PUBLIC DISCLOSURE

April 27, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Halls
RSSD #145059

101 East Main Street
Halls, Tennessee 38040

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

NOTE: **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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this bank 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'S COMMUNITY REINVESTMENT ACT RATING

Bank of Halls (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans and other lending-related activities are originated outside the AA.
- The borrower's profile analysis reveals excellent distribution among businesses and farms of different sizes.
- The geographic distribution of loans reflects an excellent dispersion throughout the AA.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) Interagency Examination Procedures for Small Institutions were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as AA demographic and economic characteristics and credit needs. Lending performance was assessed within the bank's single AA.

Lending performance was evaluated using small business and small farm loans, as these loan categories are considered core business lines based on lending volume and the bank's stated business strategy. As the bank has a particular emphasis on small business lending inside the AA, performance based on the small business loan category carried the most significance toward the overall performance conclusions. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	June 30, 2022 – December 31, 2025
AA Concentration	January 1, 2023 – December 31, 2024
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	April 11, 2022 – April 26, 2026

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American

Community Survey data; certain business and farm demographics are based on 2023–2024 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from $67.2 million to $111.7 million as of December 31, 2025.

To augment this evaluation, two community contact interviews were utilized with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's AA. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Bank of Halls is an intrastate community bank headquartered in Halls, Tennessee. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Security Bancorp of Tennessee, Inc. (SBC), a multibank holding company headquartered in Halls, Tennessee.

- Affiliates include Security Bank, Newbern, Tennessee, and Bank of Crockett, Bells, Tennessee. SBC also has an ownership interest in Patriot Bank, Millington, Tennessee.

- Total assets, as of December 31, 2025, are $139.5 million. That represents an increase of 19.3 percent since the last evaluation.

- The bank has a main office and one limited-service branch, both located in Halls.

- The bank operates one cash dispensing-only ATM at the limited-service branch.

- As shown in the following table, the bank's primary business focus is commercial and agricultural lending.

Composition of Loan Portfolio as of December 31, 2025		
Loan Type	**Amount $ (000s)**	**Percentage of Total Loans (%)**
Farmland	18,640	32.6
1–4 Family Residential	13,019	22.8
Commercial Real Estate	10,467	18.3
Commercial and Industrial	6,658	11.6
Construction and Development	4,720	8.3
Loans to Individuals	2,364	4.1
Farm Loans	1,321	2.3
TOTAL	**57,189**	**100.0**
Note: Percentages may not total 100.0 percent due to rounding.		

The bank was rated Satisfactory under the CRA at its April 11, 2022 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank's Western Tennessee AA consists of the entirety of Lauderdale County, as well as one census tract in Dyer County, Tennessee, and one census tract in Crockett County, Tennessee (see Appendix A for an AA map).

- The AA delineation has not changed since the prior evaluation.
- According to the June 30, 2025 Federal Deposit Market Share report, the bank has a market share of 6.2 percent and ranks sixth out of 15 FDIC-insured depository institutions operating in the AA.
- According to the U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages data, the three largest nongovernmental industries in the AA, determined by number of employees, are manufacturing (34.6 percent), retail trade (13.1 percent), and health care and social assistance (10.5 percent).
- Two community contacts were interviewed during the examination. One contact was a representative from an economic development organization, and the other was a representative from an agriculture-focused organization.
- Both community contacts described barriers to farming in the AA, including difficulty attaining land due to land prices and competition with other industries, high chemical prices, and environmental challenges. As a result, the area has seen a slight decline in the number of small farms.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	5	5	1	0	**11**
	0.0%	45.5%	45.5%	9.1%	0.0%	**100.0%**
Family Population	0	3,756	4,023	299	0	**8,078**
	0.0%	46.5%	49.8%	3.7%	0.0%	**100.0%**

- As a result of census tract designation changes since the previous CRA evaluation, the number of low-income geographies decreased from one to zero census tracts, while the number of moderate-income geographies increased from two to five census tracts.

- As shown in the above table, 45.5 percent of AA census tracts are moderate-income, with 46.5 percent of AA families residing in these tracts.

- During the review period, four middle-income census tracts in Lauderdale County were designated as distressed due to poverty and population loss, a designation also highlighted by one of the community contacts.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change (%)**
Assessment Area	80,081	75,855	-5.3
NonMSA Tennessee	1,429,493	1,467,777	2.7
Source: 2020 U.S. Census Bureau: Decennial Census *2011–2015 U.S. Census Bureau: American Community Survey*			

- The AA experienced a population decline (-5.3 percent) from 2015 to 2020, while nonMSA Tennessee experienced an increase (2.7 percent).

Median Family Income Change			
Area	**2015 Median Family Income**	**2020 Median Family Income**	**Percent Change (%)**
Assessment Area	$51,214	$53,065	3.6
NonMSA Tennessee	$50,339	$55,998	11.2
Source: 2011-2015 U.S. Census Bureau: American Community Survey *2016-2020 U.S. Census Bureau: American Community Survey* *Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.*			

- Between 2015 and 2020, the median family income of the AA increased at a substantially lower rate (3.6 percent) than that of nonMSA Tennessee (11.2 percent).

Unemployment Rates (%)			
Area	**2022**	**2023**	**2024**
Assessment Area	3.7	3.7	3.8
NonMSA Tennessee	3.8	3.7	3.9
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics			

- Unemployment levels in the AA and nonMSA Tennessee were steady and similar throughout the review period.

Housing Cost Burden (%)						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low-Income	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Assessment Area	73.1	24.8	37.7	60.7	30.6	16.6
NonMSA Tennessee	64.3	31.9	34.6	49.6	24.0	16.0
Cost burden is housing cost that equals 30 percent or more of household income. *Source: 2018–2022 U.S. Department of Housing and Urban Development (HUD): Comprehensive Housing Affordability Strategy*						

- A greater percentage of low-income renters and owners in the AA are cost burdened compared to nonMSA Tennessee.

- While moderate-income renters in the AA are less likely to be cost burdened compared to renters in nonMSA Tennessee, moderate-income owners in the AA are more likely to face cost burden than those in nonMSA Tennessee.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall performance under the Lending Test is Satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, loan portfolio composition, and location.

Comparative LTD Ratios June 30, 2022–December 31, 2025			
Institution	**Location**	**Asset Size $ (000s)**	**LTD Ratio (%) 15-Quarter Average**
Bank of Halls	Halls, Tennessee	139,498	40.1
Similarly Situated Institutions			
Regional Banks	Halls, Tennessee	67,208	47.2
	Milan, Tennessee	111,682	59.2

The bank's LTD ratio is reasonable, given the bank's size and strategy and the economic conditions of the AA. The 15-quarter average LTD ratio of 40.1 percent decreased from the prior evaluation, ranging from a high of 47.3 percent in the third quarter of 2022 to a low of 31.5 percent in the fourth quarter of 2023, followed since by a generally increasing trend. While the bank's average LTD ratio was below its two peers, it approached that of one peer. Given economic factors including that much of the AA was considered distressed due to poverty and population loss, the bank's LTD ratio is reasonable.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA.

Lending Inside and Outside the Assessment Area								
Loan Type	**Inside**				**Outside**			
	#	**# %**	**$ (000s)**	**$ %**	**#**	**# %**	**$ (000s)**	**$ %**
Small Business	14	56.0	571	18.9	11	44.0	2,450	81.1
Small Farm	10	30.3	1,671	32.6	23	69.7	3,460	67.4
TOTAL LOANS	**24**	**41.4**	**2,242**	**27.5**	**34**	**58.6**	**5,911**	**72.5**
Note: Percentages may not total 100.0 percent due to rounding.								

A majority of the bank's loans, by number and dollar, are originated outside the AA. As shown above, 58.6 percent of total loans were originated outside the AA, compared to 41.4 percent made inside the AA. When reviewing individual products, a majority of the bank's small business loans

(56.0 percent) are inside the AA; however, most small farm loans (69.7 percent) are outside the AA, which may reflect some of the challenges facing farms in the AA highlighted by the community contacts.

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to businesses and farms of different revenue sizes. The bank's lending has an excellent distribution among businesses and farms of different sizes.

Small Business Lending

The borrower distribution of small business lending is excellent. As displayed in the following table, the bank's lending to small businesses (85.7 percent) exceeds aggregate lending levels (66.0 percent) and is nearing the demographic figure (88.8 percent).

<table>
<tr><th colspan="10">Distribution of 2023–2024 Small Business Lending by Revenue Size of Businesses
Assessment Area: Western Tennessee</th></tr>
<tr><th colspan="3" rowspan="3">Business Revenue and Loan Size</th><th colspan="3">Count</th><th colspan="3">Dollars</th><th>Total Businesses</th></tr>
<tr><th colspan="2">Bank</th><th>Aggregate</th><th colspan="2">Bank</th><th>Aggregate</th><th rowspan="1"></th></tr>
<tr><th>#</th><th>%</th><th>%</th><th>$ (000s)</th><th>$ %</th><th>$ %</th><th>%</th></tr>
<tr><td colspan="2" rowspan="3">Business Revenue</td><td>$1 Million or Less</td><td>12</td><td>85.7</td><td>66.0</td><td>508</td><td>88.8</td><td>56.1</td><td>88.8</td></tr>
<tr><td>Over $1 Million/ Unknown</td><td>2</td><td>14.3</td><td>34.0</td><td>64</td><td>11.2</td><td>43.9</td><td>11.2</td></tr>
<tr><td>TOTAL</td><td>14</td><td>100.0</td><td>100.0</td><td>572</td><td>100.0</td><td>100.0</td><td>100.0</td></tr>
<tr><td colspan="2" rowspan="5">Loan Size</td><td>$100,000 or Less</td><td>14</td><td>100.0</td><td>94.1</td><td>572</td><td>100.0</td><td>42.6</td><td rowspan="10"></td></tr>
<tr><td>$100,001–$250,000</td><td>0</td><td>0.0</td><td>3.8</td><td>0</td><td>0.0</td><td>25.8</td></tr>
<tr><td>$250,001–$1 Million</td><td>0</td><td>0.0</td><td>2.1</td><td>0</td><td>0.0</td><td>31.6</td></tr>
<tr><td>Over $1 Million</td><td>0</td><td>0.0</td><td>0.0</td><td>0</td><td>0.0</td><td>0.0</td></tr>
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<tr><td>TOTAL</td><td>12</td><td>100.0</td><td>508</td><td>100.0</td></tr>
<tr><td colspan="10">Source: 2023–2024 FFIEC Census Data
2023–2024 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.</td></tr>
</table>

<u>Small Farm Lending</u>

The borrower distribution of small farm lending is reasonable. As displayed in the following table, the bank's lending to small farms (30.0 percent), while substantially lower than the demographic figure (93.1 percent), is similar to aggregate lending levels (35.0 percent). The bank and aggregate lending levels have likely been impacted by the challenges faced by small farms in the AA.

Distribution of 2023–2024 Small Farm Lending by Revenue Size of Farms
Assessment Area: Western Tennessee

Farm Revenue and Loan Size			Count			Dollars			Total Farms
			Bank		Aggregate	Bank		Aggregate	
			#	%	%	$ (000s)	$ %	$ %	%
Farm Revenue		$1 Million or Less	3	30.0	35.0	166	9.9	62.1	93.1
		Over $1 Million/ Unknown	7	70.0	65.0	1,504	90.1	37.9	6.9
		TOTAL	**10**	**100.0**	**100.0**	**1,670**	**100.0**	**100.0**	**100.0**
Loan Size		$100,000 or Less	6	60.0	83.1	320	19.2	29.0	
		$100,001–$250,000	1	10.0	8.1	150	9.0	19.4	
		$250,001–$1 Million	3	30.0	8.8	1,200	71.9	51.6	
		Over $1 Million	0	0.0	0.0	0	0.0	0.0	
		TOTAL	**10**	**100.0**	**100.0**	**1,670**	**100.0**	**100.0**	
Loan Size	Revenue $1 Million or Less	$100,000 or Less	3	100.0		166	100.0		
		$100,001–$250,000	0	0.0		0	0.0		
		$250,001–$1 Million	0	0.0		0	0.0		
		Over $1 Million	0	0.0		0	0.0		
		TOTAL	**3**	**100.0**		**166**	**100.0**		

Source: 2023–2024 FFIEC Census Data
2023–2024 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. The bank's geographic distribution of loans reflects excellent distribution among the different census tracts and dispersion throughout the AA.

<u>Small Business Lending</u>

The geographic distribution of small business lending is excellent. The bank's performance in moderate-income census tracts (57.1 percent) is equivalent to the demographic figure and exceeds the aggregate (48.2 percent).

Distribution of 2023–2024 Small Business Lending by Income Level of Geography Assessment Area: Western Tennessee							
Tract Income Levels	**Count**			**Dollar**			**Total Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	8	57.1	48.2	353	61.8	69.3	57.1
Middle	6	42.9	47.2	218	38.2	29.3	38.4
Upper	0	0.0	3.4	0	0.0	0.9	4.5
Unknown	0	0.0	1.3	0	0.0	0.5	0.0
TOTAL	**14**	**100.0**	**100.0**	**571**	**100.0**	**100.0**	**100.0**

Source: 2023–2024 FFIEC Census Data
2023–2024 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is excellent. The bank's performance in the moderate-income census tracts (60.0 percent) doubles the aggregate (30.0 percent) and significantly exceeds the demographic figure (36.1 percent).

Distribution of 2023–2024 Small Farm Lending by Income Level of Geography Assessment Area: Western Tennessee							
Tract Income Levels	**Count**			**Dollar**			**Total Farms**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	6	60.0	30.0	669	40.1	31.2	36.1
Middle	4	40.0	68.1	1001	59.9	68.5	56.9
Upper	0	0.0	1.3	0	0.0	0.3	6.9
Unknown	0	0.0	0.6	0	0.0	0.1	0.0
TOTAL	**10**	**100.0**	**100.0**	**1,670**	**100.0**	**100.0**	**100.0**

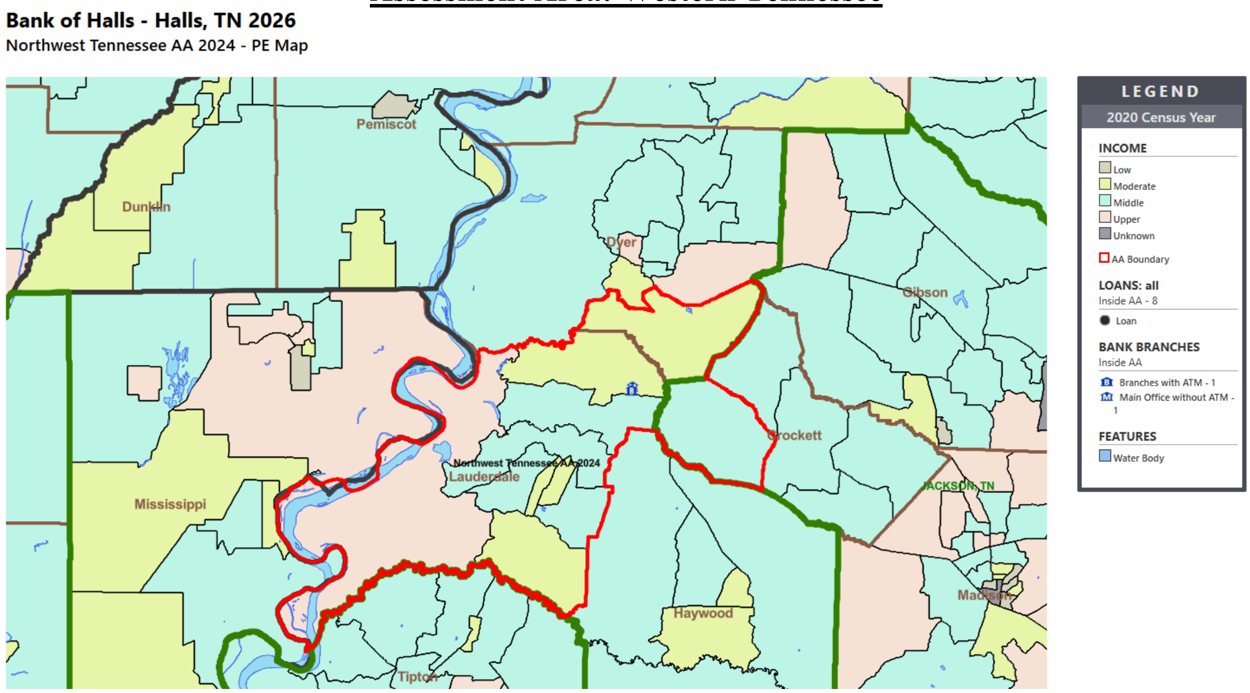
Source: 2023–2024 FFIEC Census Data
2023–2024 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Assessment Area: Western Tennessee



APPENDIX B – 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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan 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 nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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 family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent 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 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any 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.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate 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.