

# **PUBLIC DISCLOSURE**

July 7, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Peoples State Bank of Hallettsville  
Certificate Number: 10719

116 East Third Street  
Hallettsville, TX 77964

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

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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

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## INSTITUTION RATING

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

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

**The Lending Test is rated Satisfactory.**

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

## DESCRIPTION OF INSTITUTION

Peoples State Bank of Hallettsville (PSBH) began operations in 1929 and is a single-location bank headquartered in rural Hallettsville, Texas. This financial institution functions with a one-bank holding company and no other affiliates or subsidiaries exist relevant to this CRA evaluation. The bank received a Satisfactory rating at its previous Federal Deposit Insurance Corporation (FDIC) evaluation, dated September 6, 2022, based on Federal Financial Institutions Examination Council (FFIEC) Small Institution CRA Examination Procedures.

PSBH functions as a retail bank with a primary focus of residential and agricultural lending from its office in southeast central Texas between San Antonio and Houston, Texas. Since the previous evaluation, the bank has not opened or closed any office locations, nor has it participated in any merger or acquisition activity.

The bank offers a variety of lending products including residential real estate, commercial, consumer, construction and land development, and agricultural loans. It also provides a variety of consumer and commercial deposit services including checking and savings accounts, certificates of deposit, individual retirement accounts, and debit cards. The institution maintains banking hours typical for the area and industry. Alternative banking services include telephone, mobile and online

banking with bill pay, a drive-through facility, and two automated teller machines (ATMs) in Hallettsville, Texas.

As of March 31, 2025, total assets equaled \$371.5 million, net loans equaled \$145.3 million, and total deposits equaled \$340.8 million. Since the last evaluation, on average per year, total assets increased 10.1 percent, net loans increased 20.5 percent, and total deposits increased 10.0 percent.

The following table illustrates the bank’s loan portfolio distribution as of March 31, 2025, reflecting that residential loans at 45.2 percent and agricultural loans at 40.2 percent of total loans by dollar volume represent the bank’s two largest lending categories.

<b>Loan Portfolio Distribution as of 03/31/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	6,254	4.3
Secured by Farmland	28,878	19.7
Secured by 1-4 Family Residential Properties	66,209	45.2
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	6,745	4.6
<b>Total Real Estate Loans</b>	<b>108,086</b>	<b>73.8</b>
Commercial and Industrial Loans	3,416	2.3
Agricultural Production and Other Loans to Farmers	29,964	20.5
Consumer Loans	4,917	3.4
Obligations of State and Political Subdivisions in the U.S.	98	< 0.1
Other Loans	6	< 0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>146,487</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income Due to rounding, totals may not equal 100.0%</i>		

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

## **DESCRIPTION OF ASSESSMENT AREA**

PSBH designated one assessment area, the Texas Non-Metropolitan Statistical Area Assessment Area (Non-MSA AA), consisting of all six census tracts that make up Lavaca County. The assessment area conforms to technical CRA regulatory requirements.

The bank’s office and ATMs are all located within the same middle-income census tract. According to FFIEC data, two tracts were underserved middle-income nonmetropolitan tracts in 2025. The area received one major disaster declaration during the review period from the Federal Emergency Management Agency (FEMA), as a result of Texas Hurricane Beryl.

**Economic and Demographic Data**

The area’s six census tracts consist of 1 moderate-, 2 middle- and 3 upper-income census tracts per 2020 U.S. Census data. There are no low-income tracts in the bank’s assessment area. The following table provides additional demographic information for 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)	6	0.0	16.7	33.3	50.0	0.0
Population by Geography	20,337	0.0	14.8	36.7	48.5	0.0
Housing Units by Geography	10,495	0.0	13.1	38.0	48.9	0.0
Owner-Occupied Units by Geography	5,973	0.0	13.6	32.7	53.7	0.0
Occupied Rental Units by Geography	1,931	0.0	21.1	45.0	34.0	0.0
Vacant Units by Geography	2,591	0.0	6.1	44.8	49.1	0.0
Businesses by Geography	2,183	0.0	9.7	38.3	52.1	0.0
Farms by Geography	178	0.0	4.5	41.0	54.5	0.0
Family Distribution by Income Level	5,521	17.2	16.1	20.1	46.6	0.0
Household Distribution by Income Level	7,904	19.4	15.9	19.0	45.6	0.0
Median Family Income Non-MSAs - TX		\$61,809	Median Housing Value			\$180,295
			Median Gross Rent			\$759
			Families Below Poverty Level			7.8%

*Source: 2020 U.S. Census and 2024 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.*

Based on D&B business demographics data, service industries represent the largest portion of businesses at 28.7 percent, followed by non-classifiable establishments at 26.5 percent, retail trade at 10.9 percent, and finance, insurance, and real estate at 8.8 percent. Major employers in the area include Pepsi Bottling Group, Enterprise Products, Mascot Oil Company, Spoetzel Brewery, Lavaca Medical Center, Hallettsville ISD, Walmart, and local municipalities. In addition, 62.0 percent of area businesses have 4 or fewer employees, and 93.6 percent operate from a single location. Since the last evaluation, the Lavaca County, Texas area has shown a stable and steadily growing economy.

Examiners used the 2024 FFIEC-updated median family income levels to analyze applicable loans under the borrower profile criterion. The following table presents income categories, based on the median family income of \$75,500 for the Non-MSA AA.

<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>
2024 (\$75,500)	<\$37,750	\$37,750 to <\$60,400	\$60,400 to <\$90,600	≥\$90,600

*Source: FFIEC*

The Texas Workforce Commission's May 2025 figures show that Lavaca County reported an unemployment rate of 3.1 percent, compared to the Texas unemployment rate of 4.0 percent and the U.S. unemployment rate of 4.2 percent.

### **Competition**

The FDIC Deposit Market Share report as of June 30, 2024, reported that 6 financial institutions operated 8 offices within the bank's assessment area, reflecting competition for financial services. Of these institutions, PSBH ranked 1<sup>st</sup> in deposit market share by capturing 34.0 percent of the area's deposits. Additionally, various lenders including credit unions, mortgage companies, and financial companies operate in the area, heightening competition. Overall, the competition level allows for lending opportunities in the assessment area.

### **Community Contact**

As a part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit opportunities are available for bank involvement. Examiners met with a contact who represents a municipal organization in the area.

The contact stated that Lavaca County's economy is stable and growing. Oil and gas is a major industry in the area, necessitating well-drilling, and major employers include the county which employs over 100 people, a local brewery, and local school districts. Given the presence of three cities within the county, a range of employment opportunities are available. The contact also mentioned that there has been a recent influx of new residents. Further, the contact stated that there is demand for business loans given the area's commercial footprint as well as demand for residential loans given the growth in the local population. In addition, there is also demand for agricultural loans given the farming and ranching activity in the area. Finally, the contact indicated that local financial institutions are generally financially responsive to the assessment area's credit needs, and they also advertise on the local radio station for increased awareness.

### **Credit Needs**

The area presents a variety of credit needs and lending opportunities, consistent with its growing population. Considering information obtained from the community contact, bank management, as well as demographic and economic data, examiners concluded that the area's primary credit needs include small farm, small business, consumer, and home mortgage loans.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated September 6, 2022, to the current evaluation dated July 7, 2025. Examiners used the Interagency Small Institution CRA Examination Procedures to evaluate PSBH's CRA performance. These procedures include the

Lending Test. As previously noted, the bank operates in one defined assessment area. Consequently, examiners applied full-scope procedures to the bank’s performance in this area.

**Activities Reviewed**

For the Lending Test, examiners considered the number and dollar volume of loans illustrated in the following table as well as management’s stated business strategy to determine the bank’s major product lines for which to complete this analysis. Agricultural lending at 36.2 percent and residential lending at 26.2 percent of total loans by dollar volume represented the bank’s primary products. As such, examiners reviewed the bank’s small farm and home mortgage lending. Since none of the other typically considered loan categories represent a major product line and thus would not materially affect any conclusions or ratings, including commercial lending at 13.4 percent and consumer lending at 8.1 percent, this evaluation does not discuss them.

<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	6,268	16.1	17	4.1
Secured by Farmland	3,385	8.7	15	3.6
Secured by 1-4 Family Residential Properties	10,194	26.2	35	8.4
Multi-Family (5 or more) Residential Properties	0	0.0	0	0.0
Commercial Real Estate Loans	500	1.3	1	0.2
Commercial and Industrial Loans	4,705	12.1	46	11.0
Agricultural Loans	10,723	27.5	111	26.5
Consumer Loans	3,137	8.1	194	46.3
Other Loans	0	0.0	0	0.0
<b>Total Loans</b>	<b>38,912</b>	<b>100.0</b>	<b>419</b>	<b>100.0</b>
<i>Source: 2024 Bank Data Due to rounding, totals may not equal 100.0%</i>				

This evaluation considers a universe of 35 residential loans totaling \$10.2 million and a universe of 125 small farm loans totaling \$8.1 million, originated in 2024. Examiners considered the universe when reviewing the bank’s assessment area concentration and geographic distribution performance. For borrower profile, examiners considered the universe when reviewing home mortgage loans, as data was readily available, and a random sample of 47 small farm loans totaling \$3.1 million.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage	35	10,194	35	10,194
Small Farm	125	8,108	47	3,111
<i>Source: 2024 Bank Data</i>				

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

PSBH demonstrated a satisfactory record regarding the Lending Test. This conclusion is supported by a reasonable LTD ratio, a majority of the bank's loans falling inside the assessment area, and reasonable borrower profile performance. The bank demonstrated a poor record regarding its geographic distribution performance.

### Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and lending-related activities) given the institution's size, financial condition, and assessment area credit needs. The average net LTD ratio, calculated from Reports of Condition and Income data, averaged 40.2 percent over the past 11 calendar quarters from September 30, 2022, to March 31, 2025, representing a slight increase from the 39.7 percent average net LTD ratio recorded at the previous evaluation. The ratio ranged from a low of 38.4 percent as of June 30, 2023, to a high of 42.6 percent as of March 31, 2025, steadily increasing during the evaluation period.

The following table lists four similarly situated institutions operating in the region with comparable lending emphases. PSBH reported the third highest average net LTD ratio of the listed banks, which is 9.7 percent below the second highest listed bank.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 03/31/2025 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Peoples State Bank of Hallettsville, Hallettsville, TX</b>	<b>371,488</b>	<b>40.2</b>
Carmine State Bank, Carmine, TX	129,991	27.1
Columbus State Bank, Columbus, TX	293,330	4.0
Crossroads Bank, Yoakum, TX	340,524	61.3
TrustTexas Bank, Cuero, TX	353,056	49.9

*Source: Reports of Condition and Income (9/30/2022-03/31/2025)*

### Assessment Area Concentration

A majority of loans and other lending related activities are in the institution's assessment area. As reflected in the table below, the bank originated a majority of its home mortgage and small farm loans, by number and dollar volume, inside its assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$
Home Mortgage	29	82.9	6	17.1	35	8,561	84.0	1,634	16.0	10,194
Small Farm	83	66.4	42	33.6	125	5,096	62.8	3,012	37.2	8,108
<b>Total</b>	<b>112</b>	<b>70.0</b>	<b>48</b>	<b>30.0</b>	<b>160</b>	<b>13,657</b>	<b>74.6</b>	<b>4,646</b>	<b>25.4</b>	<b>18,302</b>

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

### Geographic Distribution

The geographic distribution of loans reflects poor dispersion throughout the assessment area. Very poor performance regarding home mortgage lending and reasonable performance regarding small farm lending support this conclusion. Examiners considered performance context regarding geographic and competitive constraints as well as the bank’s outreach efforts. The single moderate-income census tract is about three-square miles in size and located in Yoakum, Texas, approximately 18 miles southwest of the bank’s sole office. Several financial institutions and lenders operate and effectively serve the census tract, limiting PSBH’s opportunities for lending in the area. As such, geographic distribution performance did not adversely affect the overall Lending Test rating.

### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects very poor dispersion throughout the Non-MSA AA. The following table shows that the bank’s made no loans in the moderate-income census tracts, which falls 13.6 percentage points below comparable demographic data, reflective of very poor performance.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	13.6	0	0.0	0	0.0
Middle	32.7	22	75.9	6,879	80.4
Upper	53.7	7	24.1	1,681	19.6
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	<b>8,561</b>	<b>100.0</b>

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

***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion throughout the Non-MSA AA. The following table shows that the bank’s level of lending in the moderate-income census tracts was 4.5 percentage points below comparable demographic data, reflective of reasonable performance.

<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>
Low	0.0	0	0.0	0	0.0
Moderate	4.5	0	0.0	0	0.0
Middle	41.0	41	49.4	2,203	43.2
Upper	54.5	42	50.6	2,893	56.8
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>83</b>	<b>100.0</b>	<b>5,096</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 distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and farms of different sizes. Excellent performance regarding small farm lending elevated very poor performance regarding home mortgage lending to support this conclusion.

***Home Mortgage Loans***

The distribution of borrowers reflects, given the demographics of the assessment area, very poor penetration among individuals of different income levels. The following table shows that the bank’s did not originate any loans to low- and moderate-income borrowers, falling 17.2 percentage points and 16.1 percentage points below comparable demographic data, respectively, reflective of very poor performance.

<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	17.2	0	0.0	0	0.0
Moderate	16.1	0	0.0	0	0.0
Middle	20.1	3	10.3	543	6.3
Upper	46.6	26	89.7	8,018	93.7
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	<b>8,561</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, given the demographics of the assessment area, excellent penetration among farms of different sizes. The following table shows that the bank originated over nine out of every ten small farm loans to farms with gross annual revenues of \$1 million or less, reflective of excellent performance.

<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>
< \$100,000	76.4	15	55.6	627	48.4
\$100,000 - \$249,999	19.1	5	18.5	200	15.5
\$250,000 - \$499,999	2.2	6	22.2	272	21.0
\$500,000 - \$1,000,000	1.1	0	0.0	0	0.0
<b>Subtotal &lt;= \$1,000,000</b>	<b>98.9</b>	<b>26</b>	<b>96.0</b>	<b>1,099</b>	<b>85.0</b>
>\$1,000,000	1.1	1	3.7	195	15.1
Revenue Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>1,294</b>	<b>100.0</b>

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

### **Response to Complaints**

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

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

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

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

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

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

## GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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