PUBLIC DISCLOSURE

February 6, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Iberia
RSSD# 790150

841 East Highway 42
Iberia, Missouri 65486

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.

Bank of Iberia meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activity. 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 the bank's loans and other lending-related activities are in the bank's assessment area.
- The borrower's profile analysis reveals excellent penetration among individuals of different income levels, including low- and moderate- income (LMI) and farms of different revenue sizes.
- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- There were no CRA-related complaints filed against the bank during this review period.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) small bank procedures. The bank's primary lines of business, based on lending volume by number and dollar amounts, are considered to be 1–4 family residential real estate, small farm, and consumer motor vehicle loans. Therefore, loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. Since the bank does not have a particular emphasis on any one product, all three products carried equal significance toward the bank's overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2012 – December 31, 2016
Assessment Area Concentration	January 30, 2012 – December 31, 2015
Loan Distribution by Borrower's Profile	January 30, 2012 – December 31, 2015
Geographic Distribution of Loans	January 30, 2012 – December 31, 2015
Response to Written CRA Complaints	January 31, 2012 – February 5, 2017

Under the small bank CRA performance criteria, analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders based on the Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2010 U.S. Census data; certain farm geodemographics are based on Dun & Bradstreet data applicable for the year of data reviewed. 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 also 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 within the same general region. Four other banks were identified as similarly situated peers, with asset sizes ranging from $107.5 million to $146.4 million as of December 31, 2016.

To augment this evaluation, three community contact interviews were conducted with members of the local community. These interviews were used to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment area. Key details from these interviews are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Bank of Iberia is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is majority owned by Milco Bancorporation, Inc., a one-bank holding company headquartered in Iberia, Missouri. Bank of Iberia's branch network consists of two full-service offices, including the main office. The bank locations are comprised of a main office in Iberia, Missouri (Miller County), and a branch in Waynesville, Missouri (Pulaski County), both of which have cash-dispensing only automated teller machines (ATMs) on site. Aside from the branch locations, the bank also has one cash-dispensing only ATM located in Brumley, Missouri. The bank did not open or close any branch offices during this review period. Based on this branch network and other service delivery systems, the bank is well positioned to deliver financial services to its assessment area but struggles to penetrate Fort Leonard Wood, a U.S. Army base located in Pulaski County. This is likely due to the temporary nature of base residents, coupled with increased competition from a credit union on base and several banks located directly outside of Fort Leonard Wood.

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 assessment area credit needs based on its available resources and financial products. As of December 31, 2016, the bank reported total assets of $59.5 million, total loans and leases of $37.1 million (62.4 percent of total assets), and total deposits of $54.0 million. The bank's loan portfolio composition by credit category is displayed in the following table:

Distribution of Total Loans as of December 31, 2016		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$1,923	5.2%
Commercial Real Estate	$4,504	12.1%
1–4 Family Residential	$17,936	48.4%
Farmland	$2,999	8.1%
Farm Loans	$3,479	9.4%
Commercial and Industrial	$1,744	4.7%
Loans to Individuals	$4,482	12.1%
Total Other Loans	$20	0.1%
TOTAL	**$37,087**	**100%**

As indicated in the preceding table, a significant portion of the bank's lending resources is directed to loans secured by 1–4 family residential properties, farmland and farm loans, and loans to individuals, such as consumer motor vehicle loans. It is important to note that consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received an Outstanding rating at its previous CRA evaluation conducted by this Reserve Bank on January 30, 2012.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 77,022, is located in central Missouri and is comprised of Miller (five census tracts) and Pulaski (nine census tracts) Counties in their entireties. The assessment area is part of nonmetropolitan statistical area (nonMSA) Missouri and is comprised of 14 census tracts, including 1 moderate-, 9 middle-, and 4 upper-income tracts. Both bank offices are located in middle-income census tracts within the assessment area. Fort Leonard Wood, a 62,911-acre U.S. Army training base with a revolving population of approximately 30,000, is located in the southwestern corner of Pulaski County. The one moderate-income census tract is solely within the boundaries of the army base.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2016, there are 16 FDIC-insured depository institutions in the assessment area that operate 32 offices. Bank of Iberia ranked eighth in terms of deposit market share, with 6.7 percent of the total assessment area deposit dollars.

A significant portion of the community is rural. According to community contacts, there are no significant unmet credit needs; however, access to additional rental properties in the assessment area was cited as a need. Another opportunity for additional lending in the assessment area, noted from community contacts, is access to financing and working capital in order to incentivize entrepreneurs, spur small business expansion, and increase local employment opportunities.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	0	1	9	4	0	**14**
	0.0%	7.1%	64.3%	28.6%	0.0%	**100%**
Family Population	0	349	12,313	4,266	0	**16,928**
	0.0%	2.1%	72.7%	25.2%	0.0%	**100%**

The preceding table reveals that the bank's assessment area contains no low-income census tracts and only one moderate-income census tract. As shown above, only 2.1 percent of the family population resides in this tract. This moderate-income tract is located entirely within Fort Leonard Wood, where it is used to house personnel staying on base temporarily.

Based on 2010 U.S. Census data, the median family income for the assessment area was $49,006. At the same time, the median family income for nonMSA Missouri was $45,746. More recently, the FFIEC estimates the 2012, 2013, 2014, and 2015 median family income for nonMSA

Missouri to be $47,800; $48,200; $48,800; and $49,700, respectively. The following table displays population percentages of assessment area families by income level compared to the nonMSA Missouri family population as a whole.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	2,727	3,097	3,573	7,531	**16,928**
	16.1%	18.3%	21.1%	44.5%	**100%**
NonMSA Missouri	81,159	76,628	90,297	164,554	**412,638**
	19.7%	18.6%	21.9%	39.9%	**100%**

As shown in the preceding table, 34.4 percent of families within the assessment area were considered LMI, which is lower than LMI family population of 38.3 percent in nonMSA Missouri. The percentage of families living below the poverty threshold in the assessment area, 10.4 percent, falls below the 12.4 percent level in nonMSA Missouri. Considering these factors, the assessment area appears more affluent than nonMSA Missouri as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be less affordable than in nonMSA Missouri. The median housing value for the assessment area is $114,239, which is 20.8 percent above the $94,539 figure for nonMSA Missouri. The assessment area housing affordability ratio of 35.3 percent is below nonMSA Missouri's figure of 38.0 percent.

Additionally, the median gross rent for the assessment area of $687 per month is 29.1 percent higher than the $532 per month for nonMSA Missouri. Furthermore, rental units appear to be more prominent in the assessment area than in nonMSA Missouri. Of all housing units in the assessment area, 30.9 percent are rental units compared to 22.4 percent of rental units found in nonMSA Missouri. Conversely, the percentage of vacant units in the assessment area, 14.4 percent, is less than nonMSA Missouri, at 19.1 percent. The assessment area's higher percentage of rental units corresponds with information obtained from community contacts regarding the demand for and availability of affordable housing. Based on housing data and community contact interviews, housing for the LMI population in the assessment area is not easily affordable.

Industry and Employment Demographics

The assessment area supports a diverse business community, including a strong service sector. By percentage of employees, the three largest job categories in the assessment area are retail trade (24.7 percent), accommodation and food services (19.3 percent), and health care and social assistance (15.5 percent). The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the counties of Miller and Pulaski compared to the state of Missouri.

Unemployment Levels for the Assessment Area			
Time Period (Annual Average)	**Missouri**	**Miller County**	**Pulaski County**
2012	7.0%	9.1%	8.2%
2013	6.7%	8.7%	7.9%
2014	6.2%	7.7%	7.3%
2015	5.0%	6.0%	5.8%

Unemployment levels in both counties have consistently been above statewide levels, most notably in Miller County. As seen in the previous table, unemployment levels have shown a decreasing trend since 2012 for both counties and the state of Missouri.

Community Contact Information

Information from three community contact interviews was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. Of the community contacts interviewed, one was with an individual specializing in community service, another specialized in economic development, and the third was a local government employee. The community contacts categorized the economy as generally stable but with limited growth opportunities. Specifically, unemployment rates have slowly but steadily decreased over the past several years, but employment opportunities are notably limited. According to a community contact, no major employers have left or entered the area; however, government spending cutbacks at Fort Leonard Wood in recent years have had a slight impact on the area.

The community contacts indicated that the banking needs of the assessment area were being met and that they were not aware of any significant credit needs specific to the assessment area. Community contacts did note the chance for more entrepreneurial opportunities and small business loans in Pulaski County. In addition, the contacts did not identify any major opportunities for community involvement, aside from small city projects and one lone spec building. All three contacts were aware of the banks operating within the assessment area, and two spoke positively of the performance of Bank of Iberia.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Bank of Iberia meets the standards for a Satisfactory rating under CRA small bank evaluation procedures, which evaluate bank performance under the following five criteria, as applicable:

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The following table displays the bank's average LTD ratio compared to those of regional peers. The average LTD ratio represents a 20-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Asset Size ($000s) as of December 31, 2016**	**Headquarters**	**Average LTD Ratio**
Bank of Iberia	$59,468	Iberia, Missouri	80.3%
Regional Banks	$107,466	Saint Robert, Missouri	75.3%
	$124,225	Saint Elizabeth, Missouri	89.1%
	$126,867	Waynesville, Missouri	64.2%
	$146,352	Eldon, Missouri	73.8%

Based on data from the previous table, the bank's level of lending is in range of other banks in the region. During the review period, the quarterly LTD ratio experienced a slow and consistent downward trend starting in the second quarter of 2015. However, even with this decrease, the bank has maintained an 80.3 percent quarterly average LTD ratio for the previous 20 quarters. In comparison, the quarterly average LTD ratios for the regional peers ranged from 64.2 percent to 89.1 percent. Furthermore, the regional banks had varying trends; the banks in Saint Robert and Waynesville had decreasing trends, while the other two banks experienced increasing trends. Therefore, compared to data from regional banks, Bank of Iberia'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 of Assessment Area January 30, 2012 through December 31, 2015						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
1–4 Family Residential Real Estate	57	76.0%	18	24.0%	**75**	**100%**
	4,248	68.8%	1,928	31.2%	**$6,176**	**100%**
Small Farm	73	91.3%	7	8.8%	**80**	**100%**
	2,065	94.1%	130	5.9%	**$2,195**	**100%**
Consumer Motor Vehicle	85	82.5%	18	17.5%	**103**	**100%**
	1,067	85.1%	188	15.0%	**$1,255**	**100%**
TOTAL LOANS	**215**	**83.3%**	**43**	**16.7%**	**258**	**100%**
	7,379	**76.7%**	**2,245**	**23.3%**	**$9,624**	**100%**

A majority of loans and other lending-related activities were made in the bank's assessment area. As shown in the preceding table, by number, 83.3 percent of the total loans were made inside the assessment area, accounting for 76.7 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 excellent, based on performance from all three loan categories reviewed. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC. The following table shows the distribution of 1–4 family residential real estate loans by borrower income level compared to family population income demographics and aggregate data.

Distribution of Loans Inside Assessment Area by Borrower Income January 30, 2012 through December 31, 2015												
	Borrower Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
1–4 Family Residential Real Estate Loans	11	19.3%	12	21.1%	14	24.6%	20	35.1%	0	0.0%	**57**	**100%**
Family Population	16.1%		18.3%		21.1%		44.5%		0.0%		**100%**	
2012 HMDA Aggregate	2.1%		6.9%		15.0%		43.9%		32.2%		**100%**	
2013 HMDA Aggregate	2.8%		7.4%		17.2%		42.3%		30.3%		**100%**	
2014 HMDA Aggregate	3.6%		10.0%		18.7%		39.9%		27.8%		**100%**	
2015 HMDA Aggregate	3.3%		9.8%		18.0%		37.5%		31.4%		**100%**	

As shown in the preceding table, the bank's percentage of lending to low-income borrowers (19.3 percent) is above the low-income family population figure (16.1 percent). The 2012, 2013, 2014, and 2015 HMDA aggregate performance is 2.1 percent, 2.8 percent, 3.6 percent, and 3.3 percent, respectively. Bank performance to low-income borrower represents excellent performance.

Similarly, the bank's level of lending to moderate-income borrowers (21.1 percent) is above the moderate-income family population figure (18.3 percent). The 2012, 2013, 2014, and 2015 HMDA aggregate performance is 6.9 percent, 7.4 percent, 10.0 percent, and 9.8 percent, respectively. As with low-income borrowers, bank performance to moderate-income borrowers reflects excellent performance. Considering performance to both income categories, the bank's overall distribution of loans by borrower profile is excellent.

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

Distribution of Loans Inside Assessment Area by Farm Revenue

January 30, 2012 through December 31, 2015

Gross Revenue	Loan Amounts in $000s						TOTAL	
	≤$100		>$100 and ≤$250		>$250 and ≤$500			
$1 Million or Less	70	95.9%	3	4.1%	0	0.0%	**73**	**100%**
Greater than $1 Million/Unknown	0	0.0%	0	0.0%	0	0.0%	**0**	**0.0%**
TOTAL	**70**	**95.9%**	**3**	**4.1%**	**0**	**0.0%**	**73**	**100%**
Dun & Bradstreet Businesses ≤ $1MM							**100%**	
2012 Small Farm Aggregate ≤ $1MM							**81.4%**	
2013 Small Farm Aggregate ≤ $1MM							**80.0%**	
2014 Small Farm Aggregate ≤ $1MM							**94.6%**	
2015 Small Farm Aggregate ≤ $1MM							**92.6%**	

Based on this analysis of small farm loans, the bank's performance is excellent in meeting the credit needs of small farms in its assessment area. The previous table demonstrates that all 73 loans reviewed were made to farms with gross annual revenues of $1 million or less. In comparison, geodemographic data indicates that 100 percent of agricultural institutions within the assessment area are small farms. In addition, 95.9 percent of loans to small farms reviewed were in amounts of $100,000 or less, further indicating the bank's willingness to meet the credit needs of small farms. Small farm aggregate performance was 81.4 percent in 2012, 80.0 percent in 2013, 94.6 percent in 2014, and 92.6 percent in 2015.

Lastly, as with the previous two loan categories, borrower distribution of consumer motor vehicle loans was also analyzed by borrower's income profile. The following table shows the distribution of consumer motor vehicle loans by income level of the borrower compared to household population income characteristics.

Distribution of Loans Inside Assessment Area by Income Level of Borrower January 30, 2012 through December 31, 2015												
	Borrower Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
Consumer Motor Vehicle Loans	27	31.8%	25	29.4%	12	14.1%	21	24.7%	0	0.0%	**85**	**100%**
Household Population	19.9%		14.3%		20.8%		45.0%		0.0%		**100%**	

The bank's performance by number of consumer motor vehicle loans made to low-income borrowers (31.8 percent) is considered excellent, as the lending is significantly above the household population of 19.9 percent. Similarly, bank performance to moderate-income borrowers (29.4 percent) is above the household population of 14.3 percent and represents excellent performance. Combined, the bank's performance to LMI borrowers (61.2 percent) is well above household population of 34.2 percent and is considered excellent.

Geographic Distribution of Loans

Under the geographic distribution of loans analysis, emphasis is placed on the bank's lending performance in LMI geographies. However, the assessment area only contains one moderate-income census tract, which solely contains Fort Leonard Wood, a training installation with personnel typically spending eight to ten weeks on base. While the assessment area includes one moderate-income census tract, the demographic data and aggregate performance was *de minimis* due to a lack of demand. Therefore, a detailed geographic distribution of loans analysis would not prove meaningful. Nevertheless, the loan dispersion within the bank's middle-income and upper-income census tracts was reviewed. The results of the analysis showed loan activity was reasonably dispersed throughout the assessment area and was consistent with demographics. Therefore, the bank's geographic distribution of loans is reasonable.

Responses to Complaints

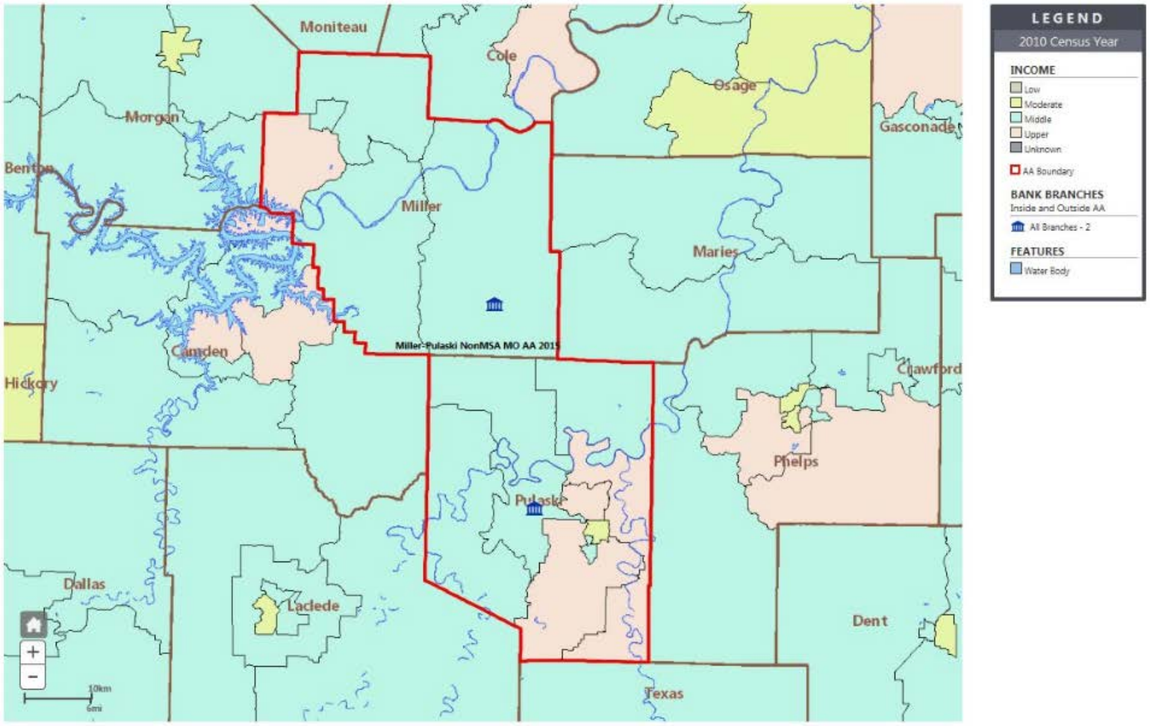
No CRA-related complaints were filed against the bank during this review period (January 31, 2012 through February 5, 2017).

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.

ASSESSMENT AREA DETAIL

Bank of Iberia - Iberia, MO
Miller-Pulaski NonMSA MO AA



PE Map

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) <u>affordable housing</u> (including multifamily rental housing) for low- and moderate-income (LMI) individuals; (2) <u>community services</u> targeted to LMI individuals; (3) activities that promote <u>economic development</u> 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 <u>revitalize or stabilize</u> LMI 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 (such as age, race, sex, income, etc.) 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 the income of applications, 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: Is 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.