

PUBLIC DISCLOSURE

October 28, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sewickley Savings Bank
Certificate Number: 30154

531 Broad St
Sewickley, Pennsylvania 15143

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

350 Fifth Avenue, Suite 1200
New York, NY 10118

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA.....	3
SCOPE OF EVALUATION.....	6
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	10
APPENDICES	11
SMALL BANK PERFORMANCE CRITERIA.....	11
GLOSSARY.....	12

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Needs to Improve.**

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

- The loan-to-deposit (LTD) ratio is less than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority loans inside the assessment area.
- The geographic distribution of loans reflects poor dispersion throughout the assessment area.
- The distribution of borrowers reflects poor penetration among individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test.

DESCRIPTION OF INSTITUTION

Sewickley Savings Bank (Sewickley) is a mutual savings bank headquartered in Sewickley, Pennsylvania (PA). Sewickley is located approximately ten miles northwest of the city of Pittsburgh. Sewickley received a Needs to Improve rating at its previous FDIC Performance Evaluation dated September 8, 2022, based on Interagency Small Institution Examination Procedures.

Sewickley is a full-service bank that operates three retail branches in Southwestern PA in Allegheny County within the Pittsburgh, PA Metropolitan Statistical Area (MSA) #38300. The bank's main branch is in an upper-income census tract in the downtown business area of Sewickley, PA. One branch is located in a middle-income census tract in Robinson Township, PA and the other branch is located in a moderate-income census tract in Coraopolis, PA. Sewickley did not close any branches, and no merger or acquisition activities occurred since the previous evaluation.

Sewickley offers conservative loan products including home mortgage, consumer, and commercial loans. The bank provides a variety of standard deposit services including personal and business checking, statement savings, certificates of deposit, money market accounts, individual retirement accounts, and educational savings accounts. Alternative banking services include basic internet banking and 24-hour automated teller machines at each branch.

Assets totaled \$280.8 million as of June 30, 2024, and included total loans of \$47.1 million and total securities of \$206.4 million. Deposits totaled \$209.5 million as of the same date. The following table illustrates the bank's loan portfolio.

Loan Portfolio Distribution as 06/30/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	0	0.0
Secured by Farmland	963	2.1
Secured by 1-4 Family Residential Properties	12,783	27.2
Secured by Multifamily (5 or more) Residential Properties	272	0.6
Secured by Nonfarm Nonresidential Properties	29,406	62.5
Total Real Estate Loans	43,424	92.4
Commercial and Industrial Loans	564	1.2
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	36	0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	3,109	6.6
Less: Unearned Income	71	0.2
Total Loans	47,062	100.0
<i>Source: Reports of Condition and Income</i>		
<i>Due to rounding, totals may not equal 100.0%</i>		

Sewickley is primarily a real estate lender as loans secured by real estate represent 92.4 percent of the bank's loan portfolio. Loans secured by one-to-four family residential real estate comprise 27.2 percent of the portfolio, while commercial loans, consisting of loans secured by nonfarm nonresidential properties and commercial and industrial loans, comprise 63.7 percent of the portfolio.

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 its supervisory agency will evaluate its CRA performance. Sewickley designates one assessment area that includes 82 census tracts within Allegheny (66 census tracts) and Beaver (16 census tracts) Counties in PA, which are part of the Pittsburgh, PA MSA #38300. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

Sewickley's assessment area includes 66 census tracts in Allegheny County and 16 census tracts in Beaver County. The bank has not changed its assessment area since the previous CRA evaluation. However, the United States (U.S.) Bureau's 2020 Census demographic data went into effect in 2022. The 2020 Census demographic data updated the number and income level of select census tracts within the assessment area. Previously, the bank's assessment area consisted of 80 census tracts and now consists of 82 census tracts. The 82 census tracts reflect the following income designations according to 2020 U.S. Bureau Census data:

- 2 low-income census tracts,
- 17 moderate-income census tracts,
- 35 middle-income census tracts,
- 27 upper-income census tracts and,
- 1 census tract with no income designation.

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)	82	2.4	20.7	42.7	32.9	1.2
Population by Geography	276,053	2.0	15.2	41.8	39.8	1.2
Housing Units by Geography	129,350	1.9	18.1	42.5	36.2	1.4
Owner-Occupied Units by Geography	80,663	1.2	13.4	43.9	40.7	0.7
Occupied Rental Units by Geography	37,277	3.1	23.5	41.3	29.6	2.5
Vacant Units by Geography	11,410	2.7	33.4	36.4	25.2	2.3
Businesses by Geography	35,623	1.3	12.8	41.7	42.7	1.4
Farms by Geography	635	0.6	10.9	41.6	46.3	0.6
Family Distribution by Income Level	69,182	17.6	16.9	20.6	44.9	0.0
Household Distribution by Income Level	117,940	21.8	15.0	18.2	45.0	0.0
Median Family Income MSA - 38300 Pittsburgh, PA MSA		\$82,642	Median Housing Value			\$176,793
			Median Gross Rent			\$944
			Families Below Poverty Level			6.2%
Source: 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.						

Of the 129,350 housing units in the assessment area, 62.4 percent are owner-occupied units, 28.8 percent are rental units, and 8.8 percent are vacant units. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

Examiners used the Federal Financial Institutions Examination Council's (FFIEC) updated median family income data to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories in the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Pittsburgh, PA MSA Median Family Income (38300)				
2023 (\$101,900)	<\$50,950	\$50,950 to <\$81,520	\$81,520 to <\$122,280	≥\$122,280
Source: FFIEC				

The analysis of small business loans under the Borrower Profile criterion compares the distribution of Gross Annual Revenue (GAR) level. According to D&B data, there were 35,623 non-farm businesses in the assessment area. The following details GARs for these businesses:

- 87.0 percent have GARs of \$1.0 million or less,
- 4.2 percent have GARs greater than \$1.0 million, and
- 8.8 percent have unknown revenues.

Service industries represent the largest portion of total businesses at 38.8 percent; followed by non-classifiable establishments (18.8 percent); finance, insurance, and real estate (11.8 percent); and retail trade (10.4 percent). In addition, 64.7 percent of area businesses have four or fewer employees, and 90.6 percent operate from a single location.

The following table details county-, state-, and national-level unemployment data from the U.S. Bureau of Labor Statistics. Data obtained from the U.S Bureau of Labor Statistics indicates that the August 2024 unemployment rate was 3.4 percent statewide. The August 2024 unemployment rates in Allegheny County, Beaver County, and Nationwide were 4.1 percent, 4.5 percent, and 4.2 percent, respectively. For much of the evaluation period, unemployment rates generally trended downward except on the National level where it slightly increased.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Allegheny County	3.9	3.3	3.5
Beaver County	5.0	4.1	3.9
Pennsylvania	4.1	3.4	3.4
National Average	3.6	3.6	4.0
Source: Bureau of Labor Statistics			

Competition

The assessment area is highly competitive for financial services. According to the FDIC Deposit Market Share data, as of June 30, 2024, 27 financial institutions operated 85 full-service branches within the bank's assessment area. Of these institutions, Sewickley ranked 8th with 2.0 percent of total deposits and 3.1 percent of total branches in the assessment area. Collectively, the top four institutions in the assessment area (PNC Bank, Clearview Federal Credit Union, Citizens Bank, and First National Bank of PA) captured 76.7 percent of the deposit market share.

The bank is not required to collect or report its home mortgage loan data nor small business loan data and has not elected to do so. Therefore, the analysis under the Lending Test does not include comparisons to aggregate data. However, the aggregate data reflects the competition level and level of demand for home mortgage and small business loans and is included for performance context. In 2023, within the assessment area, 353 lenders reported originating 9,897 home mortgage loans totaling approximately \$2.3 billion in the assessment area. The top five lenders (CBNA, PNC Bank, Clearview Federal Credit Union, Dollar Bank, and First National Bank of PA) originated 32.0 percent of the home mortgage loans in the assessment area. In 2023, within the assessment area, 117 lenders reported originating 27,880 small business loans totaling approximately \$1.1 million in the assessment area. The top 5 lenders (American Express National Bank, JP Morgan Chase Bank, PNC Bank, Capital One, and Citibank) originated 65.4 percent of the small business

loans in the assessment area. The aggregate data indicates a high degree of competition for lending in the assessment area.

Community Contacts

As part of the evaluation process, examiners contact third-parties active in the assessment area to assist in identifying credit and community development needs. Information obtained reflects the responsiveness of local financial institutions to credit and community development needs and opportunities for participation in related activities.

For the purposes of this evaluation, examiners reviewed a recently completed community contact, a representative from a nonprofit membership organization that advocates for fair and equitable access to underserved and substantially low-income neighborhoods. The organization also provides advisory services and capital funding to small businesses. The organization serves Allegheny, Beaver, and Washington Counties in western PA.

The contact noted a large economic shift in the region because of gentrification, with Allegheny and Butler Counties experiencing the largest growth in median household income. As a result, borrowers, specifically the large presence of smaller, working-class families in these areas, are struggling to find houses within their budget. Over 2,000 families were displaced in the last decade, migrating to outlying communities, such as Penn Hills, which have high poverty rates. The contact has been working alongside Community Development Financial Institutions in the area to create 400 units of affordable housing. This suggests a need and opportunities for community investment in affordable housing.

The contact also observed an increasing presence of teller-less branches supplied with automated machines. The contact explained that this has a disproportionate impact to low- and moderate-income individuals in the area because a large portion does not have access to internet. This suggests a need to consider the impact of a bank's electronic presence in an area and whom it may be excluding.

Finally, the contact noted the need for small business assistance. The organization has seen numerous small businesses, many of which were women- and minority-owned, denied small business loans. The contact identified and emphasized the need for community banks to increase small business technical assistance programs because many of the denied businesses lacked necessary operational skills to meet underwriting standards.

Credit Needs

Considering information from the community contact, bank management, demographic data, and economic data, examiners determined that affordable housing programs and small business loans represent the primary credit needs in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated September 8, 2022, to the current evaluation dated October 28, 2024. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include the CRA Small Bank Lending Test. Please see the appendices for more details on the performance criteria.

Activities Reviewed

Examiners determined that the bank's major product line is home mortgage loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated/purchased during the evaluation period. No other loan types such as small business loans, small farm loans, or consumer loans, represent a major product line or provide material support for conclusions or ratings; therefore, examiners did not present these loan products in the evaluation. The low volume of overall lending during the evaluation period does not include enough data to analyze the bank's lending performance and negatively affects conclusions.

This evaluation considered all home mortgage loans that the bank originated/purchased in 2022 and 2023, which was 23 loans totaling \$2.6 million and 20 loans totaling \$2.1 million respectively. As the bank does not report HMDA loans, examiners compared lending performance with corresponding 2020 U.S. Census demographic data.

Small business loans include loans with original loan amounts of less than \$1.0 million or less secured by nonfarm or nonresidential real estate or classified as commercial and industrial loans. Sewickley is not required to collect or report small business data. During the evaluation period the bank originated one small business loan in 2023 totaling \$103,500. Due to the low volume of small business loan originations, examiners did not analyze small business loan performance, but did include the loan on the assessment area concentration table.

While examiners presented the number and dollar volume of loans, examiners emphasized performance by number of loans under the geographic distribution and borrower profile criteria, because the number of loans is a better indicator of the number of individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank's performance under the Lending Test continues to be less than satisfactory and needs improvement. The bank's LTD ratio, which is in part a measure of the bank's lending activity, is less than reasonable and negatively affects the bank's overall Lending Test rating. Due to the overall low level of lending during the evaluation period, the bank's performance under the other Lending Test performance factors (Assessment Area Concentration, Geographic Distribution, and Borrower Profile) received minimal weight when assigning the bank's overall Lending Test rating. Lending levels reflect poor responsiveness to assessment area credit needs.

Loan-to-Deposit Ratio

The LTD ratio is less than reasonable given the institution's size, financial condition, and assessment area credit needs. The LTD ratio, calculated from Call Report data, averaged 22.0 percent over the

past 8 calendar quarters from September 30, 2022, to June 30, 2024. The ratio ranged from a low of 19.6 percent as of September 30, 2022, to a high of 23.7 percent as of June 30, 2023. The most recent LTD ratio as of June 30, 2024, is 22.2 percent.

Examiners selected similarly situated institutions based on asset size as of June 30, 2024, geographic location, and lending focus. The following table compares Sewickley's ratio to these similarly situated institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 06/30/2024 (\$000s)	Average Net LTD Ratio (%)
Sewickley Savings Bank	280.8	22.0
West View Savings Bank	357.8	54.5
Slovenian Savings and Loan Association of Canonsburg	589.8	46.5
<i>Source: Reports of Condition and Income 09/30/2022 – 06/30/2024</i>		

Assessment Area Concentration

Sewickley originated a majority of its home mortgage and small business loans, by number and dollar volume, within the assessment area. The following table shows the assessment area concentration of home mortgage and small business loans by number and dollar volume.

The bank's performance under this factor is not given significant weight in the overall Lending Test rating due to Sewickley's overall low volume of lending.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	11	47.8	12	52.2	23	1,222,850	44.7	1,515,305	55.3	2,738,155
2023	16	80.0	4	20.0	20	1,589,100	70.3	670,000	29.7	2,259,100
Subtotal	27	62.8	16	37.2	43	2,811,950	56.3	2,185,305	43.7	4,997,255
Small Business										
2023	1	100.0	0	0.0	1	103,500	100.0	0	0.0	103,500
Subtotal	1	100.0	0	0.0	1	103,500	100.0	0	0.0	103,500
Total	28	63.6	16	36.4	44	2,915,450	57.2	2,185,305	42.8	5,100,755
Source: Bank Data Due to rounding, totals may not equal 100.0% Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.										

Geographic Distribution

The geographic distribution of loans reflects poor dispersion throughout the assessment area. The bank did not originate a home mortgage loan in a low-income census tract during the evaluation

period. The bank exceeded demographic data in moderate-income census tracts in 2022, however, the bank only originated one loan in a moderate-income census tract in 2023. This performance combined with the overall low volume of lending reflects poor performance meeting the credit needs of low- and moderate-income census tracts.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2022	1.2	0	0.0	0	0.0
2023	1.2	0	0.0	0	0.0
Moderate					
2022	13.4	4	36.4	261	21.3
2023	13.4	1	6.3	100	6.3
Middle					
2022	43.9	3	27.3	387	31.6
2023	43.9	12	75.0	1,355	85.3
Upper					
2022	40.7	4	36.4	575	47.1
2023	40.7	3	18.8	134	8.4
Not Available					
2022	0.7	0	0.0	0	0.0
2023	0.7	0	0.0	0	0.0
Totals					
2022	100.0	11	100.0	1,223	100.0
2023	100.0	16	100.0	1,589	100.0
Source: 2020 U.S. Census; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among individuals of different income levels (including low- and moderate-income). The distribution of the bank's home mortgage loans to low- and moderate-income borrowers exceeds demographic data in 2022, and the distribution exceeds demographic data to moderate-income borrowers in 2023. However, the distribution of borrowers reflects poor penetration among borrowers of different income levels given the limited number of loans originated.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2022	17.6	3	27.3	190	15.5
2023	17.6	2	12.5	78	4.9
Moderate					
2022	16.9	3	27.3	331	27.0
2023	16.9	3	18.8	164	10.3
Middle					
2022	20.6	3	27.3	515	42.1
2023	20.6	1	6.3	100	6.3
Upper					
2022	44.9	2	18.2	187	15.3
2023	44.9	9	56.3	1,212	76.3
Not Available					
2022	0.0	0	0.0	0	0.0
2023	0.0	1	6.3	35	2.2
Totals					
2022	100.0	11	100.0	1,223	100.0
2023	100.0	16	100.0	1,589	100.0
Source: 2020 U.S. Census; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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