

# **PUBLIC DISCLOSURE**

July 8, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Mt. Victory State Bank  
Certificate Number: 9438

103 S Main St  
Mount Victory, Ohio 43340

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

The Mount Victory State Bank (MVSb) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the Lending Test performance:

- The loan-to-deposit (LTD) ratio is reasonable given the bank’s size, financial condition, and AA credit needs.
- A substantial majority of home mortgage and small business loans were within the AA.
- The geographic distribution of loans reflects excellent dispersion throughout the AA.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## DESCRIPTION OF INSTITUTION

MVSb is a \$21 million bank headquartered in Mount Victory, Ohio, and continues to be wholly owned by Victory Bancshares, Inc., a one-bank holding company also located in Mount Victory. FDIC examiners assigned a rating of “Satisfactory” at the previous CRA Performance Evaluation, dated October 22, 2018, based on Interagency Small Institution Examination Procedures.

MVSb continues to operate one full-service branch, located in Hardin County, Ohio. MVSb offers home mortgage, commercial, agricultural, and consumer loan products, and provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposits. Alternative banking services include internet banking. MVSb has not opened or closed any branches, nor engaged in any merger or acquisition activity since the previous evaluation.

Examiners determined the primary business focus is home mortgage and small business loans, based on the bank’s business strategy and the number and dollar volume of loans originated during the evaluation period.

According to the Consolidated Reports of Conditions and Income (Call Report) dated March 31, 2024, MVSb’s assets totaled approximately \$21 million, and included total loans of approximately \$13 million, total deposits of approximately \$19 million, and total securities totaling approximately \$5 million. Examiners did not identify any financial, legal, or other impediments that affect the ability to meet AA credit needs. The following table illustrates the loan portfolio distribution.

| <b>Loan Portfolio Distribution as of 3/31/2024</b>                       |                 |              |
|--------------------------------------------------------------------------|-----------------|--------------|
| <b>Loan Category</b>                                                     | <b>\$(000s)</b> | <b>%</b>     |
| Construction, Land Development, and Other Land Loans                     | 207             | 1.6          |
| Secured by Farmland                                                      | 771             | 6.0          |
| Secured by 1-4 Family Residential Properties                             | 5,249           | 41.0         |
| Secured by Multifamily (5 or more) Residential Properties                | 677             | 5.3          |
| Secured by Nonfarm Nonresidential Properties                             | 1,514           | 11.8         |
| <b>Total Real Estate Loans</b>                                           | <b>8,418</b>    | <b>65.7</b>  |
| Commercial and Industrial Loans                                          | 1,874           | 14.6         |
| Agricultural Production and Other Loans to Farmers                       | 881             | 6.9          |
| Consumer Loans                                                           | 1, 542          | 12.1         |
| Other Loans                                                              | 84              | 0.7          |
| <b>Total Loans</b>                                                       | <b>12,799</b>   | <b>100.0</b> |
| <i>Source: Call report. Due to rounding, totals may not equal 100.0%</i> |                 |              |

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate their CRA performance. The AA has not changed since the previous exam. The following sections discuss demographic and economic information for the AA, obtained from 2020 U.S. Census Data and 2023 D&B Data.

### **Economic and Demographic Data**

The AA includes 42 census tracts (CTs) consisting of the entirety of Hardin, Logan, and Marion counties, which are contiguous and not located in an MSA, as well as five CTs in Union County (501.00, 502.00, 503.01, 503.03, and 503.04), which is part of the Columbus, OH, MSA. The five tracts in Union County are contiguous to Hardin, Logan, and Marion counties, do not extend substantially beyond the MSA border, and are in close proximity to the bank's sole location. Based on the 2020 U.S. Census, the AA was comprised of 42 CTs designated as follows: 1 low-, 12 moderate-, 18 middle-, and 9 upper- income. The AA also included two CTs with no income designation. The following table illustrates select demographic characteristics of the AA.

| Demographic Information of the AA                                                                                                                                                           |         |               |                              |                  |                 |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------|------------------------------|------------------|-----------------|---------------|
| Demographic Characteristics                                                                                                                                                                 | #       | Low<br>% of # | Moderate<br>% of #           | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts)                                                                                                                                                                 | 42      | 2.4           | 28.6                         | 42.9             | 21.4            | 4.8           |
| Population by Geography                                                                                                                                                                     | 165,863 | 1.3           | 23.7                         | 41.7             | 29.3            | 4.1           |
| Housing Units by Geography                                                                                                                                                                  | 73,995  | 1.4           | 26.6                         | 44.9             | 27.0            | 0.2           |
| Owner-Occupied Units by Geography                                                                                                                                                           | 47,126  | 1.0           | 20.1                         | 46.3             | 32.6            | 0.0           |
| Occupied Rental Units by Geography                                                                                                                                                          | 16,853  | 2.0           | 42.1                         | 36.2             | 19.2            | 0.4           |
| Vacant Units by Geography                                                                                                                                                                   | 10,016  | 2.0           | 30.6                         | 53.1             | 13.5            | 0.8           |
| Businesses by Geography                                                                                                                                                                     | 13,014  | 0.5           | 23.6                         | 42.8             | 32.8            | 0.3           |
| Farms by Geography                                                                                                                                                                          | 1,080   | 0.3           | 11.6                         | 53.2             | 34.8            | 0.1           |
| Family Distribution by Income Level                                                                                                                                                         | 42,605  | 17.9          | 18.6                         | 22.5             | 41.0            | 0.0           |
| Household Distribution by Income Level                                                                                                                                                      | 63,979  | 21.6          | 17.0                         | 18.6             | 42.8            | 0.0           |
| Median Family Income MSA - 18140 Columbus, OH MSA                                                                                                                                           |         | \$84,088      | Median Housing Value         |                  |                 | \$132,704     |
| Median Family Income Non-MSAs - OH                                                                                                                                                          |         | \$66,684      | Median Gross Rent            |                  |                 | \$725         |
|                                                                                                                                                                                             |         |               | Families Below Poverty Level |                  |                 | 8.0%          |
| 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. |         |               |                              |                  |                 |               |

According to the 2020 U.S. Census, the AA had 73,995 housing units, of which 63.7 percent were owner-occupied, 22.8 percent were occupied rentals, and 13.5 percent were vacant.

According to the 2023 D&B data, there were 13,014 businesses located within the AA. Gross Annual Revenues (GARs) for these businesses include 86.4 percent with \$1 million or less; 3.0 percent with more than \$1 million; and 10.6 percent with revenues not reported. The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level. Additionally, 63.4 percent of businesses operate with four or fewer employees, and 90.6 percent operate from a single location. The most dominant industries in the AA include the service industry at 32.2 percent, non-classifiable establishments at 21.3 percent, and retail trade at 10.3 percent.

Data obtained from the U.S. Bureau of Labor and Statistics indicates the average 2023 unemployment rate for the state of Ohio was 3.5 percent, which was slightly lower than the national average of 3.6 percent. The average unemployment rates in Logan County (3.0), Marion County (3.4) and Union County (2.8) were lower than the state and national averages, whereas the average unemployment in Hardin County (3.8) was higher than the state and national averages.

Examiners used the 2023 FFIEC Median Family Income (MFI) ranges to evaluate home mortgage lending under the Borrower Profile criterion. The following table provides the MFI levels for the AA.

| MFI Ranges                            |             |                         |                        |                |
|---------------------------------------|-------------|-------------------------|------------------------|----------------|
| MFI                                   | Low<br><50% | Moderate<br>50% to <80% | Middle<br>80% to <120% | Upper<br>≥120% |
| Columbus, OH MSA Median Family Income |             |                         |                        |                |
| 2023 (\$100,900)                      | <\$50,450   | \$50,450 to <\$80,720   | \$80,720 to <\$121,080 | ≥\$121,080     |
| OH NA Median Family Income            |             |                         |                        |                |
| 2023 (\$79,500)                       | <\$39,750   | \$39,750 to <\$63,600   | \$63,600 to <\$95,400  | ≥\$95,400      |
| <i>Source: FFIEC</i>                  |             |                         |                        |                |

### **Competition**

FSB operates in a moderately competitive market for financial services. According to Deposit Market Share data as of June 30, 2023, 25 banks operate 54 full-service branches within the AA. Of these banks, MVSB ranked 23<sup>rd</sup> with 0.5 percent of market share.

MVSB is not required to collect or report its home mortgage loan data; therefore, the analysis of home mortgage loans does not include comparisons against aggregate data. However, the aggregate data is useful identifying the level of demand and competition for home mortgage loans. The 2022 aggregate data indicates that 250 lenders reported 4,591 residential mortgage loans originated or purchased, indicating a high level of demand for this product.

Similarly, FSB is not required to collect or report its small business loan data, and elected not to do so; therefore, the analysis of small business loans does not include comparisons against aggregate data. However, the aggregate data is useful in identifying the level of demand and competition for small business loans. Aggregate data for 2022 indicates that 76 lenders reported 3,283 small business loans in the AA, indicating a high demand for this product.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to those needs. It also identifies what credit opportunities are available.

Examiners interviewed a representative from a local economic development agency, who stated the primary needs of the area are residential mortgages and small business assistance. While the area has been historically limited in home purchase opportunities, the contact stated opportunities are now even more limited due to a tornado in the area in 2023. The contact also stated it would be beneficial to the community if the financial institutions were able to provide more support to entrepreneurs wanting to start their own business and provide funding for multi-family housing. Recently, the Ohio State Treasury began a new homebuyer program that three banks actively partake in, with the contact hoping for additional banks to support. Lastly, the contact stated they were unaware of any discriminatory practices by any financial institutions in the area.

### **Credit Needs**

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

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation, dated October 22, 2018, to the current evaluation dated July 9, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate performance.

### **Activities Reviewed**

Examiners considered the business strategy, the number and dollar volume of loans originated during the evaluation period, major product lines, and the AA's credit needs. Based on this information, examiners determined major product lines include home mortgage and small business loans and gave greater weight to home mortgage lending. Small farm and consumer loans do not represent major product lines; therefore, provided no material support for conclusions or ratings, and examiners will not present them. Bank records indicated the lending focus and product mix remained consistent through the evaluation period.

As noted above, MVSB is not required to collect and report home mortgage or small business data. Therefore, examiners used bank records to review the universe of home mortgage and small business loans originated from January 1, 2022, to December 31, 2023. MVSB originated 11 home mortgage loans totaling approximately \$1.36 million in 2023 and 13 home mortgage loans totaling approximately \$1.75 million in 2022. MVSB originated 12 small business loans totaling approximately \$942,000 in 2023 and six small business loans totaling approximately \$345,000 in 2022. Examiners used 2020 U.S. Census data and 2023 D&B data as standards for demographic comparison for home mortgage and small business lending.

Although examiners reviewed and presented the number and dollar volume of home mortgage and small business loans for the Lending Test, examiners emphasized performance by number of loans, because this is a better indicator of the number of individuals and small business served. In evaluating the Geographic distribution and Borrower Profile criteria, examiners only evaluated loans extended within the AA.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

MVSB's performance under the Lending Test is reasonable. The consistent performance for the LTD Ratio, AA Concentration, and Borrower Profile supports this conclusion. Below is a discussion of the conclusions for each performance criterion.

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

MVSB's LTD ratio is reasonable given the bank's size, financial condition, and AA credit needs. The LTD ratio, calculated from Call Report data, averaged 48.8 percent over the previous 22 calendar quarters, from December 31, 2018, to March 31, 2024. However, MVSB's LTD has ratio increased substantially since the previous evaluation, from a low of 38.97 percent as of March 31, 2019, to a current high of 65.2 percent as of March 31, 2024.

As shown in the following table, MVSB's average net LTD ratio is below that of similarly-situated banks (SSB). Examiners selected SSBs based on their geographic location and lending focus. Due to MVSB's small asset size, there were no banks with comparable assets.

| LTD Ratio Comparison                       |                                           |                              |
|--------------------------------------------|-------------------------------------------|------------------------------|
| Bank                                       | Total Assets as of<br>03/31/2024 (\$000s) | Average Net<br>LTD Ratio (%) |
| Mount Victory State Bank                   | 21, 317                                   | 48.8                         |
| SSB #1                                     | 39,924                                    | 65.7                         |
| SSB #2                                     | 57,676                                    | 58.0                         |
| SSB #3                                     | 59,003                                    | 64.1                         |
| SSB #4                                     | 92,754                                    | 57.6                         |
| Source: Call Report 09/30/2018- 03/31/2024 |                                           |                              |

### **Assessment Area Concentration**

The bank made a substantial majority of home mortgage and small business loans by number and dollar volume within the AA. The following table illustrates the bank's AA concentration.

| Lending Inside and Outside of the AA                            |                 |       |         |      |         |                                  |       |         |      |                |
|-----------------------------------------------------------------|-----------------|-------|---------|------|---------|----------------------------------|-------|---------|------|----------------|
| Loan Category                                                   | Number of Loans |       |         |      | Total # | Dollars Amount of Loans \$(000s) |       |         |      | Total \$(000s) |
|                                                                 | Inside          |       | Outside |      |         | Inside                           |       | Outside |      |                |
|                                                                 | #               | %     | #       | %    |         | \$                               | %     | \$      | %    |                |
| Home Mortgage                                                   |                 |       |         |      |         |                                  |       |         |      |                |
| 2022                                                            | 12              | 92.3  | 1       | 7.7  | 13      | 1,662                            | 95.1  | 85      | 4.9  | 1,747          |
| 2023                                                            | 9               | 81.8  | 2       | 18.2 | 11      | 927                              | 68.1  | 434     | 31.9 | 1,361          |
| Subtotal                                                        | 21              | 87.5  | 3       | 12.5 | 24      | 2,589                            | 83.3  | 519     | 16.7 | 3,108          |
| Small Business                                                  |                 |       |         |      |         |                                  |       |         |      |                |
| 2022                                                            | 6               | 100.0 | 0       | 0.0  | 6       | 344                              | 100.0 | 0       | 0.0  | 345            |
| 2023                                                            | 10              | 83.3  | 2       | 16.7 | 12      | 873                              | 92.6  | 70      | 7.4  | 942            |
| Subtotal                                                        | 16              | 88.9  | 2       | 11.1 | 18      | 1,217                            | 94.6  | 70      | 5.4  | 1,287          |
| Total                                                           | 37              | 88.1  | 5       | 11.9 | 42      | 3,806                            | 86.6  | 589     | 13.4 | 4,395          |
| Source: Bank Data. Due to rounding, totals may not equal 100.0% |                 |       |         |      |         |                                  |       |         |      |                |

### **Geographic Distribution**

The geographic distribution of loans reflects excellent dispersion of home mortgage and small business loans. Examiners focused on the percentage by number of loans in moderate- and low-income CTs.

### **Home Mortgage Loans**

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the AA. Examiners focused comparisons on percent of owner-occupied housing units (demographic data). Although the bank originated no loans in the one low-income tract, per demographic data the percentage of owner-occupied housing in the tract is minimal. MVSB's performance in moderate-

income CTs significantly exceeds demographic data. The following table illustrates the geographic distribution of home mortgage loans throughout the AA.

| <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                                                                                                               | 1.0                                      | 0        | 0.0          | 0               | 0.0          |
| Moderate                                                                                                          | 20.1                                     | 6        | 66.7         | 550             | 59.3         |
| Middle                                                                                                            | 46.3                                     | 3        | 33.3         | 377             | 40.7         |
| Upper                                                                                                             | 32.6                                     | 0        | 0.0          | 0               | 0.0          |
| <b>Totals</b>                                                                                                     | <b>100.0</b>                             | <b>9</b> | <b>100.0</b> | <b>927</b>      | <b>100.0</b> |
| <i>Source: 2020 U.S. Census; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i> |                                          |          |              |                 |              |

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

The geographic distribution of small business loans reflects excellent dispersion throughout the AA. Examiners focused on the comparison to the percent of business in each tract income level. Although the bank originated no loans in the one low-income tract, per demographic data the percentage of owner-occupied housing in the tract is minimal. In addition, MVSB's performance in moderate-income CT's significantly exceeded demographic data. The following table reflects geographic distribution of small business loans throughout the AA.

| <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                                                                                                                | 0.5                    | 0         | 0.0          | 0               | 0.0          |
| Moderate                                                                                                           | 23.6                   | 9         | 90.0         | 823             | 94.3         |
| Middle                                                                                                             | 42.8                   | 1         | 10.0         | 50              | 5.7          |
| Upper                                                                                                              | 32.8                   | 0         | 0.0          | 0               | 0.0          |
| Not Available                                                                                                      | 0.3                    | 0         | 0.0          | 0               | 0.0          |
| <b>Totals</b>                                                                                                      | <b>100.0</b>           | <b>10</b> | <b>100.0</b> | <b>873</b>      | <b>100.0</b> |
| <i>Source: 2023 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i> |                        |           |              |                 |              |

### **Borrower Profile**

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the AA. Examiners focused on the number of home mortgage loans to LMI borrowers and loans to small businesses with GARs of \$1 million or less.

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

Lending to low-income borrowers is reasonable. MVSB performed below demographics for lending to low-income borrowers. However, the demographic data for low-income families includes those living below the poverty level (8.0 percent). Due to their limited financial resources, families with incomes below the poverty level generally do not have the capacity to support a home mortgage, limiting the demand and opportunity for lending to low-income borrowers. Lending to

moderate-income borrowers in 2023 exceeded demographic data. MVSB's performance in 2023 among borrowers of different income levels is reflected in the following table.

| <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                                                                 | 17.9                 | 1        | 11.1         | 26              | 2.8          |
| Moderate                                                            | 18.6                 | 2        | 22.2         | 299             | 32.3         |
| Middle                                                              | 22.5                 | 3        | 33.3         | 286             | 30.9         |
| Upper                                                               | 41.0                 | 3        | 33.3         | 316             | 34.0         |
| Income Not Available                                                | 0.0                  | 0        | 0.0          | 0               | 0.0          |
| <b>Total</b>                                                        | <b>100.0</b>         | <b>9</b> | <b>100.0</b> | <b>927</b>      | <b>100.0</b> |
| <i>Source: 2023 D&amp;B Data; Bank Data</i>                         |                      |          |              |                 |              |

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

The distribution of small business loans to businesses of different sizes is reasonable. MVSB's performance among businesses with GARs of \$1 million or less trailed demographic data. However, demographic data is not always indicative of lending opportunities within the AA. Although MVSB is not required to collect or report small business data, and does not elect to do so, examiners considered aggregate data to determine the level of lending opportunity. Aggregate lending performance to businesses with GARs of \$1 million or less was 61.3 percent for 2023. Therefore, performance is considered reasonable.

| <b>Table 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>     |
| ≤ \$1,000,000                                                                      | 86.4                   | 7         | 70.0         | 698             | 80.0         |
| > \$1,000,000                                                                      | 3.0                    | 3         | 30.0         | 175             | 20.0         |
| Revenue Not Available                                                              | 10.6                   | 0         | 0.0          | 0               | 0.0          |
| <b>Total</b>                                                                       | <b>100.0</b>           | <b>10</b> | <b>100.0</b> | <b>873</b>      | <b>100.0</b> |
| <i>Source: 2023 D&amp;B Data; Bank Data</i>                                        |                        |           |              |                 |              |

### **Response to Complaints**

MVSB did not receive any CRA-related complaints since the prior evaluations; 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 and 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.