

# **PUBLIC DISCLOSURE**

**March 16, 2026**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Bank of Lake Village  
RSSD #476445**

**201 Main Street  
Lake Village, Arkansas 71653**

**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 Lake Village (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 inside the AA.
- The borrower’s profile analysis reveals excellent distribution among businesses and farms of different sizes.
- The geographic distribution of loans reflects a reasonable 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 farm and small business loans, as these loan categories are considered the bank’s core business lines based on lending volume and the bank’s stated business strategy. Small farm loans were given more weight given the bank’s focus on agriculture. The following table includes the corresponding time period for each performance category.

<b>Performance Criterion</b>	<b>Time Period</b>
LTD Ratio	June 30, 2021 – December 31, 2025
Assessment Area Concentration	January 1, 2022 – December 31, 2024
Geographic Distribution of Loans	
Loan Distribution by Borrower’s Profile	
Response to Written CRA Complaints	May 10, 2021 – March 15, 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 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 2022 through 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, 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 \$102.2 million to \$192.0 million as of December 31, 2025.

To augment this evaluation, one community contact interview was conducted with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's AA. Information from this interview also assisted in evaluation of the bank's responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section.

## **DESCRIPTION OF INSTITUTION**

Bank of Lake Village is an intrastate community bank headquartered in Lake Village, Arkansas. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Southeast Arkansas Bank Corporation, Lake Village, Arkansas.
- Affiliates of the bank include The Jefferson Bank, Greenville, Mississippi.
- The bank has total assets of \$81.8 million as of December 31, 2025. That represents an increase of 13.8 percent since the last evaluation.
- In addition to its main office in Lake Village, the bank has a branch in Lake Village as well.
- Only the main office is full service, although both locations have automated teller machines on site.
- As shown in the following table, the bank's primary business focus is farm loans.

<b>Composition of Loan Portfolio as of December 31, 2025</b>		
<b>Loan Type</b>	<b>Amount \$ (000s)</b>	<b>Percentage of Total Loans</b>
Construction and Development	\$4,338	9.5%
Commercial Real Estate	\$6,807	14.9%
Multifamily Residential	\$-	0.0%
1-4 Family Residential	\$6,945	15.2%
Farmland	\$9,780	21.4%
Farm Loans	\$13,274	29.0%
Commercial and Industrial	\$2,896	6.3%
Loans to Individuals	\$1,146	2.5%
Total Other Loans	\$557	1.2%
<b>TOTAL</b>	<b>\$45,743</b>	<b>100%</b>
<i>Note: Percentages may not total 100.0% due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its May 10, 2021, 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 AA consists of the entirety of Chicot County (see Appendix A for an AA map).

- The AA delineation has not changed since the 2021 examination. However, as of the bank’s previous CRA evaluation, Chicot County was comprised of two moderate-income census tracts and two middle-income census tracts; since that time, the income designation of one of the moderate-income census tracts changed to low-income.
- According to the June 30, 2025 Federal Deposit Insurance Corporation (FDIC) Market Share report, the bank has a market share of 22.1 percent and ranks third out of five FDIC-insured depository institutions operating in the AA.
- According to the U.S. Department of Labor, Bureau of Labor Statistics, the three largest nongovernmental industries in the AA, determined by number of employees, are transportation and warehousing (15.5 percent), retail trade (14.2 percent), and agriculture, forestry, fishing, and hunting (10.3 percent).
- One community contact interview was conducted with an individual from a regional nonprofit offering assistance with basic needs to individuals facing poverty.

<b>Assessment Area Demographics by Geography Income Level</b>						
<b>Dataset</b>	<b>Low-</b>	<b>Moderate-</b>	<b>Middle-</b>	<b>Upper-</b>	<b>Unknown-</b>	<b>TOTAL</b>
Census Tracts	1	1	2	0	0	4
	25.0%	25.0%	50.0%	0.0%	0.0%	100%
Family Population	627	583	1,377	0	0	2,587
	24.2%	22.5%	53.2%	0.0%	0.0%	100%

- As shown above, 50.0% of the AA’s tracts are low- and moderate-income (LMI) geographies, with 46.7 percent of the family population residing in these tracts. Both of the middle-income geographies are classified as distressed due to poverty, unemployment, and population loss.
- The LMI geographies are in the rural northwestern and southern parts of Chicot County. The moderate-income tract is located in the northwest corner of Chicot County, where a single population center is located in Dermott, Arkansas. The low-income tract is located in the southern part of the county, surrounding Eudora, Arkansas. These two towns have banks with longstanding relationships in the community.
- The bank’s two branches are in Lake Village, which is in a middle-income tract, centrally located in the AA.

<b>Population Change</b>			
<b>Area</b>	<b>2015 Population</b>	<b>2020 Population</b>	<b>Percent Change (%)</b>
Assessment Area	11,353	10,208	-10.1%
NonMSA Arkansas	1,247,461	1,191,671	-4.5%

*Source: 2020 U.S. Census Bureau: Decennial Census  
2011–2015 U.S. Census Bureau: American Community Survey*

- The AA’s population is decreasing at a greater pace than other nonMSA areas in Arkansas.

<b>Median Family Income Change</b>			
<b>Area</b>	<b>2015 Median Family Income</b>	<b>2020 Median Family Income</b>	<b>Percent Change (%)</b>
Assessment Area	\$37,883	\$41,502	9.6%
NonMSA Arkansas	\$49,405	\$53,596	8.5%

*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, income increased by 9.6 percent in the AA, which outpaced the 8.5 percent growth in nonMSA Arkansas.

<b>Unemployment Rates (%)</b>					
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025 (Jan.–July)</b>
Assessment Area	7.6%	5.3%	4.9%	5.7%	6.1%
NonMSA Arkansas	4.6%	3.8%	3.7%	4.1%	4.5%

*Source: Bureau of Labor Statistics: Local Area Unemployment Statistics*

- The AA’s unemployment rate (4.9 to 7.6 percent) has consistently been above that of nonMSA Arkansas (3.7 to 4.6 percent). The community contact noted that cuts in state and federal funding increased financial strains in the region, worsening unemployment in the AA.

<b>Housing Cost Burden</b>						
<b>Area</b>	<b>Cost Burden – Renters</b>			<b>Cost Burden – Owners</b>		
	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>All Renters</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>All Owners</b>
Assessment Area	53.6%	28.3%	35.0%	74.8%	22.4%	23.7%
NonMSA Arkansas	63.8%	32.5%	36.0%	52.1%	23.7%	16.1%

*Cost burden is housing cost that equals 30% or more of household income.  
Source: 2018–2022 U.S. Department of Housing and Urban Development (HUD): Comprehensive Housing Affordability Strategy*

- LMI renters in the AA are less likely to be cost burdened compared to renters in nonMSA Arkansas. This is likely due to lower median gross rental prices in the AA.
- While moderate-income homeowners in the AA were cost burdened at similar rates compared to nonMSA Arkansas, low-income homeowners were significantly more likely to face a cost burden in the AA than those in nonMSA Arkansas.
- This corroborates issues discussed by the community contact, who described barriers to homeownership faced by low-income individuals in the area due to poor or no credit scores and increased home prices. The poor credit scores or lack thereof caused larger down payment requirements, which were unaffordable to many low-income residents.

<b>Small Business Loan Trends</b>				
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Assessment Area	206	157	127	138
NonMSA Arkansas	23,548	20,664	18,586	18,905

*Source: FFIEC CRA Aggregate Data*

- Small business loan volume in the AA has followed the same pattern as nonMSA Arkansas overall—decreasing steadily from 2021 to 2023 before upticks in 2024.

<b>Small Farm Loan Trends</b>				
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Assessment Area	161	143	109	96
NonMSA Arkansas	5,550	4,454	4,157	3,866
<i>Source: FFIEC CRA Aggregate Data</i>				

- Small farm loan volume in the AA has decreased each year since 2021, as was the case for nonMSA Arkansas.

**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, market share, and product offerings.

<b>Comparative LTD Ratios June 30, 2021 – December 31, 2025</b>			
<b>Institution</b>	<b>Location</b>	<b>Asset Size \$ (000s)</b>	<b>LTD Ratio (%)</b>
			<b>19-Quarter Average</b>
Bank of Lake Village	Lake Village, Arkansas	\$81,804	68.6%
<b>Similarly Situated Institutions</b>			
Regional Banks	McGehee, Arkansas	\$102,241	81.5%
	Star City, Arkansas	\$123,670	70.9%
	Anguilla, Arkansas	\$192,039	55.0%

The bank’s LTD ratio is reasonable. The bank’s 19-quarter average LTD ratio increased since the prior examination, ranging from a low of 49.8 percent in the fourth quarter of 2021 to a high of 88.9 percent in the third quarter of 2024. In comparison to the bank’s average LTD ratio of 68.6 percent, the average LTD ratios for the regional banks ranged from 55.0 percent to 81.5 percent, placing the bank’s average LTD ratio performance within this range.

**Assessment Area Concentration**

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

<b>Lending Inside and Outside the Assessment Area</b>								
<b>Loan Type</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b># %</b>	<b>\$ (000s)</b>	<b>\$ %</b>	<b>#</b>	<b># %</b>	<b>\$ (000s)</b>	<b>\$ %</b>
Small Farm	70	70.7%	\$11,060	63.7%	29	29.3%	\$6,310	36.3%
Small Business	55	79.7%	\$4,953	55.3%	14	20.3%	\$3,999	44.7%
<b>TOTAL LOANS</b>	<b>125</b>	<b>74.4%</b>	<b>\$16,013</b>	<b>60.8%</b>	<b>43</b>	<b>25.6%</b>	<b>\$10,309</b>	<b>39.2%</b>

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

A majority of the bank’s loans, by number and dollar, are originated inside the AA. As shown in the above table, 74.4 percent of all loans were made inside the AA, which accounts for 60.8 percent of the dollar volume of loans.

**Loan Distribution by Borrower’s Profile**

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

Small Farm Lending

The borrower distribution of small farm lending is excellent. As displayed in the following table, the bank’s lending to small businesses (67.1 percent) is well above the aggregate lending level (36.5 percent), though it is below the demographic comparator (97.0 percent). In addition, the majority of the bank’s loans (55.7 percent) are in amounts less than \$100,000, and smaller loan amounts generally indicate credit underwriting flexibility when working with small farms.

<b>Distribution of 2022–2024 Small Farm Lending by Revenue Size of Farms</b>								
<b>Assessment Area: Chicot County</b>								
<b>Farm Revenue and Loan Size</b>		<b>Count</b>			<b>Dollars</b>			<b>Total Farms</b>
		<b>Bank</b>		<b>Aggregate</b>	<b>Bank</b>		<b>Aggregate</b>	
		<b>#</b>	<b>%</b>	<b>%</b>	<b>\$ (000s)</b>	<b>\$ %</b>	<b>\$ %</b>	
<b>Farm Revenue</b>	\$1 Million or Less	47	67.1%	36.5%	\$7,152	64.7%	48.5%	97.0%
	Over \$1 Million/ Unknown	23	32.9%	63.5%	\$3,909	35.3%	51.5%	3.0%
	<b>TOTAL</b>	<b>70</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$11,061</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Loan Size</b>	\$100,000 or Less	39	55.7%	64.9%	\$1,849	16.7%	16.6%	
	\$100,001–\$250,000	12	17.1%	21.0%	\$2,215	20.0%	33.1%	
	\$250,001–\$1 Million	19	27.1%	14.1%	\$6,997	63.3%	50.3%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	<b>TOTAL</b>	<b>70</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$11,061</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Loan Size</b>	<b>Revenue \$1 Million or Less</b>	\$100,000 or Less	29	61.7%		\$1,388	19.4%	
		\$100,001–\$250,000	6	12.8%		\$1,006	14.1%	
		\$250,001–\$1 Million	12	25.5%		\$4,758	66.5%	
		Over \$1 Million	0	0.0%		\$0	0.0%	
		<b>TOTAL</b>	<b>47</b>	<b>100.0%</b>		<b>\$7,152</b>	<b>100.0%</b>	

*Source: 2022–2024 Dun & Bradstreet Data*  
*Note: Percentages may not total 100.0% due to rounding.*

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 (78.2 percent) is well above the aggregate lending level (48.0 percent), though it is below the demographic comparator (90.9 percent).

<b>Distribution of 2022–2024 Small Business Lending by Revenue Size of Businesses Assessment Area: Chicot County</b>								
<b>Business Revenue and Loan Size</b>		<b>Count</b>			<b>Dollars</b>			<b>Total Businesses</b>
		<b>Bank</b>		<b>Aggregate</b>	<b>Bank</b>		<b>Aggregate</b>	
		<b>#</b>	<b>%</b>	<b>%</b>	<b>\$ (000s)</b>	<b>\$ %</b>	<b>\$ %</b>	<b>%</b>
<b>Business Revenue</b>	\$1 Million or Less	43	78.2%	48.0%	\$2,429	49.0%	37.1%	90.9%
	Over \$1 Million/ Unknown	12	21.8%	52.0%	\$2,524	51.0%	62.9%	9.1%
	<b>TOTAL</b>	<b>55</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,953</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Loan Size</b>	\$100,000 or Less	42	76.4%	87.9%	\$1,499	30.3%	26.7%	
	\$100,001–\$250,000	7	12.7%	5.8%	\$1,057	21.3%	15.6%	
	\$250,001–\$1 Million	6	10.9%	6.3%	\$2,397	48.4%	57.7%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	<b>TOTAL</b>	<b>55</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,953</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Loan Size</b>	<b>Revenue \$1 Million or Less</b>	\$100,000 or Less	37	86.0%		\$1,189	49.0%	
		\$100,001–\$250,000	4	9.3%		\$610	25.1%	
		\$250,001–\$1 Million	2	4.7%		\$630	25.9%	
		Over \$1 Million	0	0.0%		\$0	0.0%	
		<b>TOTAL</b>	<b>43</b>	<b>100.0%</b>		<b>\$2,429</b>	<b>100.0%</b>	

*Source: 2022–2024 Dun & Bradstreet Data  
Note: Percentages may not total 100.0% 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 reasonable distribution among the different census tracts and dispersion throughout the AA. The following factors also provide performance context that supports the bank’s overall geographic distribution of loans conclusion.

- As previously detailed under the *Description of Assessment Area* section, the bank’s only two branches are both located in Lake Village, which is in the center of Chicot County; conversely, the only two LMI geographies in the AA are located in the outer portions of the county.
- Given the bank’s focus on agriculture lending, performance in the small farm loan category carried more weight when making the overall geographic distribution performance conclusion.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. The bank’s overall distribution of small farm loans to low-income census tracts (1.4 percent) is below the aggregate level (11.5 percent) and the demographic figure (9.1 percent). Both the bank’s and the aggregate’s small farm loans in the moderate-income census tracts trail the demographic figure (8.4 percent). While the bank had limited lending to farms in the LMI census tracts, additional performance context supports the overall reasonable performance conclusion.

- As previously mentioned, the bank faces challenges to lending in LMI areas due to branch locations and banking competition.
- Demographic data estimates only a very small number of farms operate in these LMI areas (fewer than 20), further indicating minimal farm lending opportunities in these areas. Considering these challenges to making farm loans in LMI areas, the bank’s overall geographic distribution of small farm loans is reasonable.

<b>Distribution of 2022–2024 Small Farm Lending by Income Level of Geography</b>							
<b>Assessment Area: Chicot County</b>							
<b>Tract Income Levels</b>	<b>Count</b>			<b>Dollar</b>			<b>Total Farms</b>
	<b>Bank</b>		<b>Aggregate</b>	<b>Bank</b>		<b>Aggregate</b>	
	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$ (000s)</b>	<b>\$ %</b>	<b>\$ %</b>	
Low	1	1.4%	11.5%	\$352	3.2%	23.9%	9.1%
Moderate	0	0.0%	3.2%	\$0	0.0%	0.6%	8.4%
Middle	69	98.6%	85.1%	\$10,708	96.8%	75.8%	82.6%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.3%	\$0	0.0%	0.0%	0.0%
<b>TOTAL</b>	<b>70</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$11,060</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Source: 2022–2024 FFIEC Census Data 2022–2024 Dun &amp; Bradstreet Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.</i>							

Small Business Lending

The geographic distribution of small business lending is poor. The bank’s distribution of small business loans in low-income census tracts (1.8 percent) and moderate-income census tracts (1.8 percent) is well below aggregate small business lending (16.1 and 13.6 percent, respectively) and demographic data (20.5 and 22.3 percent, respectively). In contrast to small farm demographic data, there are a significant number of businesses operating in the LMI census tracts.

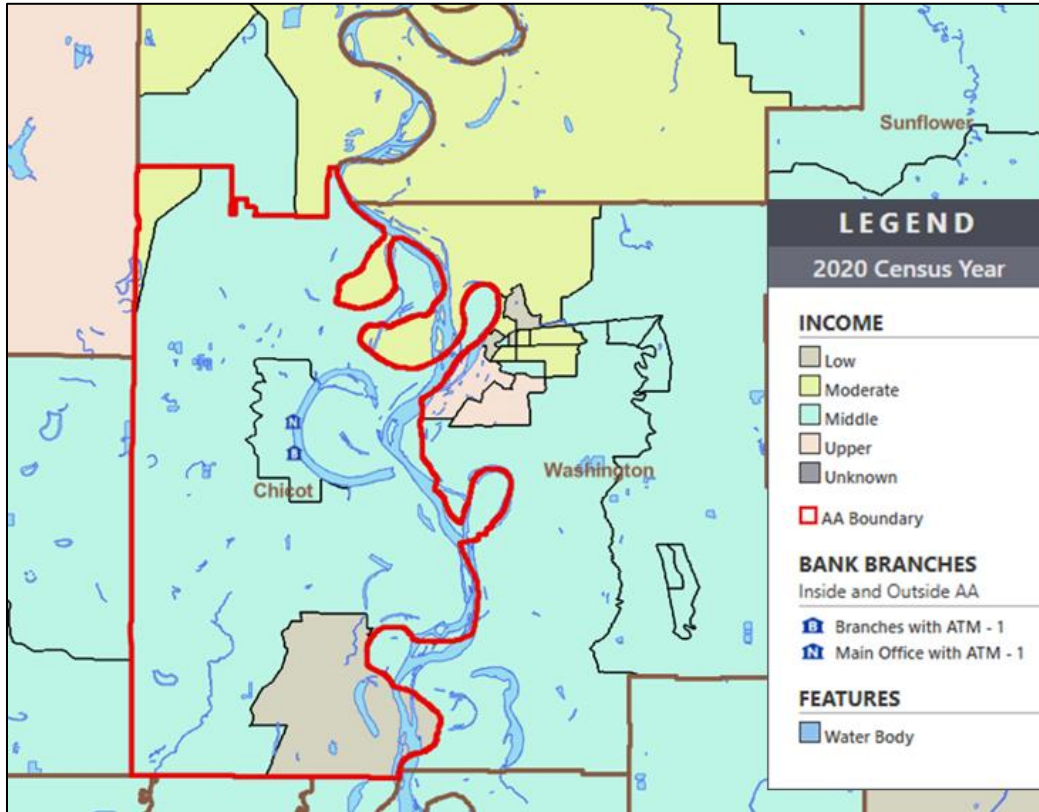
<b>Distribution of 2022–2024 Small Business Lending by Income Level of Geography Assessment Area: Chicot County</b>							
<b>Tract Income Levels</b>	<b>Count</b>			<b>Dollar</b>			<b>Total Businesses</b>
	<b>Bank</b>		<b>Aggregate</b>	<b>Bank</b>		<b>Aggregate</b>	
	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$ (000s)</b>	<b>\$ %</b>	<b>\$ %</b>	<b>%</b>
Low	1	1.8%	16.1%	\$60	1.2%	11.1%	20.5%
Moderate	1	1.8%	13.6%	\$72	1.5%	2.6%	22.3%
Middle	53	96.4%	69.7%	\$4,821	97.3%	86.3%	57.3%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.6%	\$0	0.0%	0.0%	0.0%
<b>TOTAL</b>	<b>55</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,953</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Source: 2022–2024 FFIEC Census Data 2022–2024 Dun &amp; Bradstreet Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.</i>							

**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: Chicot County



## 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.