

# **PUBLIC DISCLOSURE**

January 9, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Peoples Bank  
Certificate Number: 00389

103 East Wiggin Street  
Gambier, Ohio 43022

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

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

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

An institution in this group needs to improve its overall record of helping 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 following points summarize the institution's Community Reinvestment Act (CRA) performance:

**The Lending Test is rated Needs to Improve.**

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The institution originated a substantial majority of its home mortgage and small business loans in the AA.
- The geographic distribution of loans reflects reasonable home mortgage loan dispersion and poor small business loan dispersion throughout the AA.
- The distribution of borrowers reflects poor penetration of loans among individuals of different income levels and reasonable penetration to businesses of different sizes.
- The institution did not receive any CRA related complaints since the last evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

The Peoples Bank (Peoples), headquartered in Gambier, Ohio, is a wholly-owned subsidiary of Peoples Bancshares of Gambier, Inc., a single-bank holding company also headquartered in Gambier, Ohio. The institution received a "Satisfactory" rating at its previous FDIC Performance Evaluation, dated April 30, 2018, based on the Interagency Small Institution Examination Procedures.

Peoples operates a main office in Gambier, Ohio, and a full-service branch in Mount Vernon, Ohio, both located in Knox County. In April 2021, the institution closed the Mount Vernon South Ohio branch located in Mount Vernon, Ohio. Peoples did not participate in any merger or acquisition activities since the previous evaluation.

The institution offers a variety of banking products and services, including deposit and lending products. Deposit products include checking, savings, certificate of deposit, and money market accounts. The institution also offers alternative banking services to include online and mobile banking, and electronic bill pay. In addition, the institution has a cash dispensing automated teller machine at each branch location. The institution's primary lending focus is home mortgage and small business loans. In addition, Peoples offers commercial and consumer loans, and maintains a referral relationship to originate loans through the Federal Housing Administration and Veterans Administration.

As of the September 30, 2023, Reports of Condition and Income (Call Report), Peoples reported total assets of \$59.6 million, total loans of \$33.9 million, and total securities of \$21.3 million. Deposits totaled \$57.8 million.

The following table illustrates the institution's loan portfolio distribution.

<b>Loan Portfolio Distribution as of 9/30/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	428	1.3
Secured by Farmland	580	1.7
Secured by 1-4 Family Residential Properties	22,682	66.8
Secured by Nonfarm Nonresidential Properties	4,269	12.6
<b>Total Real Estate Loans</b>	<b>27,959</b>	<b>82.4</b>
Commercial and Industrial Loans	2,093	6.2
Agricultural Production and Other Loans to Farmers	10	0.0
Consumer Loans	3,921	11.6
Less: Unearned Income	(44)	(0.1)
<b>Total Loans</b>	<b>33,939</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

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

## **DESCRIPTION OF ASSESSMENT AREA**

The Community Reinvestment Act (CRA) requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. Peoples designated a single AA, consisting of the entirety of Knox County, Ohio, located in a non-MSA. The AA is in conformance with CRA requirements as it consists of whole, contiguous census tracts (CTs) and does not arbitrarily exclude low- and moderate-income (LMI) CTs.

### **Economic and Demographic Data**

The current evaluation uses the 2020 U.S. Census data to assess performance. The AA includes 14 CTs with the following income designations: one moderate-, eight middle-, and four upper-income CTs, as well as one unclassified CT in which Kenyon College is located.

Although Peoples’ designated AA has not changed since the previous evaluation, the release of the 2020 U.S. Census data resulted in several changes to the tracts within the AA. The total number of CTs increased from 12 to 14 since the previous evaluation, and the AA now includes a moderate-income CT designation. In addition, a previously designated upper income CT was split into two CTs, including CT 0073.01 (unclassified) and CT 0073.02 (middle-income).

The following table illustrates relevant demographic information for the AA during the evaluation period.

Demographic Information of the AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (CTs)	14	0.0	7.1	57.1	28.6	7.1
Population by Geography	62,721	0.0	5.8	59.8	28.9	5.5
Housing Units by Geography	25,899	0.0	6.4	59.1	31.6	2.8
Owner-Occupied Units by Geography	16,627	0.0	3.5	58.4	35.1	3.1
Occupied Rental Units by Geography	6,400	0.0	14.3	61.7	21.1	2.9
Vacant Units by Geography	2,872	0.0	6.2	57.3	35.0	1.5
Businesses by Geography	5,374	0.0	4.2	67.7	26.0	2.2
Family Distribution by Income Level	16,092	15.7	17.8	23.9	42.5	0.0
Household Distribution by Income Level	23,027	18.0	14.5	19.5	48.0	0.0
Median Family Income Non-MSAs - OH		\$66,684	Median Housing Value			\$163,072
Families Below Poverty Level		7.7%	Median Gross Rent			\$754

*Source: 2020 U.S. Census and 2022 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 Geographic Distribution criterion compares the institution's home mortgage lending to the distribution of owner-occupied housing units and occupied rental units in the AA.

Examiners used the Federal Financial Institutions Examination Council (FFIEC) median family income (MFI) ranges to analyze home mortgage lending under the Borrower Profile criterion. The following table outlines the income ranges within the AA during the evaluation period.

MFI Ranges				
MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$74,900)	<\$37,450	\$37,450 to <\$59,920	\$59,920 to <\$89,880	≥\$89,880
2023 (\$74,900)	<\$37,450	\$37,450 to <\$59,920	\$59,920 to <\$89,880	≥\$89,880

*Source: FFIEC*

Examiners considered unemployment data when evaluating the institution's ability to lend within the AA. Data obtained from the U.S. Bureau of Labor and Statistics indicates unemployment rates decreased over the evaluation period. The unemployment rate in Knox County has decreased over the past three years from 4.1 percent in 2021 to 3.4 percent in 2023, which is slightly better than the state and national levels and indicates the potential for higher consumer borrowing capacity.

### **Competition**

According to the FDIC Deposit Market Share data as of June 30, 2023, 11 financial institutions operated 18 branches within Knox County resulting in a moderately competitive market for banking services. Of 11 institutions, Peoples ranked fifth with 5.1 percent of the deposit market share. The top two institutions accounted for 69.5 percent of the deposit market share.

The institution is not required to report home mortgage data, and it has elected not to do so. Therefore, the analysis of loans under the Lending Test does not include a direct comparison against aggregate data. However, aggregate data reflects the level of demand for lending. The 2022 aggregate mortgage data revealed that 223 lenders reported 2,958 home mortgage loan originations in the AA. The top five lenders accounted for 36.5 percent of the market share, indicating a moderately competitive market.

Examiners also reviewed the aggregate data for the one moderate-income CT in the AA. The 2022 aggregate mortgage data revealed 67 lenders reported 189 home mortgage loan originations in the moderate-income CT. The top five lenders accounted for 32.8 percent of the market share, indicating a moderately competitive market within the one moderate-income CT.

Although the CRA regulations do not require the institution to report data about its small business lending, peer data is nonetheless useful in determining the level of demand and competition for such loans. In 2021, 47 lenders, subject to the CRA data collection requirements, originated or purchased 1,347 small business loans throughout the AA. The top five lenders, of which four are primarily credit card issuers, originated or purchased 70.1 percent by count, or 73.4 by total dollars, of the small business loans in the AA. This data reflects a high level of competition in the AA for small business loans. More specifically, the top lender, which is a regional institution with a physical presence in the AA, has 33.3 percent market share by count and 65.4 percent by total dollars. The next four lenders, which do not have a physical presence in the AA, have an aggregate market share by count of 36.8 percent and 8.0 percent by total dollars. Examiners used 2021 peer data, as the 2022 small business lending peer data was not available.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying community credit needs. This information helps determine what credit opportunities are available and whether local financial institutions are responsive to the AA's credit needs. For this evaluation, examiners conducted an interview with a local economic development organization within the AA.

The community contact indicated that even though the AA has sufficient low-income multi-family housing, the primary credit needs are affordable single-family housing for families and seniors, as well as small business lending. The contact was not aware of any discriminatory practices.

### **Credit Needs**

Considering information from the community contact, institution management, and demographic and economic data, examiners determined home mortgage and small business loans represent the primary credit need within the AA.

## SCOPE OF EVALUATION

### **General Information**

This evaluation covers the period from the last evaluation dated April 12, 2018. Examiners used the Interagency Small Institution Examination Procedures to evaluate the institution's CRA performance. The Appendix discusses the small institution performance criteria.

### **Activities Reviewed**

Examiners identified home mortgage and small business lending as the institution's primary product lines. Examiners considered the institution's business strategy, the number and dollar volume of loans originated during the evaluation period, loan portfolio composition, and AA credit needs. Examiners weighted home mortgage loans more heavily, considering the overall loan portfolio composition, and dollar volume of activity. In addition, examiners weighted Borrower Profile more heavily than Geographic Distribution due to the limited number of LMI CTs within the AA.

Examiners analyzed the universe of home mortgage loans originated between January 1, 2022, and December 31, 2023. The institution originated 41 home mortgage loans totaling \$6.9 million in 2022, and 43 home mortgage loans totaling approximately \$6.1 million in 2023. The 2020 U.S. Census data provided a standard of comparison for home mortgage loans originated in 2022 and 2023.

Examiners analyzed the universe of small business loans originated between January 1, 2022, and December 31, 2023. The institution originated 17 small business loans totaling \$1.3 million in 2022 and 15 small business loans totaling \$1.8 million in 2023. Examiners used 2022 D&B data as a standard of comparison for small business loans originated in 2022 and 2023.

Examiners analyzed and presented both the number and dollar volume of home mortgage and small business loans. However, examiners emphasized performance relative to the number of loans originated, as this is a better indicator of the number of individuals and small businesses served. In evaluating the Geographic Distribution and Borrower Profile criteria, examiners only evaluated loans extended within the AA.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### **LENDING TEST**

The institution demonstrated poor performance under the Lending Test. The distribution of home mortgage loans to individuals of different income levels primarily supports this conclusion.

### **Loan-to-Deposit (LTD) Ratio**

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The LTD ratio, calculated from Call Report data, averaged 67.6 percent over the last 22 calendar quarters from June 30, 2018, to September 30, 2023. The ratio ranged from a high of 86.6 percent as of March 31, 2019, to a low of 53.3 percent as of March 31, 2022. As shown in the following table, the average LTD ratio is reasonably comparable to similarly-situated institutions. Examiners selected comparable institutions based on their asset size, geographic location, and loan portfolio distribution.

LTD Ratio Comparison		
Institution	Total Assets as of 09/30/2023 (\$000s)	Average Net LTD Ratio (%)
<b>The Peoples Bank</b>	<b>59,621</b>	<b>67.6</b>
Similarly-Situated Institution #1	52,207	16.2
Similarly-Situated Institution #2	57,087	64.6
Similarly-Situated Institution #3	62,769	86.2
Similarly-Situated Institution #4	65,352	50.3
<i>Source: Reports of Condition and Income 06/30/2018 – 09/30/2023</i>		

### **Assessment Area Concentration**

The institution originated a substantial majority of home mortgage and small business loans, by number and dollar volume, with the AA. The following table illustrates the lending activity both inside and outside of the AA.

Lending Inside and Outside of the AA										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	36	87.8	5	12.2	41	6,312	90.9	634	9.1	6,946
2023	35	81.4	8	18.6	43	5,102	83.7	995	16.3	6,097
<b>Subtotal</b>	<b>71</b>	<b>84.5</b>	<b>13</b>	<b>15.5</b>	<b>84</b>	<b>11,414</b>	<b>87.5</b>	<b>1,629</b>	<b>12.5</b>	<b>13,043</b>
Small Business										
2022	16	88.9	2	11.1	18	1,352	72.2	507	27.3	1,859
2023	15	88.2	2	11.8	17	2,139	88.5	278	11.5	2,417
<b>Subtotal</b>	<b>31</b>	<b>88.6</b>	<b>4</b>	<b>11.4</b>	<b>35</b>	<b>3,491</b>	<b>81.6</b>	<b>785</b>	<b>18.4</b>	<b>4,276</b>
<i>Source: Institution Data. Due to rounding, totals may not equal 100.0%</i>										

### **Geographic Distribution**

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the AA. Home mortgage lending performance supports this conclusion. As stated previously, examiners weighted home mortgage loans more heavily, considering the overall loan portfolio composition, and dollar volume of activity. As the AA does not include any low-income CTs, examiners focused on performance in the one moderate-income CT. However, the geographic distribution criteria received less weight overall, due to the limited number of LMI CTs within the AA.

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

The geographic distribution of home mortgage loans reflects reasonable dispersion with one loan originated in the moderate-income CT. Per the demographic, of the owner-occupied housing units located within the AA, only 3.5 percent of them are in the moderate-income tract. This low

percentage reflects limited opportunity. Additionally, as previously stated, there is a moderate level of competition in this one moderate-income tract. The following table shows the institution's performance for home mortgage loans in 2022 and 2023.

<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>
Moderate					
2022	3.5	1	2.8	215	3.4
2023	3.5	1	2.9	106	2.0
Middle					
2022	58.4	18	50.0	3,256	51.6
2023	58.4	23	65.7	3,035	59.5
Upper					
2022	35.1	7	19.4	1,317	20.9
2023	35.1	5	14.3	1,059	20.8
Not Available					
2022	3.1	10	27.8	1,525	24.2
2023	3.1	6	17.1	902	17.7
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>6,312</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>5,102</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Institution Data. Due to rounding, totals may not equal 100.0%.</i>					

### ***Small Business***

The geographic distribution of small business loans reflects poor dispersion with no loans originated in the moderate-income CT. The following table shows the institution's performance for small business loans in 2022 and 2023.

<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>
Moderate					
2022	4.2	0	0.0	0	0.0
2023	4.2	0	0.0	0	0.0
Middle					
2022	67.7	9	56.3	889	65.8
2023	67.7	9	60.0	987	46.2
Upper					
2022	26.0	5	31.3	406	30.0
2023	26.0	2	13.3	366	17.1
Not Available					
2022	2.2	2	12.5	57	4.2
2023	2.2	4	26.7	786	36.7
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>1,352</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>2,139</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data; Institution Data. Due to rounding, totals may not equal 100.0%</i>					

### **Borrower Distribution**

The distribution of borrowers reflects poor penetration. The institution's home mortgage lending performance supports this conclusion. As stated previously, examiners weighted home mortgage loans more heavily, considering the overall loan portfolio composition, and dollar volume of activity.

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

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is poor. The institution did not originate any home mortgage loans to low-income borrowers. For moderate-income borrowers, the institution's performance was slightly less than demographic data in 2022 and was significantly less than demographic data in 2023.

The following table illustrates the institution's home mortgage loan performance in each borrower income category. The not available income category includes non-owner occupied loans originated in 2022 and 2023.

<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>
<b>Low</b>					
2022	15.7	0	0.0	0	0.0
2023	15.7	0	0.0	0	0.0
<b>Moderate</b>					
2022	17.8	5	13.9	365	5.8
2023	17.8	1	2.9	114	2.2
<b>Middle</b>					
2022	23.9	6	16.7	745	11.8
2023	23.9	6	17.1	980	19.2
<b>Upper</b>					
2022	42.5	9	25.0	2,557	40.5
2023	42.5	10	28.6	1,295	25.4
<b>Not Available</b>					
2022	0.0	16	44.4	2,646	41.9
2023	0.0	18	51.4	2,712	53.2
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>6,313</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>5,101</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.*

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

The distribution of small business loans is reasonable. The institution's performance in 2022 exceeded demographic data and was slightly below available demographic data in 2023.

<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>
<b>&lt;=\$1,000,000</b>					
2022	89.2	15	93.8	752	55.6
2023	--	13	86.7	1,548	72.4
<b>&gt;\$1,000,000</b>					
2022	2.9	1	6.3	600	44.4
2023	--	2	13.3	591	27.6
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>1,352</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>2,139</b>	<b>100.0</b>

*Source: 2022 D&B Data; Institution Data; "--" data not available. Due to rounding, totals may not equal 100.0%.*

**Response to Complaints**

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

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

## APPENDICES

### SMALL INSTITUTION PERFORMANCE CRITERIA

#### **Lending Test**

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

- 1) The institution'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 institution's assessment area(s);
- 3) The geographic distribution of the institution's loans;
- 4) The institution'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 institution'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 institution 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.