

PUBLIC DISCLOSURE

January 25, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Calhoun County Bank, Inc.
Certificate Number: 09024

443 High Street
Grantsville, West Virginia 26147

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

10 10th Street NE, Suite 800
Atlanta, Georgia 30309-3849

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.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs.
- Overall, the majority of loans were originated inside the assessment areas.
- The geographic distribution of home mortgage and small business loans was not conducted as the assessment areas consist solely of middle-income census tracts.
- The borrower profile reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the assigned rating.

DESCRIPTION OF INSTITUTION

Calhoun County Bank, Inc. (Calhoun Bank) is a \$175.9 million institution headquartered in Grantsville, West Virginia and operates as a wholly-owned subsidiary of Calhoun Bankshares, Inc., a one-bank holding company also located in Grantsville, West Virginia. The institution received a satisfactory CRA rating at the previous FDIC CRA evaluation dated July 11, 2016, which was based on the Interagency Small Institution Examination Procedures.

Calhoun Bank operates four full-service locations. Since the previous evaluation, the bank has relocated its main office to 443 High Street in Grantsville, West Virginia. Full-service branches are located in Arnoldsburg, Elizabeth, and Glenville, West Virginia. Other than the relocation of the main office, the bank has not closed or opened any branches since the previous evaluation. The bank does not have any subsidiaries or other affiliates nor has it had any merger or acquisition activity since the previous evaluation.

Calhoun Bank offers a variety of loan products. Loan products include commercial and business purpose loans, residential mortgage loans, home equity lines of credit, consumer installment loans, and personal lines of credit. Calhoun Bank's primary focus is home mortgage lending. The bank offers a variety of deposit products, which include checking, savings, certificates of deposit, individual retirement accounts, and identity protection services. ATM's, online banking, mobile banking, and telephone banking are offered as alternative systems for delivering retail banking services.

As of the September 30, 2021, Consolidated Reports of Condition and Income, the bank had total assets of \$175.9 million, total deposits of \$157.9 million, and total loans of \$125.9 million. Since the previous CRA performance evaluation, total assets increased by 37.1 percent. Simultaneously, the bank experienced a 43.5 percent increase in total deposits and a 28.1 percent increase in total loans. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 09/30/2021		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	1,157	0.9
Secured by Farmland	65	0.1
Secured by 1-4 Family Residential Properties	83,579	66.1
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	15,920	12.6
Total Real Estate Loans	100,721	79.7
Commercial and Industrial Loans	4,610	3.6
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	20,444	16.2
Obligations of State and Political Subdivisions in the U.S.	617	0.5
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	126,392	100.0
<i>Source: Reports of Condition and Income</i>		

As reflected in the above table, the bank's major loan product is residential real estate. The Call Report data shows that residential real estate loans comprise 66.1 percent of the portfolio, and commercial loans, including those secured by nonfarm, nonresidential real estate, comprise 16.2 percent. Lending categories have remained consistent during the review period.

Examiners did not identify any financial, legal, or other impediments that effect the bank's ability to meet the credit needs of the assessment area.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The FDIC evaluates the bank's CRA performance based on its activity within the defined assessment area(s). The bank has designated two assessment areas: Calhoun and Gilmer Counties in the Non-Metropolitan Statistical Area (MSA) portion West Virginia and Wirt County in the Parkersburg-Vienna, WV MSA. The assessment areas have not changed since the previous examination.

Refer to the Description of Institution's Operations for each assessment area for more detailed information.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated July 11, 2016, to the current evaluation dated January 25, 2022. Examiners used the Interagency Small Institution Examination Procedures to evaluate Calhoun Bank's CRA Performance.

As shown in the table below, the substantial majority of the branches and deposits and a significant portion of the lending activity are in the Non-MSA assessment area. As a result, the Non-MSA assessment area will be reviewed using full-scope procedures. The Wirt County assessment area will be reviewed under limited-scope procedures. Given the substantial banking operations, the overall conclusions and ratings are heavily based on the performance within the Non-MSA assessment area with nominal contribution from the Wirt County assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$ (000s)	%	\$ (000s)	%	#	%
Non-MSA AA	7,201	69.1	143,964	91.1	3	75.0
Wirt County	3,213	30.9	14,048	8.9	1	25.0
Total	10,414	100.00	158,012	100.0	4	100.0

Source: Bank Data and FDIC Summary of Deposits (06/30/2021)

Activities Reviewed

The CRA evaluation requires examiners to review lending performance with respect to home mortgage, small business, and small farm loans, if significant. Examiners determined that major product lines are home mortgage loans and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The bank's record of originating home mortgage and small business loans led examiners to place primary weight on home mortgage loans for the overall conclusions and ratings as the bank originated significantly more home mortgage loans by both dollar and number. In addition, no other loan types, such as small farm loans, represent a major product line and are not included in the review. The following table shows the originations in 2020.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	1,213	4.3	8	0.9
Secured by Farmland	0	0.0	0	0.0
Secured by 1-4 Family Residential Properties	16,484	57.8	186	22.3
Multi-Family (5 or more) Residential Properties	0	0.0	0	0.0
Commercial Real Estate Loans	2,446	8.6	16	1.9
Commercial and Industrial Loans	1,655	5.8	33	4.0
Agricultural Loans	0	0.0	0	0.0
Consumer Loans	6,697	23.5	592	70.9
Other Loans	0	0.0	0	0.0
Total Loans	28,495	100.0	835	100.0
<i>Source: Bank Records.</i>				

The bank is subject to the reporting requirements of the Home Mortgage Disclosure Act; however, the bank is not required to report all data elements. Therefore, the entire Home Mortgage Disclosure Act data could not be used for the evaluation. The bank originated 162 home mortgage loans totaling \$15.1 million in 2020. The entire universe of loans was reviewed for the Assessment Area Concentration. Given there are no low- or moderate-income tracts within either assessment area, the Geographic Distribution of loans was not performed. Since income data was not readily available for the universe of loans, examiners selected a sample of 41 loans totaling \$3.6 million originated within the assessment areas to analyze Borrower Profile. The lending performance was compared to available demographic data provided by the 2015 American Community Survey (ACS).

Additionally, this evaluation considered small business loans for 2020, which is considered representative of the evaluation period. Examiners reviewed the entire universe of small business loans. The bank originated 49 small business loans totaling \$4.1 million. D&B data for 2020 provided standards of comparison for Borrower Profile.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Conclusions for Calhoun Bank's performance placed more significance on the performance within the Non-MSA assessment area as 69.1 percent of loans and 91.1 of deposits are located within this assessment area. Therefore, the Non-MSA assessment area was reviewed using full-scope examination procedures, while the Wirt County assessment area was reviewed using limited-scope procedures.

Calhoun Bank demonstrated satisfactory performance under the Lending Test. The reasonable Loan-to-Deposit ration and Borrower Profile performance support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size and financial condition and the assessment areas' credit needs. The loan-to-deposit ratio was calculated from Call Report data and averaged 88.5 percent over the last 21 calendar quarters from September 30, 2016, to September 30, 2021. The ratio ranged from a low of 78.6 percent as of September 30, 2021, to a high of 93.5 percent as of September 30, 2020.

The configuration of the assessment areas, combined with the bank's asset size and competition, makes it difficult to identify any similarly-situated financial institutions. Therefore, when assessing performance under the loan-to-deposit ratio criteria, the bank's ratio was compared with peer institutions (Peer Group #7 - insured commercial banks having assets between \$100 million and \$300 million, with 3 or more full-service banking offices and not located in a MSA). The peer group's average net loan-to-deposit ratio was calculated at 75.3 percent. A further review of peer group loan-to-deposit data reveals that the bank's net loan-to-deposit ratio has been greater than the peer group ratio for all 21 calendar quarters.

Assessment Area Concentration

Overall, a majority of loans was originated in the institution's assessment areas, although the majority of home mortgage loans was outside of the assessment area. A further review of the mortgage loans found that 22 mortgage loans were made in census tracts in adjacent to the assessment areas. The following table illustrates the distribution of home mortgage and small business loans inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	76	46.9	86	53.1	162	6,823	45.1	8,318	54.9	15,140
Small Business	40	81.6	9	18.4	49	3,591	87.5	511	12.5	4,102
Total	116	55.0	95	45.0	211	10,414	54.1	8,829	45.9	19,242
Source: Bank Data										

Geographic Distribution

All of the census tracts within the assessment areas are designated as middle-income. Thus, the geographic distribution analysis would not provide meaningful conclusions.

Borrower Profile

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. This conclusion is supported by the reasonable performance regarding home mortgage loans and small business loans. Examiners focused on the

percentage by number of home mortgage loans to low- and moderate-income borrowers and percentage of small business loans made to businesses with gross annual revenues of \$1 million or less. Demographic data from the 2015 ACS for home mortgage loans and D&B data for small business loans were used as comparisons. Performance is consistent across the assessment areas.

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs; therefore this consideration did not affect the institution's overall CRA Rating.

NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NON-MSA ASSESSMENT AREA

The assessment area consists of all of Calhoun and Gilmer Counties, which is comprised of four middle-income census tracts as designated by 2015 ACS. The assessment area contains the main office and two full-service branch offices representing 75.0 percent of the branching network. The assessment area also provides 69.1 percent of the dollar volume of lending reviewed and 91.1 percent of the bank-wide deposits.

Economic and Demographic Data

The assessment area continues to contain four census tracts. While the bank has not changed its assessment area, the Office of Management and Budget updated the MSA delineations for 2019. As a result, the income designation for some census tracts changed since the last examination. Previously, there were two moderate- and two middle-income tracts; however, with the change, the moderate-income tracts became middle-income. The FFIEC designated all of the middle-income census tracts within the assessment area as distressed due to poverty and unemployment and underserved due to the remote rural nature of the area.

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

Demographic Information for the Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	0.0	100.0	0.0	0.0
Population by Geography	16,201	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	7,406	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	4,608	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,226	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,572	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	612	0.0	0.0	100.0	0.0	0.0
Farms by Geography	33	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	3,819	25.8	15.4	19.1	39.7	0.0
Household Distribution by Income Level	5,834	27.5	15.7	16.7	40.2	0.0
2020 Median Family Income-WV Non-MSA		\$54,000	Median Housing Value			\$74,025
			Median Gross Rent			\$556
			Families Below Poverty Level			15.2%
Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent (*) The NA category consists of geographies that have not been assigned an income classification.						

The 2020 FFIEC updated West Virginia Non-MSA median family income (MFI) levels are used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents each income category using 2020 MFI of \$54,000.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$54,000)	<\$27,000	\$27,000 to <\$43,200	\$43,200 to <\$64,800	≥\$64,800
<i>Source: FFIEC</i>				

The analysis of home mortgage lending by borrower income uses families by income level as a comparison to bank performance. According to the community contact, the housing stock is extremely limited, and prices continue to rise making them unaffordable for low- and moderate-income individuals. Therefore, lending opportunities to low- and moderate-income families are limited.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business lending by gross annual business revenues. The D&B 2020 gross annual revenues are listed below.

- 77.1 percent reported \$1 million or less;
- 6.0 percent reported more than \$1 million; and
- 16.8 percent did not report revenues.

Service industries represent the largest portion of businesses at 31.8 percent. In addition, approximately 62.6 percent of area businesses have four or fewer employees. Some of the largest employers in Calhoun County include the Minnie Hamilton Healthcare Center, Inc.; the Calhoun County Board of Education; and Momentum Pipeline, LLC. The largest employers in Gilmer County include the Federal Prison System; Glenville State College; and the Gilmer County Board of Education.

Data obtained from the Bureau of Labor Statistics indicates that the 2020 year-end unemployment rate was 8.4 percent for West Virginia. Unemployment rates within the assessment area had been generally consistent from 2017 to 2019 but increased in 2020 due to the COVID-19 pandemic. Unemployment rates for 2021 show Calhoun County unemployment is currently below pre-pandemic levels, while Gilmer County rates are comparable to pre-pandemic levels. Unemployment rates within the assessment area are consistently less favorable than the state and national unemployment rates.

Unemployment Rates					
Area	2017	2018	2019	2020	2021
			%	%	%
Calhoun County	10.8	10.3	12.9	16.0	11.2
Gilmer County	7.2	6.3	6.8	10.1	7.0
West Virginia	5.2	5.2	4.9	8.4	5.3
National Average	4.4	3.9	3.7	8.1	5.2
Source: Bureau of Labor Statistics					

Competition

Competition within the Non-MSA assessment area is low with only one other financial institution operating one branch office in the assessment area. According to FDIC Deposit Market Share data as of June 30, 2021, Calhoun Bank ranked first with 58.7 percent of total deposits. United Bank VA is the only other bank operating in the assessment area.

There is a moderate level of competition for home mortgage loans among numerous banks, credit unions, and non-depository mortgage lenders in this assessment area. Aggregate data for 2020 reflects 31 lenders reported 89 residential mortgage loans originated or purchased in the assessment area. As previously mentioned the bank is not required to report all data and is not included in the aggregate data for the assessment area. The three most prominent home mortgage lenders, Quicken Loans, LLC; The Poca Valley Bank, Inc.; and Premier Bank, Inc., accounted for approximately 40.5 percent of total market share by number of home mortgage loans.

The bank is not required to collect or report its small business data, and it has elected not to report such data. As a result, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the level of demand for small business loans and is therefore included to provide context. Aggregate data for 2019 shows that 22 institutions reported 87 small business loans in the assessment area, indicating a moderate level competition. The three leading small business lenders by number of loans are United Bank VA;

American Express National Bank; and Synchrony Bank. Together, the top three lenders account for approximately 42.5 percent of the loans by number. The three most prominent lenders by dollar volume are United Bank VA; MVB Bank, Inc.; and Summit Community Bank and account for approximately 70.4 percent of small business loans by dollar amount.

Community Contact(s)

As part of the CRA 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.

Examiners conducted a community contact interview with a representative from an economic development authority that operates within both Calhoun and Wirt Counties. The community contact stated that the major employers are service industries including the Minnie Hamilton Health System and the local school boards. Additionally, while there are a number of small businesses in the area, a large number of workers commute outside of the counties for work. The community contact stated that Calhoun County consistently has the worst unemployment rates in the state. The community contact indicated that the housing stock in the assessment area is limited and that prices have been rising sharply in recent years, making it harder for low- and moderate-income individuals to purchase a home.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage and small business loans represent primary credit needs for the assessment areas. Small business loans, particularly those for start-up businesses, are in high demand. The significant percentage of businesses with gross annual revenues of \$1 million or less and the large number of businesses with four or fewer employees support this conclusion. Affordable housing is also primary need for the area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NON-MSA ASSESSMENT AREA

LENDING TEST

Calhoun Bank demonstrated satisfactory performance under the Lending Test. The reasonable Borrower Profile support this conclusion. Only loans within the assessment area are included in the analysis.

Geographic Distribution

As previously stated, all census tracts within the assessment area are middle-income census tracts, and as such, all home mortgage and small business loans were originated within these tracts.

Borrower Profile

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. This conclusion is supported by the reasonable performance regarding home mortgage loans and small business loans.

Home Mortgage Loans

Distribution of home mortgage loans to borrowers of different income levels is reasonable. As shown below, lending to both low- and moderate-income borrowers is comparable to demographics.

Distribution of Home Mortgage Loans by Borrower Income Level Non-MSA Assessment Area					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	25.8	6	23.1	180	7.4
Moderate	15.4	3	11.5	186	7.7
Middle	19.1	4	15.4	403	16.6
Upper	39.7	13	50.0	1,662	68.3
Total	100.0	26	100.0	2,431	100.0
<i>Source: 2015 ACS and Bank Data.</i>					

Small Business Loans

The distribution of small business loans reflects excellent penetration among businesses of different sizes. Lending to businesses with revenues of \$1 million or less is significantly higher than demographics.

Distribution of Small Business Loans by Gross Annual Revenue Category Non-MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	77.1	24	92.3	2,339	85.7
>\$1,000,000	6.0	2	7.7	389	14.3
Revenue Not Available	16.8	0	0.0	0	0.0
Total	100.0	26	100.0	2,728	100.0
<i>Source: 2020 D&B Data and Bank Data. Due to rounding, totals may not equal 100.0 percent.</i>					

WIRT COUNTY ASSESSMENT AREA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WIRT COUNTY ASSESSMENT AREA

The Wirt County assessment area is located in the Parkersburg-Vienna, WV MSA. The Parkersburg-Vienna, WV MSA also includes Wood County, West Virginia; however, the bank did not include the county in the assessment area delineation. The assessment area contains one branch, which accounts for 25.0 percent of bank-wide branches and accounts for 30.9 percent of by dollar volume of loans and 8.9 percent of deposits.

The below table shows demographic information for the assessment area.

Demographic Information for the Wirt County Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2	0.0	0.0	100.0	0.0	0.0
Population by Geography	5,841	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	3,243	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	1,981	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	449	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	813	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	202	0.0	0.0	100.0	0.0	0.0
Farms by Geography	15	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	1,607	20.5	23.7	25.2	30.6	0.0
Household Distribution by Income Level	2,430	21.9	17.9	20.0	40.1	0.0
Median Family Income Parkersburg-Vienna, WV MSA		\$64,300	Median Housing Value			\$80,300
			Median Gross Rent			\$537
			Families Below Poverty Level			9.5%
Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.						

The assessment area’s median housing value is \$80,300, and the median family income is \$64,300. The unemployment rate for Wirt County for the 2021 year-end was 7.6 percent, which was above the state and National averages of 5.3 percent and 5.4 percent, respectively. Top employers in Wirt County include WVUHS Home Care, LLC; Wirt County Board of Education; and EWV Holdings, LLC.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WIRT COUNTY ASSESSMENT AREA

LENDING TEST

The institution's Lending Test performance in the Wirt County assessment area is consistent with the institution's lending performance overall. In 2020, the bank originated 31 mortgage loans totaling \$2.4 million and 14 small business loans totaling \$863,000 in this assessment area

As previously mentioned, there are no low- or moderate-income census tracts within the assessment area.

Lending to both low- and moderate-income borrowers was comparable to demographics. All small business loans were originated to business with revenues of \$1 million or less.

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 institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The 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 institution under the requirements of the Community Reinvestment Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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