

# **PUBLIC DISCLOSURE**

February 4, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Elysian Bank  
Certificate Number: 10185

121 Main St E  
Elysian, Minnesota 56028

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

1100 Walnut St, Suite 2100  
Kansas City, Missouri 64106

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

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

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

Elysian Bank's Community Reinvestment Act (CRA) performance under the applicable performance criteria supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the assessment area's credit needs.
- The bank made a majority of its small business, home mortgage, and small farm loans within the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among businesses and farms of different revenue sizes and 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 rating.

## DESCRIPTION OF INSTITUTION

Elysian Bank is headquartered in Elysian, Minnesota, and is owned by Elysian, Inc., a one-bank holding company also located in Elysian. The bank operates from its office in Elysian and a loan production office that was opened in Otsego, Minnesota, in April of 2023. There are no other lending subsidiaries or affiliates. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated April 4, 2019, based on Interagency Small Institution Examination Procedures.

Elysian Bank's primary business focus continues to be commercial and residential real estate lending, followed by agricultural lending. The bank also offers consumer loan products to meet the needs of the communities served. Additionally, the bank continues to originate mortgage loans that are subsequently sold through its secondary market relationship. From January 1, 2024, to December 31, 2024, Elysian Bank originated 14 secondary-market loans totaling approximately \$3.4 million.

The bank offers a variety of deposit account services, including checking, savings, and certificates of deposit. Additionally, the bank offers alternative banking services such as online and mobile banking and e-statements.

The bank's September 30, 2024, Consolidated Report of Condition and Income (Report of Condition) reflected total assets of \$66.0 million, total loans of \$51.0 million, and total deposits of \$57.8 million. The following table illustrates the bank's loan portfolio distribution.

<b>Loan Portfolio Distribution as of 9/30/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	634	1.2
Secured by Farmland	3,368	6.6
Secured by 1-4 Family Residential Properties	20,603	40.4
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	11,354	22.3
<b>Total Real Estate Loans</b>	<b>35,959</b>	<b>70.5</b>
Commercial and Industrial Loans	5,998	11.8
Agricultural Production and Other Loans to Farmers	2,629	5.1
Consumer Loans	6,434	12.6
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)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>51,020</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		
<i>Due to rounding totals may not equal 100.0%</i>		

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 financial institutions to define one or more assessment areas within which examiners will evaluate CRA performance. Elysian Bank has designated one assessment area in Minnesota that includes all of Le Sueur, Waseca and Rice counties and one census tract (1701) in Blue Earth County. Le Sueur County is part of the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area. Blue Earth County is part of the Mankato Metropolitan Statistical Area. Rice and Waseca counties are part of the nonmetropolitan area of Minnesota.

The assessment area has expanded since the previous evaluation when it consisted of select census tracts in Le Sueur, Waseca, Rice, and Blue Earth counties. The assessment area was expanded to capture the institution's lending activity as well as neighboring communities served. According to 2020 U.S. Census data, the assessment area includes 4 moderate-income census tracts, 16 middle-income census tracts, and 9 upper-income census tracts. The bank's office is in a middle-income census tract in Le Sueur County. Because the bank has only one office, this evaluation presents only one assessment area consisting of metropolitan and nonmetropolitan areas for analysis and conclusions.

**Economic and Demographic Data**

The following table illustrates the demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	29	0.0	13.8	55.2	31.0	0.0
Population by Geography	120,187	0.0	15.2	53.5	31.3	0.0
Housing Units by Geography	48,265	0.0	14.9	56.3	28.8	0.0
Owner-Occupied Units by Geography	33,679	0.0	12.9	54.4	32.6	0.0
Occupied Rental Units by Geography	10,246	0.0	22.9	61.0	16.1	0.0
Vacant Units by Geography	4,340	0.0	10.7	60.3	29.0	0.0
Businesses by Geography	12,056	0.0	15.2	50.8	34.0	0.0
Farms by Geography	1,108	0.0	6.9	44.9	48.3	0.0
Family Distribution by Income Level	30,073	18.3	17.0	23.7	41.0	0.0
Household Distribution by Income Level	43,925	20.5	15.8	19.4	44.3	0.0
Median Family Income MSA - 31860 Mankato, MN MSA		\$83,590	Median Housing Value			\$216,717
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA		\$103,977	Median Gross Rent			\$879
Median Family Income Nonmetropolitan MN		\$74,710	Families Below Poverty Level			6.0%
<i>Source: 2020 U.S. Census and 2024 D&amp;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.</i>						

According to 2024 D&B data, the services industry represents the largest portion of business operations at 30.0 percent; followed by non-classifiable establishments at 20.8 percent; and finance, insurance, and real estate at 9.8 percent. Additionally, 65.9 percent of assessment area businesses have four or fewer employees, and 93.6 percent operate from a single location.

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

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Mankato, MN MSA Median Family Income (31860)</b>				
2024 (\$83,590)	<\$41,795	\$41,795 to <\$66,872	\$66,872 to <\$100,308	≥\$100,308
<b>Minneapolis-St. Paul-Bloomington, MN-WI MSA Median Family Income (33460)</b>				
2024 (\$103,977)	<\$51,989	\$51,989 to <\$83,182	\$83,182 to <\$124,772	≥\$124,772
<b>Nonmetropolitan Minnesota Median Family Income (99999)</b>				
2024 (\$74,710)	<\$37,355	\$37,355 to <\$59,768	\$59,768 to <\$89,652	≥\$89,652
<i>Source: FFIEC</i>				

### **Competition**

The assessment area is a competitive market for credit products and financial services. According to Reports of Condition data filed by financial institutions in 2023, 29 financial institutions operate 38 locations within the assessment area. These institutions range from small community banks to larger national financial institutions. Of these institutions, Elysian Bank ranked 18<sup>th</sup> with 2.6 percent deposit market share.

Elysian Bank also faces significant competition for home mortgage loans from financial institutions and mortgage companies originating or purchasing loans within the assessment area. The bank was not required to collect or report home mortgage loan data during the review period and did not elect to do so. Therefore, examiners did not compare the bank’s home mortgage lending performance to aggregate Home Mortgage Disclosure Act (HMDA) data within this evaluation. However, the aggregate HMDA data provides an indication of the level of demand for home mortgage loans and the level of competition within the assessment area. According to 2023 aggregate HMDA data (most recently available), 200 HMDA-reporting institutions originated or purchased 2,247 home mortgage loans in the assessment area, reflecting a highly competitive market.

Elysian Bank is also not required to collect or report small business or small farm CRA loan data and has elected not to do so. Therefore, examiners did not compare the bank’s small business or small farm lending performance to aggregate CRA data within this evaluation. However, the aggregate CRA data provides an indication of the level of demand for small business and small farm loans and the level of competition within the assessment area. According to 2022 aggregate CRA data (most recent available), 77 CRA data reporters collectively reported 3,108 small business loans within the assessment area. These figures do not include a high number of loans originated by smaller or mid-sized institutions, like Elysian Bank, that are not required to report small business lending data but that operate within the assessment area. The overall volume of small business lending reflects a highly competitive market.

According to 2022 aggregate CRA data (most recent available), 16 CRA data reporters collectively reported 478 small farm loans within the assessment area. These figures do not include a high number of loans originated by smaller or mid-sized institutions, such as Elysian Bank, that are not required to report small farm lending data but that operate within the assessment area. The overall volume of small farm lending reflects a competitive market.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this evaluation, examiners conducted a community contact interview with a representative of an economic development organization that serves a city within the assessment area.

The contact indicated that most small businesses needing credit are established businesses, but there has been more interest regarding financing for new businesses. The contact also indicated that the area has mostly smaller private owned farms and there are financial institutions in the area that primarily serve farm customers. Homes in the area that are newly built or put on the market sell quickly with the average price between \$220,000 and \$300,000. The contact indicated there are multiple banks within the area to choose from in addition to alternative financing options, and that home loans and small business loans represent the primary credit needs of the community.

### **Credit Needs**

Examiners considered information received from the community contact, bank management, and demographic and economic data, to determine that small business and home mortgage loans represent the credit needs in the assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation, dated April 4, 2019, to the current evaluation, dated February 4, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate Elysian Bank's CRA performance. These procedures focus on the bank's performance under the Lending Test as outlined in the Small Bank Performance Criteria appendix.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are commercial and home mortgage lending followed by agricultural lending. This conclusion considered discussions with management regarding the bank's business strategy, review of bank records of the number and dollar volume of loans originated during the evaluation period, and a review of the Reports of Condition data. Small business and home mortgage lending received equal weight followed by small farm loans when deriving overall conclusions based on management's stated business focus and loan portfolio composition.

Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. Therefore, examiners reviewed all small business, home mortgage, and small farm loans originated or extended in 2024, as this period was considered representative of the bank's performance during the entire evaluation period. D&B data for 2024 provided a standard of comparison for small business and small farm lending performance. The 2020 U.S. Census data provided a standard of comparison for the bank's home mortgage lending performance.

For the Lending Test, examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. All loans inside the assessment area were further reviewed to evaluate the Geographic Distribution criterion. To evaluate the Borrower Profile criterion, examiners reviewed a sample of small business loans originated inside the assessment area and all small farm and home mortgage loans originated inside the assessment area given loan volume during the review period. The table below provides information on the number and dollar volume of loans sampled/reviewed.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Sampled or Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Business	135	9,367	41	3,383
Home Mortgage	54	8,748	35	4,521
Small Farm	33	2,134	33	2,134
<i>Source: 2023 Bank Data</i>				

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Elysian Bank demonstrated satisfactory performance under the Lending Test. The bank’s performance under the evaluated criteria supports this conclusion.

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

The loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and credit needs in the assessment area. The bank’s ratio, calculated from Report of Condition data, averaged 86.9 percent over the past 23 calendar quarters from March 31, 2019, to September 30, 2024. The ratio has generally remained steady, with some fluctuations over the review period, ranging from a low of 59.3 percent on September 30, 2021, to a high of 89.3 percent on June 30, 2024. Elysian Bank maintained a ratio similar to the comparable institutions, as shown in the following table. Examiners selected comparable institutions based on asset size, geographic location, and lending focus.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 9/30/2024 (\$000s)</b>	<b>Average Net Loan-to-Deposit Ratio (%)</b>
<b>Elysian Bank Elysian, Minnesota</b>	<b>66,035</b>	<b>86.9</b>
First State Bank of Le Center Le Center, Minnesota	103,244	76.5
Janesville State Bank Janesville, Minnesota	88,237	95.0
St. Clair State Bank (Incorporated) Saint Clair, Minnesota	116,986	87.3
<i>Source: Reports of Condition and Income 03/31/2019 - 09/30/2024</i>		

**Assessment Area Concentration**

As detailed in the following table, Elysian Bank made a majority of its small business, home mortgage, and small farm loans within its assessment area.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>					<b>Dollar Amount of Loans \$(000s)</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$(000s)</b>
Small Business	93	68.9	42	31.1	135	6,000	64.1	3,367	35.9	9,367
Home Mortgage	35	64.8	19	35.2	54	4,521	51.7	4,227	48.3	8,748
Small Farm	33	100.0	0	0.0	33	2,134	100.0	0	0.0	2,134
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

**Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area and is supported by reasonable small business, home mortgage, and small farm lending performance. Examiners focused on the percentage of loans made in the moderate-income census tracts within the assessment area as there were no low-income census tracts.

***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank’s small business lending performance in moderate-income census tracts trails demographic data. Competition for small business loans affects lending opportunities in the assessment area as confirmed by CRA aggregate data. Examiners review of Reports of Condition data filed by financial institutions confirmed that a total of 11 competing financial institutions operate offices in the moderate-income census tracts located in the counties of Waseca (1 institution), Le Sueur (3 institutions), and Rice (7 institutions), and engage in small business lending. Additionally, the bank’s sole office is distant from the moderate-income tracts located in the cities of Waseca, Le Sueur and Faribault. Considering these factors, the bank’s performance is reasonable.

<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	15.2	2	2.2	66	1.1
Middle	50.8	72	77.4	4,650	77.5
Upper	34.0	19	20.4	1,284	21.4
<b>Totals</b>	<b>100.0</b>	<b>93</b>	<b>100.0</b>	<b>6,000</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the

assessment area. As shown in the following table, the bank’s home mortgage lending performance in moderate-income census tracts trails demographic data. As stated previously, competition for home mortgage loans is significant and affects lending opportunities in the assessment area as confirmed by HMDA aggregate data. The distance from Elysian Bank’s office to the moderate-income census tracts within its assessment area also limits the bank’s ability to penetrate these areas, especially when considering the level of competition. Examiners’ review of 2023 aggregate data filed by HMDA reporters confirmed that competing financial institutions with the highest market share of lending activity in the moderate-income census tracts in Waseca, Rice, and Le Sueur counties were national mortgage companies, large national banks, and credit unions. Further, examiners review of Reports of Condition data filed by financial institutions confirmed that a total of 11 competing financial institutions operate offices in the moderate-income census tracts located in the counties of Waseca, Le Sueur, and Rice as mentioned previously. Considering these factors, the bank’s performance is reasonable.

<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	12.9	1	2.9	207	4.6
Middle	54.4	30	85.7	3,884	85.9
Upper	32.6	4	11.4	430	9.5
<b>Total</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>4,521</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census, Bank Data Due to rounding, totals may not equal 100.0%</i>					

***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. The following table shows that the bank did not make any loans in moderate-income census tracts, although there are a limited number of farms operating in these areas according to the demographic data. Competition for small farm loans affects lending opportunities in the assessment area as confirmed by CRA aggregate data. Examiners review of Reports of Condition data filed by financial institutions also confirmed that a total of 11 competing financial institutions operate offices in the moderate-income census tracts located in the counties of Waseca, Le Sueur, and Rice as mentioned previously, and engage in small farm lending. Considering these factors, the bank’s performance is reasonable.

<b>Geographic Distribution of Small Farm Loans</b>					
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	6.9	0	0.0	0	0.0
Middle	44.9	24	72.7	1,486	69.6
Upper	48.3	9	27.3	648	30.4
<b>Totals</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>2,134</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

**Borrower Profile**

The bank’s lending performance demonstrates reasonable penetration among businesses and farms of different revenue sizes and individuals of different income levels. The bank’s reasonable small business, home mortgage, and small farm lending performance supports this conclusion. Examiners focused on the percentage of loans to businesses and farms with gross annual revenues of \$1 million or less and to low- and moderate-income borrowers.

***Small Business Loans***

The distribution of borrowers reflects reasonable penetration to businesses with gross annual revenues of \$1 million or less. As shown in the following table, the bank’s lending to businesses with gross annual revenues of \$1 million or less is comparable to demographic data for the assessment area.

<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>
<=\$1,000,000	89.9	37	90.2	2,963	87.6
>\$1,000,000	3.1	4	9.8	420	12.4
Revenue Not Available	7.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>3,383</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers is reasonable. As illustrated in the following table, the bank’s home mortgage lending to low- and moderate-income borrowers is slightly lower than demographic data. According to the 2020 U.S. Census data, 6.0 percent of families in the assessment area live below the poverty level. Examiners confirmed that based on calculations derived from the average median housing value within the assessment area and industry-standard underwriting criteria, low-income individuals and those living below the poverty level are likely to experience difficulty in qualifying for home mortgage loans due to monthly payment and down-payment requirements. Considering these factors, the bank’s performance is reasonable.

<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	18.3	4	11.4	375	8.3
Moderate	17.0	5	14.3	500	11.1
Middle	23.7	10	28.6	1,256	27.8
Upper	41.0	16	45.7	2,390	52.9
<b>Total</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>4,521</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data Due to rounding, totals may not equal 100.0%</i>					

***Small Farm Loans***

The distribution of borrowers reflects reasonable lending penetration to farms with gross annual revenues of \$1 million or less. As shown in the following table, the bank’s lending to farms with gross annual revenues of \$1 million or less is comparable to the demographic data for the assessment area.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	98.3	32	97.0	1,788	83.8
>\$1,000,000	1.1	1	3.0	346	16.2
Revenue Not Available	0.6	0.0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>2,134</b>	<b>100.0</b>

*Source: 2024 D&B Data; Bank Data.  
Due to rounding, totals may not equal 100.0%*

**Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

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

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

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

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

## GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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