same date. Since the last evaluation, on average per year, total assets decreased 6.7 percent, net loans decreased 0.3 percent, and total deposits decreased 8.6 percent.

As shown in the following table, the loans outstanding as of December 31, 2023, reflect a distribution generally consistent with that of the loans originated and purchased during 2023, as discussed under the Scope of Evaluation. Commercial loans account for 71.1 percent of total loans by dollar volume, which represents the largest loan category.

<b>Loan Portfolio Distribution as of 12/31/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	9,156	14.7
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	7,238	11.6
Secured by Multifamily (5 or more) Residential Properties	1,245	2.0
Secured by Nonfarm Nonresidential Properties	40,452	64.8
<b>Total Real Estate Loans</b>	<b>58,091</b>	<b>93.1</b>
Commercial and Industrial Loans	3,937	6.3
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	355	0.6
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	1	<0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>62,384</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Based on the information discussed in this section, as well as other regulatory data, The Chasewood Bank’s financial condition, size, product offerings, prior performance, and lack of legal impediments did not affect the institution’s ability to meet its assessment area’s credit needs.

## **DESCRIPTION OF ASSESSMENT AREA**

The Chasewood Bank designated the whole county of Harris as its assessment area, a change from the previous evaluation at which time the bank’s assessment area included only a portion of Harris County. Harris County is part of the nine county area of the Houston-The Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA). The assessment area conforms to CRA regulatory requirements.

### **Economic and Demographic Data**

Based on 2020 Census data, the assessment area contains 1,115 census tracts with the following income designations: 202 low-income tracts, 313 moderate-income tracts, 272 middle-income tracts, 290 upper-income tracts, and 38 tracts without an income classification. The bank’s

assessment area experienced several Federal Emergency Management Agency (FEMA)-related disasters during the review period, such as the COVID-19 pandemic, Texas severe winter storm, Texas Tropical storm Imelda, and Hurricane Hanna. The following table illustrates select demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,115	18.1	28.1	24.4	26.0	3.4
Population by Geography	4,731,145	15.1	27.4	27.9	27.6	1.9
Housing Units by Geography	1,795,219	15.8	26.9	26.5	28.5	2.3
Owner-Occupied Units by Geography	897,913	7.5	23.4	30.8	37.3	1.0
Occupied Rental Units by Geography	737,836	24.4	30.9	22.4	18.7	3.6
Vacant Units by Geography	159,470	22.4	27.7	21.4	24.8	3.7
Businesses by Geography	812,500	11.7	22.2	24.2	39.2	2.7
Farms by Geography	9,959	8.6	20.0	26.9	42.5	2.0
Family Distribution by Income Level	1,113,437	27.2	17.8	17.9	37.1	0.0
Household Distribution by Income Level	1,635,749	27.2	17.1	17.2	38.5	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$81,859	Median Housing Value			\$222,716
			Median Gross Rent			\$1,156
			Families Below Poverty Level			12.7%
<i>Source: 2020 U.S. Census; 2023 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Service industries represent the largest portion of businesses at 31.7 percent, followed by non-classifiable establishments at 29.7 percent, and finance, insurance, and real estate at 11.0 percent. Major employers in the area include ExxonMobil, Shell Oil Co., HEB Grocery, Hewlett Packard Enterprise, Houston Methodist Hospital System, Shell Oil, AT&T, Chevron, United Airlines, Schlumberger, Walmart, Academy Sports & Outdoors, CenterPoint Energy, as well as local school, city, and county government. In addition, 59.2 percent of area businesses have 4 or fewer employees, and 94.8 percent operate from a single location. The following table provides the unemployment rate for Harris County as compared to the State of Texas and national averages.

<b>Unemployment Rates</b>	
<b>Area</b>	<b>December 2023</b>
	<b>%</b>
Harris County	3.8
State of Texas	3.5
National Average	3.5
<i>Source: Texas Workforce Commission</i>	

Examiners used the 2023 FFIEC-updated median family income level to analyze home mortgage loans under the borrower profile criterion. The following table presents low-, moderate-, middle- and upper-income categories, based on the 2023 FFIEC-updated median family income of \$94,100 for the area.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Houston-The Woodlands-Sugar Land, TX MSA Median Family Income (26420)</b>				
2023 (\$94,100)	<\$47,050	\$47,050 to <\$75,280	\$75,280 to <\$112,920	≥\$112,920
<i>Source: FFIEC</i>				

### **Competition**

The assessment area contains an above average level of competition from other chartered banks based on its population. According to the FDIC Deposit Market Share data as of June 30, 2023, 84 financial institutions operated 879 offices within the bank’s assessment area. Of these institutions, The Chasewood Bank ranked 60<sup>th</sup> with a 0.03 percent deposit market share. Credit unions, and mortgage and finance companies also compete for loans in the area, thus heightening competition. The competition level allows for lending opportunities.

### **Community Contact**

Examiners utilized an existing community contact with a community member knowledgeable of the area’s economic, demographic, and business environments to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the area. The contact represents an organization that promotes economic development in the assessment area.

The contact described the area’s economy as thriving and robust. The contact noted the local economy is thriving due to growth in the carbon capture and energy sector in the greater Houston area which has created stable jobs as well as provided stability to local businesses. According to the contact, with the growth of the energy sector, many axillary large and small businesses have opened to serve larger international and local companies. The contact further indicated the area did not appear to be drastically affected by the COVID-19 pandemic with noted continual commercial growth. Opportunities for financial institutions’ participation include small business and commercial-related lending, according to the contact. The contact indicated local financial institutions are responsive to the area’s credit needs and strongly participate in meeting the credit needs of the community including surrounding areas.

### **Credit Needs**

The assessment area created varied loan demand for most types of loans. The area’s economy also supports credit growth and opportunities for various loan types. Considering information obtained from the community contact, bank management, as well as demographic and economic information, examiners determined primary credit needs of the area include commercial-related and small business lending.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated March 21, 2018, to the current evaluation dated March 4, 2024. Examiners used the Interagency Small Institution CRA Examination Procedures to evaluate The Chasewood Bank’s CRA performance. As previously noted, the bank operates in one defined assessment area. Consequently, examiners applied full-scope procedures to the bank’s performance in this area.

### Activities Reviewed

Examiners determined the bank’s major product lines, of those typically considered, consist of commercial lending which comprises 49.7 percent of the total dollar volume of loans in 2023 and residential loans which comprise 18.6 percent of the total dollar volume. This conclusion considered the bank’s business strategy and the number and dollar volume of loans originated or purchased during the evaluation period. Since none of the other typically considered loan categories represent a major product line and thus would not materially affect any conclusions or ratings, including consumer and agricultural loans, this evaluation does not discuss them. Bank records indicated the lending focus and product mix remained consistent throughout the evaluation period. The following table shows the bank’s originations and purchases over the most recent calendar year by loan type.

<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	8,818	31.3	10	17.0
Secured by Farmland	0	0.0	0	0.0
Secured by 1-4 Family Residential Properties	4,955	17.6	11	18.6
Multi-Family (5 or more) Residential Properties	279	1.0	2	3.4
Commercial Real Estate Loans	10,545	37.5	23	39.0
Commercial and Industrial Loans	3,421	12.2	10	16.9
Agricultural Loans	0	0.0	0	0.0
Consumer Loans	104	0.4	3	5.1
Other Loans	0	0.0	0	0.0
<b>Total Loans</b>	<b>28,122</b>	<b>100.0</b>	<b>59</b>	<b>100.0</b>
<i>Source: 2023 Bank Data</i>				

Consequently, examiners reviewed small business and home mortgage loans. To assess performance for the bank’s assessment area concentration, examiners reviewed the universes of small business and home mortgage loans originated or purchased in the period January 1, 2023, through December 31, 2023. The bank originated or purchased 31 small business loans totaling \$11.0 million in 2023 and 13 home mortgage loans totaling \$5.2 million in 2023. Examiners used the universes of loans originated or purchased inside the assessment area to evaluate the bank’s geographic distribution and borrower profile records. D&B data for 2023 provided the standard of

comparison for the small business loans while 2020 U.S. Census data provided the standard of comparison for the home mortgage loans.

As reflected in the following table, examiners considered the universes by dollar volume and number of loans originated or purchased in 2023, as well as management’s stated business strategy to determine the weighting applied to the loan categories reviewed. Consequently, unless otherwise noted, small business loans received heavier weighting when arriving at applicable conclusions.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Business	31	11,020	31	11,020
Home Mortgage	13	5,234	13	5,234

*Source: 2023 Bank Data*

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The Chasewood Bank demonstrated a satisfactory record regarding the Lending Test. A reasonable record regarding its LTD ratio, a majority of loans originated in the assessment area, and reasonable geographic distribution and borrower profile records support this conclusion. The Appendix lists the criteria used to evaluate the Lending Test.

### **Loan-to-Deposit Ratio**

The LTD ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution’s size, financial condition, and assessment area credit needs. The LTD ratio, calculated from Report of Income and Condition data, averaged 64.0 percent over the past 24 calendar quarters from March 31, 2018, to December 31, 2023, representing a considerable increase from the 45.1 percent average, net LTD ratio recorded at the prior evaluation. The ratio ranged from a low of 47.8 percent as of September 30, 2018, to a high of 78.4 percent as of December 31, 2023, reflecting an upward trend.

The following table demonstrates three somewhat comparable institutions operating in or near The Chasewood Bank’s assessment area and reflecting similar lending emphases. The table demonstrates that The Chasewood Bank’s ratio lands below two and above one of the other listed ratios.

LTD Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
<b>The Chasewood Bank, Houston, Texas</b>	<b>93,114</b>	<b>64.0</b>
Lone Star Bank, Houston, Texas	158,699	94.1
Texas Advantage Community Bank, N.A., Alvin, Texas	187,849	60.0
Unity National Bank, Houston, Texas	209,014	74.2
<i>Source: Reports of Condition and Income (03/31/2018 – 12/31/2023)</i>		

### Assessment Area Concentration

A majority of loans are in the institution’s assessment area. Examiners considered the bank’s asset size and office structure, as well as the loan products reviewed, relative to the assessment area’s size and economy, when arriving at this conclusion.

The following table shows for both small business and home mortgage loans, by both the percentages of the number and dollar volume, the bank originated or purchased majorities inside its assessment area.

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		
	#	%	#	%		\$	%	\$	%	
Small Business	22	71.0	9	29.0	31	8,156	74.0	2,864	26.0	11,020
Home Mortgage	10	76.9	3	23.1	13	4,759	90.9	475	9.1	5,234
<b>Total</b>	<b>32</b>	<b>72.7</b>	<b>12</b>	<b>27.3</b>	<b>44</b>	<b>12,915</b>	<b>79.5</b>	<b>3,339</b>	<b>20.5</b>	<b>16,254</b>
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable performances regarding both small business and home mortgage loans in the bank’s sole assessment area support this conclusion. Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. They focused on the percentages by the number of loans in low- and moderate-income geographies when arriving at conclusions.

### ***Small Business Loans***

The geographic distribution of small business loans within the bank’s defined assessment area reflects reasonable performance. The following table shows the bank’s level of lending in low-income geographies rises 6.5 percentage points above D&B data, reflective of reasonable performance. The table further shows the bank’s level of lending in moderate-income census tracts trails D&B data by 13.1 percentage points, reflective of poor performance. Examiners placed greater weight on the bank’s performance in moderate-income geographies due to the greater opportunities in such areas as suggested by D&B data; however, such performance insufficiently hampered the bank’s stronger record in low-income geographies, thus supporting overall reasonable performance.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	11.7	4	18.2	1,783	21.9
Moderate	22.2	2	9.1	614	7.5
Middle	24.2	5	22.7	971	11.9
Upper	39.2	11	50.0	4,788	58.7
Not Available	2.7	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>8,156</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans in the bank’s assessment area reflects reasonable performance. The following table shows the bank did not originate or purchase any home mortgage loans in low-income geographies and the bank’s level trails demographic data by 7.5 percentage points, reflecting poor performance. In moderate-income census tracts, the bank’s level rises 6.6 percentage points above the percentage of owner-occupied units, reflective of reasonable performance. Examiners placed more weight on the bank’s lending in moderate-income census tracts based on the higher percentage of owner-occupied housing units located in these tracts.

<b>Geographic Distribution of Home Mortgage Loans</b>					
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	7.5	0	0.0	0	0.0
Moderate	23.4	3	30.0	1,776	37.3
Middle	30.8	3	30.0	458	9.6
Upper	37.3	3	30.0	2,456	51.6
Not Available	1.0	1	10.0	69	1.4
<b>Total</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>4,759</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data Due to rounding, totals may not equal 100.0%</i>					

**Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Reasonable performance regarding small business loans outweighed poor performance regarding home mortgage loans in the bank’s sole assessment area to support this conclusion. Examiners placed even greater weight on the bank’s small business lending performance when evaluating this factor given the limited volume of home mortgage loans with borrower income available. Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. They focused on the percentages by the number of loans to businesses with gross annual revenues of \$1 million or less and to low- and moderate-income borrowers when arriving at conclusions.

***Small Business Loans***

The borrower profile distribution of small business loans reflects reasonable penetration among businesses of different sizes. The following table demonstrates, although trailing D&B data, the bank originated or purchased a majority of its small business loans to businesses with gross annual revenues of \$1 million or less. The bank originated or purchased more than 6 out of every 10 small business loans reviewed to businesses with gross annual revenues of \$1 million or less, reflective of reasonable performance.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	71.3	2	9.1	957	11.7
\$100,000 - \$249,999	15.7	5	22.7	1,470	18.0
\$250,000 - \$499,999	3.5	1	4.5	774	9.5
\$500,000 - \$1,000,000	1.8	7	31.8	3,591	44.0
<b>Subtotal &lt;= \$1,000,000</b>	<b>92.3</b>	<b>15</b>	<b>68.2</b>	<b>6,792</b>	<b>83.3</b>
>\$1,000,000	2.6	6	27.3	1,314	16.1
Revenue Not Available	5.1	1	4.5	50	0.6
<b>Total</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>8,156</b>	<b>100.0</b>

*Source: 2023 D&B Data; Bank Data  
Due to rounding, totals may not equal 100.0%*

***Home Mortgage Loans***

The borrower profile distribution of home mortgage loans reflects poor penetration among individuals of different income levels. The table below shows the bank did not originate or purchase any home mortgage loans to low-income borrowers and the bank’s level falls 27.2 percentage points below demographic data, typically reflective of very poor performance. Although, based on 2020 Census data, 12.7 percent of the area’s families reported incomes below the poverty level, suggesting that fewer opportunities exist to extend these typically higher dollar volume, longer term loans to the area’s low-income families. The table also shows the bank originated or purchased only one home mortgage loan to a moderate-income borrower and the bank’s level falls 7.8 percentage points below demographic data, reflecting poor performance.

However, the disparity in the borrower income not available category between the bank’s data and demographic does make the comparisons between the two less meaningful. Examiners noted all of the home mortgage loans were made to businesses and 60.0 percent did not have income information available. Although the performance context considerations somewhat explain or mitigate the bank’s performance, examiners concluded the bank’s overall record to be poor due to the limited level of lending to low- and moderate-income borrowers.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	27.2	0	0.0	0	0.0
Moderate	17.8	1	10.0	188	4.0
Middle	17.9	0	0.0	0	0.0
Upper	37.1	3	30.0	1,366	28.7
Not Available	0.0	6	60.0	3,205	67.3
<b>Total</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>4,759</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data Due to rounding, totals may not equal 100.0%</i>					

**Response to Complaints**

The institution 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**

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

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.