

PUBLIC DISCLOSURE

December 1, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Merrick Bank
Certificate Number: 34519

10705 South Jordan Gateway
South Jordan, Utah 84095

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

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San Francisco, California 94105

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 **Outstanding**.

An institution in this group has an outstanding 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.

Merrick Bank is operating under a five-year FDIC-approved Community Reinvestment Act (CRA) Strategic Plan, which covers the entire evaluation period and is in place through December 31, 2026. This evaluation covers CRA Strategic Plan years 2023 and 2024. The institution did not receive any CRA-related complaints under the years evaluated; therefore, this consideration did not affect the overall CRA rating.

Merrick Bank's performance under the current CRA Strategic Plan represents an outstanding record of helping to meet the credit needs of its assessment area, in a manner consistent with its resources and capabilities. The following conclusions support this rating:

- Merrick Bank exceeded the outstanding goal threshold for new community development loans and investments in 2023 and 2024.
- Merrick Bank exceeded the outstanding goal threshold for community development donations in 2023 and 2024.
- Merrick Bank exceeded the outstanding goal threshold for community development service hours in 2023 and the satisfactory goal threshold in 2024.

DESCRIPTION OF INSTITUTION

Merrick Bank is headquartered in and continues to operate from its sole office in South Jordan, Utah. The institution is a wholly owned subsidiary of CardWorks Inc., which is headquartered in Woodbury, New York. Merrick Bank has two affiliates, including CardWorks Servicing, LLC and Carson Smithfield, LLC, who offer customer service, debt collection-related activities, and other similar services for the bank, but do not extend credit to consumers. The institution has not been involved in any merger or acquisition activity since the previous CRA evaluation. Merrick Bank received an Outstanding rating using the Institutions with Strategic Plans Examination Procedures at the previous FDIC CRA Performance Evaluation dated February 6, 2023.

Merrick Bank is a nationwide lender serving customers throughout the United States. The bank continues to offer credit cards, recreational vehicle loans, and merchant acquiring/payment processing services. Furthermore, Merrick Bank offers brokered and non-brokered deposit accounts, including certificates of deposits. Finally, the institution does not operate any ATMs.

According to the September 30, 2025 Reports of Condition and Income (Call Report), Merrick Bank reported \$9.1 billion in total assets, \$8.8 billion in total loans, and \$7.1 billion in total deposits. Refer to the following table for details of the bank’s loan portfolio as of September 30, 2025.

| Loan Portfolio Distribution as of 9/30/2025 | | |
|---|------------------|--------------|
| Loan Category | \$(000s) | (%) |
| Construction, Land Development, and Other Land Loans | - | - |
| Secured by Farmland | - | - |
| Secured by 1-4 Family Residential Properties | - | - |
| Secured by Multifamily (5 or more) Residential Properties | - | - |
| Secured by Nonfarm Nonresidential Properties | - | - |
| Total Real Estate Loans | - | - |
| Commercial and Industrial Loans | - | - |
| Agricultural Production and Other Loans to Farmers | - | - |
| Consumer Loans | 8,811,534 | 100.0 |
| Obligations of State and Political Subdivisions in the U.S. | - | - |
| Other Loans | - | - |
| Lease Financing Receivable (net of unearned income) | - | - |
| Less: Unearned Income | - | - |
| Total Loans | 8,811,534 | 100.0 |
| <i>Source: Call Report</i> | | |

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Merrick Bank’s continues to designate all of Salt Lake County as its assessment area, which is one of two counties that comprise the Salt Lake City-Murray, Utah Metropolitan Statistical Area. Per 2020 U.S. Census data, the assessment area is comprised of 251 census tracts, of which 5 are low-income, 56 are moderate-income, 115 are middle-income, 71 are upper-income, and 4 census tracts do not have income designations.

Economic and Demographic Data

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

| Demographic Information of the Assessment Area | | | | | | | |
|---|-----------|-----------------------|----------------------------|--------------------------|------------------------------|------------------------|--|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | N/A* % of # | |
| Geographies (Census Tracts) | 251 | 2.0 | 22.3 | 45.8 | 28.3 | 1.6 | |
| Population by Geography | 1,185,238 | 2.0 | 22.4 | 46.4 | 28.6 | 0.6 | |
| Housing Units by Geography | 404,550 | 1.8 | 24.2 | 46.3 | 27.7 | 0.1 | |
| Owner-Occupied Units by Geography | 258,905 | 0.7 | 17.9 | 47.6 | 33.9 | 0.0 | |
| Occupied Rental Units by Geography | 124,419 | 4.0 | 36.4 | 44.6 | 14.7 | 0.2 | |
| Vacant Units by Geography | 21,226 | 3.4 | 29.1 | 39.8 | 27.7 | 0.0 | |
| Businesses by Geography | 192,013 | 2.0 | 16.5 | 44.6 | 35.7 | 1.2 | |
| Farms by Geography | 1,103 | 1.0 | 13.5 | 38.7 | 46.0 | 0.8 | |
| Family Distribution by Income Level | 265,385 | 17.9 | 19.1 | 23.4 | 39.7 | 0.0 | |
| Household Distribution by Income Level | 383,324 | 21.1 | 17.3 | 20.4 | 41.2 | 0.0 | |
| Median Family Income MSA - 41620 Salt Lake City-Murray, UT MSA | \$90,360 | Median Housing Value | | | | \$ 347,355 | |
| | | Median Gross Rent | | | | \$1,180 | |
| | | | | | Families Below Poverty Level | | |
| | | | | | 5.6% | | |
| <i>Source: 2020 Census and 2024 D&B Data. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.</i> | | | | | | | |

According to 2024 D&B data, the largest industries in the assessment area are non-classifiable establishments at 29.4 percent; followed by professional, scientific, and technical services at 10.8 percent; and other services at 7.3 percent. In addition, 63.9 percent of assessment area businesses have four or fewer employees, and 95.1 percent operate from a single location.

U.S. Bureau of Labor and Statistics data indicates the average unemployment rates in the assessment area was consistent with the average unemployment rate in the state of Utah and below the national average in both 2023 and 2024. The following table demonstrates the average unemployment rates in the bank’s assessment area in comparison with the state and national levels.

| Unemployment Rates | | |
|---------------------------|---------------------|---------------------|
| Area | 2023 (%) | 2024 (%) |
| Salt Lake County | 2.7 | 3.2 |
| Utah | 2.7 | 3.2 |
| National | 3.6 | 4.0 |

Source: Bureau of Labor Statistics

Competition

The assessment area is highly competitive for financial services. According to June 30, 2025 FDIC Deposit Market Share report data filed by financial institutions, 52 financial institutions operate 201 offices within the assessment area. Merrick Bank ranked 15th in deposit market share with 0.7 percent of total deposits. The top four institutions operating within the assessment area comprise 66.3 percent of the overall market share.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs, and what credit and community development opportunities may be available. For this evaluation, examiners referenced two recently conducted community contact interviews with representatives from economic development organizations that serve the assessment area.

One community contact felt that the local economy is one of the strongest economies in not only Utah, but nationally. However, the contact indicated that the overall cost of living in the area has risen drastically in the last three years, including sharp increases in housing costs. The second contact echoed that the Salt Lake City metropolitan area faces significant issues related to housing availability and affordability and felt there needs to be an increase in housing stock and the diversification of neighborhoods to address these concerns.

Further, both contacts noted that many small businesses often struggle with accessing financing, including through the Small Business Administration. One contact stated that many small businesses do not meet traditional downpayment or credit history requirements. Therefore, there is a need for financial institutions to support small businesses and start-up operations through means other than financing. The contact noted that involvement in various grant programs and revolving loan funds are ways for financial institutions to help support small businesses and start-ups until permanent financing can be obtained.

Credit and Community Development Needs and Opportunities

Examiners reviewed information from the community contacts, bank management, and demographic and economic data to determine assessment area credit and community development needs and opportunities. Examiners concluded that commercial lending, including to small businesses, and home mortgage lending represent the primary credit needs of the assessment area. Additionally, the assessment area's community development needs and opportunities include those related to affordable housing, economic development, and serving the needs of low- and moderate-income individuals and geographies.

SCOPE OF EVALUATION

General Information

This performance evaluation covers the period from the previous evaluation date of February 6, 2023, to the current evaluation date of December 1, 2025. Examiners used the Institutions with Strategic Plans Examination Procedures to evaluate Merrick Bank's CRA performance. As noted previously, the current CRA Strategic Plan is in place through December 31, 2026, and this evaluation covers the bank's performance under the 2023 and 2024 plan years.

Activities Reviewed

Examiners reviewed various bank records and documentation to determine if the bank met the established goals as outlined in the CRA Strategic Plan for 2023 and 2024. The review encompassed the bank's new community development loans and investments, qualified donations, and community development service hour activities in each year. The bank's goals and performance are presented within the Conclusions on Performance Criteria section.

The CRA Strategic Plan states that the majority of community development activities will be focused within the institution's assessment area. However, if the bank adequately addresses the needs of the assessment area, the CRA Strategic Plan requests consideration of activities in the broader statewide area of Utah and the regional area of Idaho, Nevada, Arizona, Colorado, and Wyoming.

CONCLUSIONS ON PERFORMANCE CRITERIA

Merrick Bank’s CRA performance reflects an Outstanding performance in helping to meet the credit needs of the assessment area in a manner consistent with the measurable goals established in the CRA Strategic Plan. The plan consists of three goals for each year related to new community development loans and investments, qualified donations, and service hours. The bank exceeded the outstanding threshold for two of the three goals in both years and demonstrated outstanding performance for the third goal in 2023. The following sections describe the CRA Strategic Plan’s specific goals and the bank’s performance.

Examiners determined that Merrick Bank addressed the needs of the assessment area. Therefore, in accordance with the CRA Strategic Plan, community development activities that benefited the broader statewide or regional area were also considered.

Community Development Lending and Investments

Under the CRA Strategic Plan, the bank’s community development lending and investment goal encompasses new loans and investments made during the 2023 and 2024 plan years. To assess the bank’s performance under each plan year, examiners calculated the commitment amount of the qualified loans and investments made each year and divided those amounts by the average of total assets in each quarter of the prior year, as reported on Line 9 of schedule RC-K of the Call Report. The bank exceeded the outstanding goal threshold in both 2023 and 2024. The bank’s goals and performance under the plan are shown in the following table and support the overall rating.

| New Community Development Loans and Investments | | | | | |
|--|-------------------------------|------------------------|---|------------------------------------|-------------------------------|
| Plan Year | Bank Established Goals | | Bank Performance | | |
| | Satisfactory (%) | Outstanding (%) | New Community Development Loans/Investments (000s) | Average Total Assets (000s) | Actual Performance (%) |
| 2023 | 0.50 | 0.75 | 40,049 | 5,126,787 | 0.78 |
| 2024 | 0.50 | 0.75 | 48,200 | 6,001,938 | 0.80 |

Source: Bank Records, CRA Strategic Plan, and Call Report

Below are notable examples of community development loans and investments made by Merrick Bank during 2023 and 2024:

- Merrick Bank committed \$45 million to a community development organization that facilitates affordable housing projects throughout the region.
- The institution invested approximately \$10.9 million in an organization that promotes housing for low- or moderate-income borrowers throughout Utah, including in the assessment area.
- Merrick Bank deposited approximately \$1.5 million in minority depository institutions, several of which are also CDFIs that support small businesses and/or the development of

low- and moderate-income areas.

Community Development Donations

Merrick Bank established a dollar amount threshold for community development donations for each plan year. The bank exceeded the outstanding goal threshold in both 2023 and 2024. The bank’s goals and performance under the current plan are shown in the following table and support the overall rating.

| Community Development Donations | | | |
|--|-------------------------------|-------------------------|---|
| Plan Year | Bank Established Goals | | Bank Performance |
| | Satisfactory (\$) | Outstanding (\$) | Community Development Donations (\$) |
| 2023 | 300,000 | 400,000 | 409,000 |
| 2024 | 300,000 | 400,000 | 417,524 |

Source: Bank Records, CRA Strategic Plan, and Call Report

Below are notable examples of community development donations made by Merrick Bank during 2023 and 2024:

- The institution donated over \$262,000 to an organization that supports financial literacy, mentorship, education development, and career readiness to low- and moderate-income students in the assessment area.
- Merrick Bank donated nearly \$50,000 to organizations that support affordable housing initiatives throughout the assessment area and Utah.
- The institution donated over \$67,000 to two organizations that support small business development in Utah.

Community Development Services

Merrick Bank set an annual goal of 3.5 community development service hours per eligible full-time employee for satisfactory performance and 4.5 service hours per eligible full-time employee for outstanding performance. The CRA Strategic Plan states that the number of eligible full-time employees will be determined at the beginning of each calendar year, and service hours may be performed by bank employees, affiliate employees that work from the bank’s office in South Jordan, and directors. Merrick Bank exceeded the outstanding goal threshold in 2023 and the satisfactory goal threshold in 2024, which supports the overall rating. The bank’s goals and performance under the current plan, including the total number of hours needed to achieve each goal based on eligible full-time employees as of each year, are shown in the following table.

| Community Development Services | | | |
|---------------------------------------|-------------------------------|--------------------|--|
| Plan Year | Bank Established Goals | | Bank Performance |
| | Satisfactory | Outstanding | Community Development Service Hours |
| 2023 | 1,382.5 | 1,777.5 | 2,006.7 |
| 2024 | 1,277.5 | 1,642.5 | 1,416.5 |

Source: Bank Records, CRA Strategic Plan, and Call Report

Below are notable examples of community development service hours conducted by employees during the 2023 and 2024 CRA Strategic Plan years:

- Employees provided 1,085 hours of financial literacy education to students at schools where the majority of students qualify for free- or reduced-lunch.
- Several employees served on the Board or committees for organizations that support the facilitation of affordable housing in the assessment area.
- An employee served on a finance-related committee for an organization that provides funding to startups and small businesses throughout Utah.

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.

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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.