PUBLIC DISCLOSURE

May 13, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Cass Commercial Bank
RSSD #177751

12412 Powerscourt Drive
Des Peres, Missouri 63131

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 institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the 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'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated:	**Satisfactory**
The Community Development Test is rated:	**Satisfactory**

Cass Commercial Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the assessment area.
- The borrower's profile analysis reveals poor penetration among businesses of different revenue sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in its assessment area. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) *Intermediate Small Bank Institution Examination Procedures*, which entail two performance tests: the Lending Test and the Community Development Test. Small business loans were used to evaluate the bank's lending performance, as this product is considered the bank's core business line based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by this credit product is deemed indicative of the bank's overall lending performance. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2022 – March 31, 2024
Assessment Area Concentration	January 1, 2022 – December 31, 2022
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	February 14, 2022 – May 12, 2024
Community Development Activities	February 14, 2022 – May 12, 2024

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 American Community Survey (ACS) data; certain business demographics are based on 2022 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 assessment area. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $976.9 million to $1.1 billion as of March 31, 2024.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, two community contact interviews with members of the local community were utilized to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment area. 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

Cass Commercial Bank is a full-service bank offering commercial loan and deposit products. The bank serves businesses in and around St. Louis, as well as faith-based institutions, franchise restaurant business, and equipment leasing nationwide. The bank is wholly owned by Cass Information Systems, a one-bank holding company headquartered in Des Peres, Missouri, which also provides payment and information processing services to large manufacturing, distribution, and retail enterprises. The bank's branch network consists of three branches (including the main office), all located in Missouri. With the exception of the main office, each branch is drive-up accessible. The bank does not operate any automated teller machines (ATMs). The bank also operates one commercial loan production office in Colorado Springs, Colorado. During the review period, the bank closed a branch location in Fenton, Missouri. Based on this branch network and other related services, the bank is adequately positioned to deliver financial services to its assessment area.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment area based on its available resources and financial products. As of March 31, 2024, the bank reported total assets of $1.3 billion. As of the same date, loans and leases outstanding were $962.2 million (71.6 percent of total assets), and deposits totaled $1.1 billion. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of March 31, 2024		
Credit Category	**Amount $ (000s)**	**Percentage of Total Loans**
Commercial Real Estate	$492,213	51.2%
Commercial and Industrial	$379,842	39.5%
Total Other Loans	$71,855	7.5%
Construction and Development	$18,149	1.9%
1–4 Family Residential	$145	0.0%
TOTAL	**$962,204**	**100%**
Note: Percentages may not total 100.0% due to rounding.		

As indicated by the table above, nearly all of the bank's lending resources are directed to commercial real estate and commercial and industrial loans.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on February 14, 2022, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 1,710,965, is located in the St. Louis, Missouri–Illinois metropolitan statistical area (St. Louis MSA). The St. Louis MSA includes 15 counties in two states; however, the bank's assessment area consists only of the entirety of the city of St. Louis, St. Louis County, and St. Charles County. The city of St. Louis is highly urban in nature, while St. Louis County and St. Charles County are generally suburban, with multiple city centers and smaller municipalities throughout.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2023, there are 64 FDIC-insured depository institutions in the assessment area that operate 470 offices. Cass Commercial Bank (operating three, or 0.6 percent of, offices in the assessment area) ranked 17th in terms of deposit market share, with 1.2 percent of the total assessment area deposit dollars.

As the demographics of this assessment area cover a wide area and the population is diverse, credit needs in the area are also varied and include a standard blend of consumer and business loan products. Other particular credit needs in the assessment area, as noted primarily by community contacts, include small dollar loans to small and minority-owned businesses.

Furthermore, considering the needs of the low- and moderate-income (LMI) population in the assessment area, along with the available sources of community development intermediaries, such as nonprofit agencies and government assistance entities, there is a sufficient level of community development opportunity for financial institution participation.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	54	83	127	155	6	**425**
	12.7%	19.5%	29.9%	36.5%	1.4%	**100%**
Family Population	33,444	70,818	136,434	188,019	1,461	**430,176**
	7.8%	16.5%	31.7%	43.7%	0.3%	**100%**

As shown above, 32.2 percent of the census tracts in the assessment area are LMI geographies, but only 24.3 percent of the family population resides in these tracts. These LMI areas are primarily concentrated in and around the city of St. Louis.

Based on 2020 ACS data, the median family income for the assessment area was $88,454. At the same time, the median family income for the St. Louis MSA was $84,758. More recently, the FFIEC estimates the 2022 median family income for the St. Louis MSA to be $96,800. The following table displays population percentages of assessment area families by income level compared to the St. Louis MSA family population as a whole.

Family Population by Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Assessment Area	84,239	73,090	86,088	186,759	0	**430,176**
	19.6%	17.0%	20.0%	43.4%	0.0%	**100%**
St. Louis MSA	150,414	129,743	152,753	291,483	0	**724,393**
	20.8%	17.9%	21.1%	40.2%	0.0%	**100%**

As shown in the table above, 36.6 percent of families within the assessment area were considered LMI, which is slightly lower than LMI family percentages of 38.7 percent in the St. Louis MSA. The percentage of families living below the poverty threshold in the assessment area, 7.0 percent, falls below the 7.3 percent level in the St. Louis MSA. Considering these factors, the assessment area income levels appear to be slightly more affluent than the St. Louis MSA as a whole. However, the assessment area consists of diverse geographies with different demographic makeups. For example, St. Louis City has an overall LMI family percentage of 54.2 percent, and 15.1 percent of St. Louis City families live below the poverty level. Conversely, in St. Charles County, only 26.4 percent of families are considered LMI, with 3.1 percent of families living below the poverty level.

Housing Demographics

Housing demographic information is displayed in the following table for the assessment area and the St. Louis MSA.

Housing Demographics					
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**	**Cost Burden – Renters**	**Cost Burden – Owners**
Assessment Area	$205,415	32.7%	$949	41.2%	17.1%
St. Louis MSA	$179,231	36.7%	$913	41.0%	16.6%

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be less affordable than in the St. Louis MSA, but affordability varies across the city and counties. Overall, the median housing value for the assessment area is $205,415, which is above the figure for the St. Louis MSA, $179,231. Housing values range from a low of $143,700 in St. Louis City to a high of $230,100 in St. Charles County. The assessment area housing affordability ratio of 32.7 percent is below the St. Louis MSA figure of 36.7 percent. Community contacts noted that increased housing prices have lowered accessibility of affordable housing for LMI individuals and families.

The median gross rent for the assessment area of $949 per month is higher than the $913 per month for the St. Louis MSA. Furthermore, rental units appear to be slightly more prevalent in the assessment area than in the St. Louis MSA. Of all housing units in the assessment area, 30.7 percent are rental units, compared to 27.7 percent of rental units found in the St. Louis MSA.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector, as evidenced by the Dun & Bradstreet data indicating that 90.1 percent of assessment area businesses have gross annual revenues of $1 million or less. Furthermore, according to the U.S. Department of Labor, Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages data, there are 876,743 nongovernmental employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (18.9 percent), followed by retail trade (9.8 percent) and accommodation and food services (9.5 percent). The table below details BLS unemployment data (not seasonally adjusted) for the assessment area and St. Louis MSA as a whole.

Unemployment Levels				
Dataset	**Time Period (Annual Average)**			
	2020	**2021**	**2022**	**2023**
Assessment Area	6.5%	4.3%	2.5%	3.0%
St. Louis MSA	6.8%	4.4%	2.9%	3.2%

As shown in the table above, unemployment levels for the assessment area, as well as the St. Louis MSA, have shown a decreasing trend. Additionally, unemployment levels in the assessment area were consistently slightly lower than the overall St. Louis MSA levels.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank’s activities in this assessment area were evaluated. Of these community contact interviews, one was with an individual specializing in affordable housing, and one was with a person who specializes in economic development. The contacts described the local economy as improving since COVID; however, those same contacts also noted that increased housing prices have only exacerbated the accessibility issue of affordable housing for LMI individuals and families. Access to capital for small and minority-owned businesses was identified as a need in the community by both interviewees. In addition, both interviewees indicated that funding is being placed behind technological innovation, but strategizing to address the needs of the underserved is deficient across the region. One contact described downtown St. Louis as being one of the most affected regions during the pandemic downturn and states the area is still in recovery.

Both contacts indicated there are ample opportunities for bank participation in the community to promote economic development and to serve the LMI communities. Opportunities mentioned include equity fund investments and development of LMI-specific products.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a nine-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size $ (000s) as of March 31, 2024**	**Average LTD Ratio**
Cass Commercial Bank	Des Peres, Missouri	$1,344,302	75.0%
Regional Banks	Clayton, Missouri	$1,113,871	89.1%
	Clayton, Missouri	$976,923	81.0%
	St. Louis, Missouri	$981,428	90.3%

Based on data from the previous table, the bank's level of lending is slightly below that of other banks in the region. During the review period, the LTD ratio experienced some fluctuations over the nine-quarter average of 75.0 percent, with changes to the lending portfolio and the broader economy during the period. In comparison, while the average LTD ratios for regional peers were higher, each peer bank experienced a similarly fluctuating trend. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment area.

Lending Inside and Outside the Assessment Area January 1, 2022 through December 31, 2022								
Loan Type	**Inside**				**Outside**			
	#	**# %**	**$ (000s)**	**$ %**	**#**	**# %**	**$ (000s)**	**$ %**
Small Business	45	55.6%	$14,708	46.0%	36	44.4%	$17,262	54.0%
TOTAL LOANS	**45**	**55.6%**	**$14,708**	**46.0%**	**36**	**44.4%**	**$17,262**	**54.0%**
Note: Percentages may not total 100.0% due to rounding.								

A majority of loans and other lending-related activities were made in the bank's assessment area. As shown above, 55.6 percent of the total loans were made inside the assessment area, accounting for 46.0 percent of the dollar volume of total loans.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is poor.

Small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2022 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size
Assessment Area: St. Louis Partial MSA

Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	9	20.0%	52.6%	$3,761	25.6%	28.6%	90.1%
	Over $1 Million/ Unknown	36	80.0%	47.4%	$10,947	74.4%	71.4%	9.9%
	TOTAL	**45**	**100.0%**	**100.0%**	**$14,708**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	17	37.8%	92.1%	$883	6.0%	30.2%	
	$100,001–$250,000	9	20.0%	3.7%	$1,690	11.5%	15.1%	
	$250,001–$1 Million	19	42.2%	4.2%	$12,135	82.5%	54.8%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**45**	**100.0%**	**100.0%**	**$14,708**	**100.0%**	**100.0%**	
Loan Size / Revenue $1 Million or Less	$100,000 or Less	4	44.4%		$261	6.9%		
	$100,001–$250,000	1	11.1%		$250	6.6%		
	$250,001–$1 Million	4	44.4%		$3,250	86.4%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**9**	**100.0%**		**$3,761**	**100.0%**		

Note: Percentages may not total 100.0% due to rounding.

The bank's level of lending to small businesses is poor. The bank only originated 20.0 percent of its small business loans to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 90.1 percent of businesses in the assessment area had annual revenues of $1 million or less, and the 2022 aggregate lending level to small businesses is 52.6 percent.

Geographic Distribution of Loans

As noted previously, the assessment area includes 54 low-income and 83 moderate-income census tracts, representing 32.2 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts, based on the small business loan category. Furthermore, a dispersion analysis was conducted to assess the bank's lending activity in census tracts throughout the assessment area. There were no conspicuous lending gaps noted in LMI areas, therefore supporting that the overall geographic distribution of loans is reasonable.

The following table displays 2022 small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and 2022 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: St. Louis Partial MSA							
Tract Income Levels	**2022**						
	Count			**Dollars**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	2	4.4%	6.8%	$838	5.7%	7.8%	7.7%
Moderate	10	22.2%	12.5%	$2,313	15.7%	10.8%	14.1%
Middle	15	33.3%	31.5%	$7,560	51.4%	30.0%	31.3%
Upper	16	35.6%	48.0%	$3,833	26.1%	48.8%	45.8%
Unknown	2	4.4%	1.2%	$164	1.1%	2.5%	1.1%
TOTAL	**45**	**100.0%**	**100.0%**	**$14,708**	**100.0%**	**100.0%**	**100.0%**
Note: Percentages may not total 100.0% due to rounding.							

The bank's level of lending in low-income census tracts (4.4 percent) is slightly below the estimated percentage of businesses operating inside these census tracts (7.7 percent) and 2022 aggregate lending levels in low-income census tracts (6.8 percent). While trending slightly lower than the percentage of businesses in the area and aggregate lending levels, the bank's performance in low-income areas is reasonable. The bank's percentage of loans in moderate-income census tracts (22.2 percent) is higher than the 2022 aggregate lending percentage in moderate-income census tracts (12.5 percent) and higher than the percentage of small businesses in moderate-income census tracts (14.1 percent), representing excellent performance. Therefore, the bank's overall geographic distribution of small business loans is reasonable.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (February 14, 2022 through May 12, 2024).

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated satisfactory. The bank demonstrates adequate responsiveness to the community development needs of its assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

During the review period, the bank made five qualifying loans in its assessment area totaling approximately $28.9 million. Of those loans, four were for revitalization and stabilization of LMI geographies, and one was to a community service organization.

The bank also made community development investments and donations in its assessment area totaling $1.8 million. This amount included six qualified investments totaling $1.6 million and ten donations totaling $177,500. The six investments were to two equity funds, one dedicated to affordable housing and one for economic development, both benefiting the greater St. Louis region, which includes the bank's assessment area. Furthermore, the ten donations were to six separate organizations having a community development purpose. Notably, several donations made would afford LMI children access to quality education and provide resources to pregnant women.

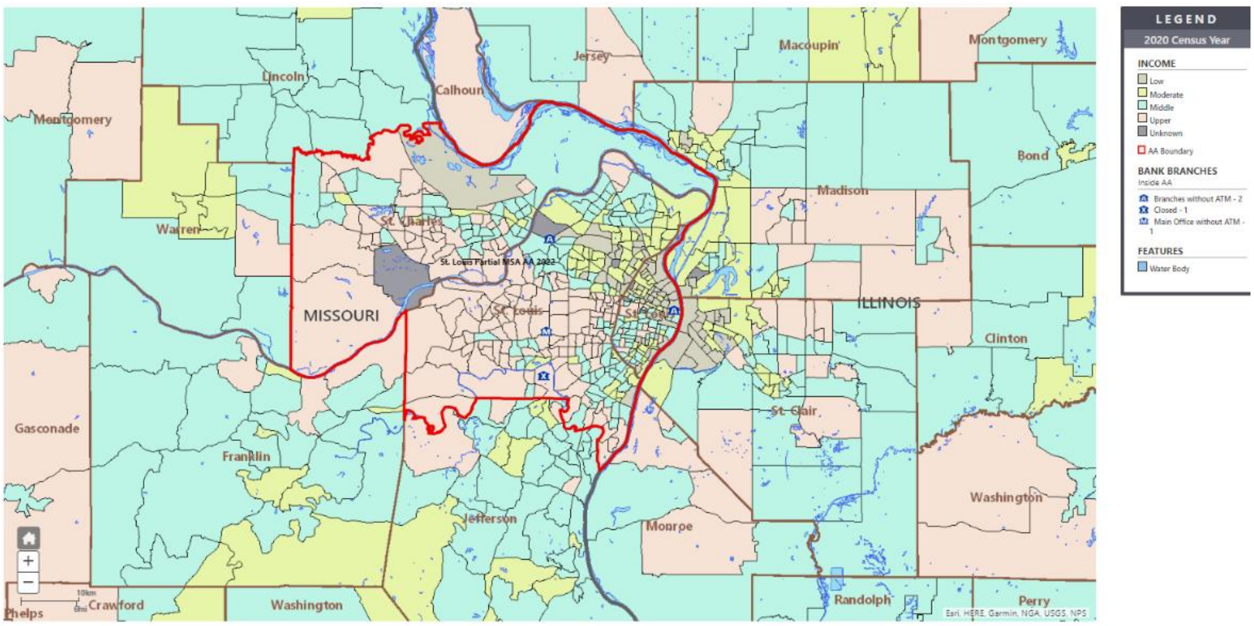
During the review period, three bank employees used financial expertise to provide service activities to three different community development organizations within the bank's assessment area. Service activities included providing financial expertise to community service organizations by serving on boards and finance committees.

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

Cass Cmrl Bk - Des Peres, MO 2024
St. Louis Partial MSA AA



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.