



PUBLIC DISCLOSURE

JANUARY 07, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Gunnison Bank and Trust Company
RSSD# 502559**

**232 West Tomichi
Gunnison, Colorado 81230**

**Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198**

NOTE: This document is an evaluation of this bank'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 bank. 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 bank.

TABLE OF CONTENTS

Institution's CRA Rating	2
Scope of Examination	2
Description of Institution.....	3
Description of Assessment Area	3
Conclusion with Respect to Performance Criteria.....	5
Fair Lending or Other Illegal Credit Practices Review.....	9
APPENDIX A – Map of the Assessment Area.....	10
APPENDIX B – Demographic Information and Lending Tables	11
APPENDIX C – Glossary	15

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

The Gunnison Bank and Trust Company (the bank) is rated Satisfactory and was also rated Satisfactory under the Community Reinvestment Act (CRA) at its December 9, 2014 performance evaluation.

- The bank is meeting the credit needs of its community based on an analysis of lending activity.
- The bank's net loan-to-deposit (NLTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- A reasonable dispersion of loans occurs throughout the bank's AA.
- Lending reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (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, and market competition, as well as AA demographic, economic characteristics, and credit needs. Lending performance was assessed within the bank's Gunnison County AA. The following criteria were reviewed:

- **NLTD** – A 16-quarter average NLTD ratio was calculated for the bank and compared to a sample of similarly-situated institutions.
- **Lending in the AA, Geographic Distribution, and Distribution to Borrowers of Different Income Levels and to Businesses of Different Sizes** –
 - Statistical samples of the bank's residential real estate loans originated from December 9, 2014 through December 31, 2017, and small business loans originated from January 1, 2017 through December 31, 2017, were reviewed and compared to applicable demographic data.
 - The evaluation assessed residential real estate loans over a three-year period between 2015 and 2017; loan data for 2017 is presented in the body of the report, while 2015 and 2016 are in Appendix B.
 - More weight was placed on small business lending in these analyses due to the bank's focus on commercial lending.

- **Response to Substantiated Complaints** – Neither the bank nor the Reserve Bank received any CRA-related complaints since the previous evaluation. Therefore, this criterion was not evaluated.
- **Community Contacts** – Two community representatives, one from an economic development agency and the other from a real estate organization, were contacted to provide insight into how the bank is meeting the credit needs of the AA.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Gunnison, Colorado. The bank's characteristics include:

- The bank's total assets were \$95.3 million (MM) as of June 30, 2018.
- In addition to its main office in Gunnison, the bank has one full-service branch in Crested Butte and one loan production office (LPO) in Greenwood Village, Colorado, that opened in July of 2016.
- Both the main office and the branch have full-service automated teller machines (ATMs) at their locations.
- The bank's primary business focus is commercial and residential real estate lending.

TABLE 1 THE GUNNISON BANK AND TRUST COMPANY LOAN PORTFOLIO AS OF JUNE 30, 2018		
Loan Type	\$(000)	%
Commercial	40,556	55.8
Residential Real Estate	27,629	38.0
Agriculture	3,968	5.5
Consumer	385	0.5
Other	115	0.2
Gross Loans	72,653	100.0

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 is comprised of Gunnison County in its entirety (see Appendix A for an AA map).

- The AA consists of four census tracts: three middle- and one upper-income census tract.
- The bank's AA delineation has not changed since the previous evaluation.
- The one upper-income census tract in the AA contains the city of Crested Butte, the

county's primary tourist attraction and economic center. Crested Butte is located 28 miles north of Gunnison and 25 miles south of Aspen, Colorado. Crested Butte shares a similarity with Aspen as a popular mountain resort town, offering skiing and many other outdoor recreational activities.

- As of June 30, 2018, the bank's deposit market share was 16.6 percent and ranked fourth out of five Federal Deposit Insurance Corporation (FDIC)-insured institutions in Gunnison County.

TABLE 2
POPULATION CHANGE

Area	2010 Population	2015 Population	Percent Change
Gunnison County	15,324	15,651	2.1
State of Colorado	5,029,196	5,278,906	5.0

Based on U.S. Census Bureau Decennial Census

- The city of Gunnison is home to 9,918 residents and is the largest city in the AA. Most of the remaining population is located in Crested Butte, the second largest city with 4,501 residents according to 2010 U.S. Census data population estimates.
- A community representative suggested that the small percentage of growth is most likely due to limited job opportunities outside of the tourism industry and a lack of affordable housing.

TABLE 3
MEDIAN FAMILY INCOME CHANGE

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Gunnison County	69,139	65,625	(5.1)
State of Colorado	70,046	74,826	6.8

Based on U.S. Census Bureau Decennial Census and American Community Survey (ACS)

- A community representative indicated that the AA lacks higher-skill employment opportunities, and the distance from other major Colorado metropolitan areas makes it difficult for people to consider moving to the county.
- According to reports from local economic development groups, job growth over the past decade has remained stagnant in the AA.

TABLE 4
HOUSING COSTS CHANGE

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Gunnison County	335,100	319,200	(4.7)	799	903	13.0
State of Colorado	236,600	247,800	4.7	852	1,002	17.6

Based on U.S. Census Bureau Decennial Census and ACS

- According to 2015 ACS data, 45.5 percent of housing units in the AA are vacant, compared to the state of Colorado, at 10.5 percent. This data supports that a significant portion of housing in the AA is second homes or vacation homes.
- A community representative attributed falling median housing values to a lack of residential real estate demand outside of the Crested Butte area. Owner-occupied units make up just 32.3 percent of housing in the AA, compared to the rest of the state, at 57.6 percent. In addition, rental units make up a significant portion of the housing in the AA, at 22.2 percent. This indicates that traditional housing in these areas remains unaffordable for many county residents.
- A community contact explained that the federal government owns 80 percent of the land in the AA, limiting the areas new homes could be constructed.

TABLE 5
UNEMPLOYMENT RATES

Region	2013	2014	2015	2016	2017
Gunnison County	5.5	4.0	3.0	2.3	2.0
State of Colorado	6.9	5.0	3.9	3.3	2.8

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Unemployment rates have decreased since 2013 and are slightly below the state's unemployment rate.
- According to 2017 employment data from the Bureau of Economic Analysis, the AA's largest industries include hospitality and tourism services, local government, construction, retail, and real estate.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's average NLTD 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 the bank's NLTD in comparison to several similarly-situated FDIC-insured institutions. The bank's NLTD ratio is reasonable.

TABLE 6
COMPARATIVE NET LOAN-TO-DEPOSIT RATIOS

Institution	NLTD Ratio (%)
	16 Quarter Average
The Gunnison Bank and Trust Company	75.9
First Colorado National Bank	95.4
Del Norte Federal Bank	89.7
High Country Bank	77.3
First State Bank of Colorado	71.3
Citizens State Bank of Ouray	37.7

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. A majority of the bank's loans, by number and dollar, are originated inside the AA. The bank's small business lending improved substantially compared to the prior evaluation in 2014 where 42.5 percent of loans by number and 53.5 percent by dollar were originated in the bank's AA. Residential real estate lending was not evaluated at the prior CRA evaluation. Additionally, this performance includes loans originated by the bank's recently opened LPO in the Denver Metropolitan Statistical Area, which increases the level of lending occurring outside the bank's AA.

TABLE 7
LENDING INSIDE AND OUTSIDE THE AA

Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Residential Real Estate Loans	25	7,423	58.1	67.8	18	3,533	41.9	32.2
Small Business Loans	33	5,030	76.7	66.6	10	2,524	23.3	33.4
Total Loans	58	12,453	67.4	67.3	28	6,057	32.6	32.7

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts. The bank's geographic distribution of loans reflects a reasonable dispersion among the different census tracts within the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank's lending in middle-income tracts is below the percentage of businesses in those tracts, while lending in the upper-income tract is above the percentage of businesses in the upper-income tract.

TABLE 8
DISTRIBUTION OF 2017 SMALL BUSINESS LOANS
BY INCOME LEVEL OF GEOGRAPHY

Census Tract Income Level	Small Business Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0
Middle	17	2,364	51.5	47.0	65.2
Upper	16	2,666	48.5	53.0	34.8

Based on 2017 FFIEC Census data & 2017 Dun & Bradstreet information according to 2015 ACS.

Residential Real Estate Loans

The geographic distribution of residential real estate lending is reasonable. The bank's lending in middle-income tracts is greatly below the percentage of owner-occupied units in those tracts. The bank's lending in the upper-income tract is greatly above the demographic figure and contains almost three-quarters of the lending volume by dollar. As mentioned earlier, Crested Butte is experiencing the most demand for residential real estate loans and is located in the AA's upper-income tract.

The bank's lending in 2015 and 2016 in middle-income tracts exceeded the percentage of owner-occupied units, while lending in the upper-income tract was below the percentage.

TABLE 9
DISTRIBUTION OF 2017 RESIDENTIAL REAL ESTATE LOANS
BY INCOME LEVEL OF GEOGRAPHY

Census Tract Income Level	Bank Loans				% of Owner- Occupied Units
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0
Middle	3	771	37.5	28.1	65.9
Upper	5	1,968	62.5	71.9	34.1

The percentage of owner-occupied housing units by tract is based on 2017 FFIEC census tract definitions and 2015 ACS five-year estimate data.

NOTE: Percentages may not add up to 100.0 due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

This performance criterion evaluates the bank's lending to borrowers of different income levels, with emphasis placed on lending to LMI individuals, as well as lending to businesses of different revenue sizes, with emphasis placed on lending to those with gross annual revenues of \$1MM or less. The bank's lending has a reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank's lending to small businesses, at 90.9 percent by number, is slightly below the percentage of total businesses, at 93.4 percent. Approximately 84.9 percent of loans by dollar volume were originated to small businesses. The majority of loans to small businesses (60.0 percent by number) were in amounts of \$100,000 or less. This demonstrates the bank's willingness to meet the smaller-dollar credit needs of small businesses.

**TABLE 10
DISTRIBUTION OF 2017 SMALL BUSINESS LOANS
BY REVENUE SIZE OF BUSINESSES**

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	30	4,272	90.9	84.9	93.4
Over \$1 Million	3	759	9.1	15.1	5.2
Unknown	0	0	0.0	0.0	1.4
Total	33	5,030	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	20	439	60.6	8.7	
\$100,001 - \$250,000	8	1,574	24.2	31.3	
\$250,001 - \$1 Million	5	3,017	15.2	60.0	
Total	33	5,030	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	18	391	60.0	9.1	
\$100,001 - \$250,000	8	1,574	26.7	36.8	
\$250,001 - \$1 Million	4	2,307	13.3	54.0	
Total	30	4,272	100.0	100.0	
2017 FFIEC Census data & 2017 Dun & Bradstreet data. NOTE: Percentages may not add up to 100.0 due to rounding.					

2017 FFIEC Census data & 2017 Dun & Bradstreet data.

NOTE: Percentages may not add up to 100.0 due to rounding.

Residential Real Estate Loans

The borrower distribution of residential real estate lending is reasonable. The bank's lending to LMI borrowers is comparable to the percentage of families of each income level. In 2017, the bank made no residential real estate loans to low-income borrowers. Therefore, the bank's lending was below the percentage of low-income families, at 17.6 percent. However, the bank's lending to moderate-income borrowers exceeded the percentage of moderate-income families in the AA. The bank's lending to middle- and upper-income borrowers was also above the demographic figures. By dollar volume, over half of the originations went to upper-income borrowers.

The bank's lending in 2015 and 2016 to LMI borrowers greatly exceeded the percentage of LMI families in the AA, while lending to middle- and upper-income borrowers were both below the

demographic figures. In 2015 and 2016, approximately 52.2 percent of the dollar volume of loans went to LMI borrowers.

**TABLE 11
DISTRIBUTION OF 2017 RESIDENTIAL REAL ESTATE LOANS
BY BORROWER INCOME LEVEL**

Borrower Income Level	Bank Loans				Families by Family Income %
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	17.6
Moderate	2	482	25.0	17.6	17.6
Middle	2	764	25.0	27.9	21.4
Upper	4	1,493	50.0	54.5	43.4

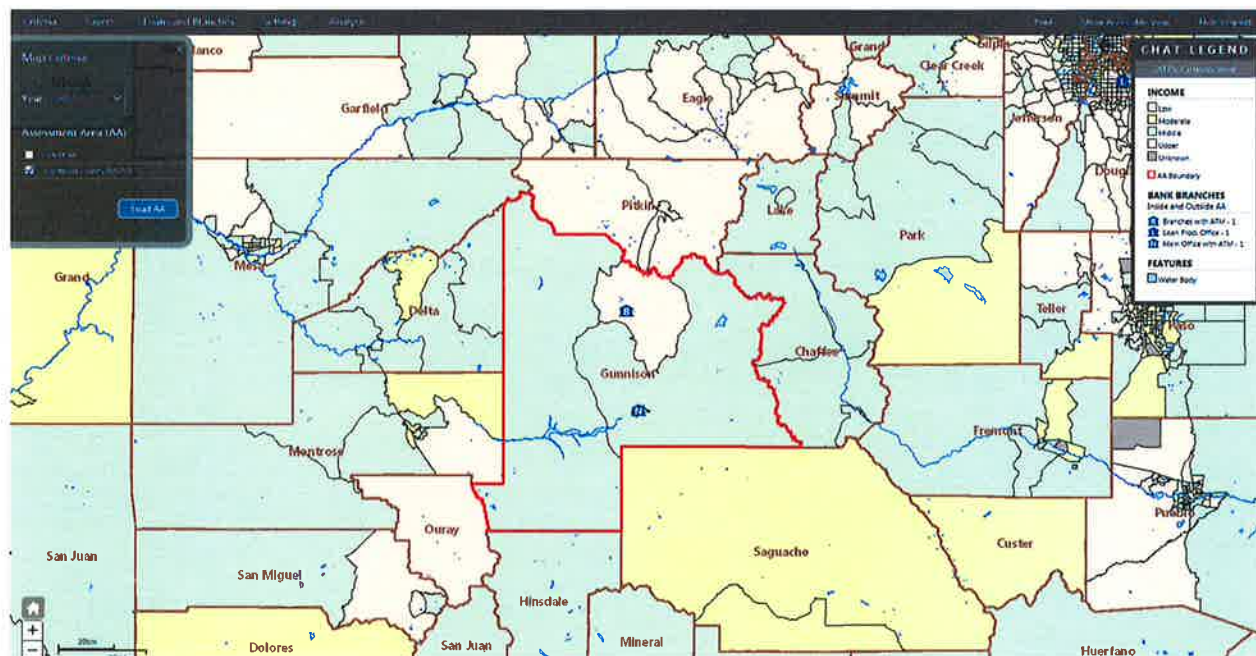
The percentage of families by family income is based on 2017 FFIEC census tract definitions and 2015 ACS five-year estimate data.

NOTE: Percentages may not add up to 100.0 due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank's fair lending activities was conducted during the evaluation to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of the Assessment Area



APPENDIX B – Demographic Information and Lending Tables

TABLE B-1 GUNNISON COUNTY AA 2017 DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	603	17.6
Moderate	0	0.0	0	0.0	0	0.0	603	17.6
Middle	3	75.0	2,331	68.0	281	12.1	732	21.4
Upper	1	25.0	1,095	32.0	22	2.0	1,488	43.4
Total AA	4	100.0	3,426	100.0	303	8.8	3,426	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	7,028	2,457	65.9	35.0	1,801	25.6	2,770	39.4
Upper	4,514	1,272	34.1	28.2	757	16.8	2,485	55.1
Total AA	11,542	3,729	100.0	32.3	2,558	22.2	5,255	45.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	809	65.2	756	65.2	41	63.1	12	70.6
Upper	432	34.8	403	34.8	24	36.9	5	29.4
Total AA	1,241	100.0	1,159	100.0	65	100.0	17	100.0
Percentage of Total Businesses:			93.4		5.2		1.4	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	0	0.0	0	0.0	0	0.0	0	0.0
Percentage of Total Farms:			100.0		0.0		0.0	
Based on 2017 FFIEC Census data & 2017 Dun & Bradstreet information according to 2015 ACS. NOTE: Percentages may not add up to 100.0 due to rounding.								

**TABLE B-2
GUNNISON COUNTY AA 2016 DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	242	7.3
Moderate	0	0.0	0	0.0	0	0.0	679	20.5
Middle	1	25.0	939	28.3	47	5.0	706	21.3
Upper	3	75.0	2,377	71.7	6	0.3	1,689	50.9
Total AA	4	100.0	3,316	100.0	53	1.6	3,316	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	2,695	753	20.5	27.9	1,570	58.3	372	13.8
Upper	8,464	2,921	79.5	34.5	972	11.5	4,571	54.0
Total AA	11,159	3,674	100.0	32.9	2,542	22.8	4,943	44.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	508	38.0	472	37.6	32	47.8	4	25.0
Upper	830	62.0	783	62.4	35	52.2	12	75.0
Total AA	1,338	100.0	1,255	100.0	67	100.0	16	100.0
Percentage of Total Businesses:				93.8		5.0		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	0	0.0	0	0.0	0	0.0	0	0.0
Percentage of Total Farms:				0.0		0.0		0.0

Based on 2016 FFIEC Census data and 2016 Dun & Bradstreet information according to 2010 ACS.

NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE B-3
DISTRIBUTION OF 2016 RESIDENTIAL REAL ESTATE LOANS
BY INCOME LEVEL OF GEOGRAPHY

Census Tract Income Level	Bank Loans				% of Owner- Occupied Units
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0
Middle	1	150	14.3	6.0	20.5
Upper	6	2,335	85.7	94.0	79.5

The percentage of owner-occupied housing units by tract is based on 2016 FFIEC Census tract definitions and 2010 ACS five-year estimate data.

NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE B-4
DISTRIBUTION OF 2016 RESIDENTIAL REAL ESTATE LOANS
BY BORROWER INCOME LEVEL

Borrower Income Level	Bank Loans				Families by Family Income %
	#	\$(000)	#%	\$%	
Low	2	437	28.6	17.6	7.3
Moderate	2	368	28.6	14.8	20.5
Middle	1	470	14.3	18.9	21.3
Upper	2	1,210	28.6	48.7	50.9

The percentage of families by family income is based on 2016 FFIEC census tract definitions and 2010 ACS five-year estimate data.

TABLE B-5
DISTRIBUTION OF 2015 RESIDENTIAL REAL ESTATE LOANS
BY INCOME LEVEL OF GEOGRAPHY

Census Tract Income Level	Bank Loans				% of Owner- Occupied Units
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0
Middle	4	783	40.0	35.6	20.5
Upper	6	1,416	60.0	64.4	79.5

The percentage of owner-occupied housing units by tract is based on 2015 FFIEC census tract definitions and 2010 ACS five-year estimate data.

NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE B-6
DISTRIBUTION OF 2015 RESIDENTIAL REAL ESTATE LOANS
BY BORROWER INCOME LEVEL

Borrower Income Level	Bank Loans				Families by Family Income %
	#	\$(000)	#%	\$%	
Low	3	1,281	30.0	58.3	7.3
Moderate	4	360	40.0	16.4	20.5
Middle	2	263	20.0	12.0	21.3
Upper	1	295	10.0	13.4	50.9

The percentage of families by family income is based on 2015 FFIEC census tract definitions and 2010 ACS five-year estimate data.

APPENDIX C – 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.

Census tract: A small subdivision of metropolitan and other densely populated 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 upon 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 development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; 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; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, 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: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A 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. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a 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.

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.

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 loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report 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 either secured by 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): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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