PUBLIC DISCLOSURE

January 16, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Progressive Ozark Bank
RSSD #143372

904 W. Scenic Rivers Boulevard
Salem, Missouri 65560

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.

Progressive Ozark Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activities. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of loans and other lending-related activities are in the assessment area.
- Distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI) levels.
- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) small bank procedures. Residential real estate and consumer (motor vehicle) loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and dollar amounts. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis on home mortgage lending, this product carried the most 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	September 30, 2013 – September 30, 2017
Assessment Area Concentration	January 1, 2016 – December 31, 2016
Geographic Distribution of Loans	January 1, 2016 – December 31, 2016
Loan Distribution by Borrower's Profile	January 1, 2016 – December 31, 2016
Response to Written CRA Complaints	October 29, 2013 – January 15, 2018

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2010 U.S. Census data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are 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 in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $102.1 million to $174.6 million as of September 30, 2017.

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

DESCRIPTION OF INSTITUTION

Progressive Ozark Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Ozark Bancorp, Inc., a one-bank holding company headquartered in Salem, Missouri. The bank's branch network consists of four offices (including the main office), all of which have full-service automated teller machines on site. In addition to being a full-service facility, the main office and three branches also have drive-up accessibility. The bank did not open or close any branch offices during this review period. Based on this branch network and other service delivery systems, such as extended banking hours of operation and full-service online banking capabilities, the bank is well positioned to deliver financial services to its entire assessment area.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting assessment area credit needs based on its available resources and financial products. As of September 30, 2017, the bank reported total assets of $112.9 million. As of the same date, loans and leases outstanding were $96.2 million (85.2 percent of total assets), and deposits totaled $96.8 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of September 30, 2017		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$4,807	5.0%
Commercial Real Estate	$4,397	4.6%
Multifamily Residential	$208	0.2%
1–4 Family Residential	$65,713	68.3%
Farmland	$5,982	6.2%
Farm Loans	$2,727	2.8%
Commercial and Industrial	$4,250	4.4%
Loans to Individuals	$8,108	8.4%
TOTAL	**$96,192**	**100%**

As indicated by the preceding table, a significant portion of the bank's lending resources is directed to loans secured by 1–4 family residential properties. While not prominently reflected in the previous table, it is also worth noting that, by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on October 28, 2013, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank is headquartered in the city of Salem, Missouri, in Dent County. The bank's assessment area, which has a population of 60,480, is located in south-central nonmetropolitan statistical area (nonMSA) Missouri and comprises the entirety of Dent County, Texas County, and Wright County. Twelve census tracts comprise the three counties, four of which are moderate-income census tracts and eight are middle-income census tracts. All eight middle-income census tracts in the assessment area have been classified as distressed due to poverty by the FFIEC. The dispersion of distressed middle-income census tracts is roughly equal across all three counties.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2017, there are 14 FDIC-insured depository institutions in the assessment area that operate 28 offices. Progressive Ozark Bank (operating four, or 14.3 percent, offices in the assessment area) ranked second in terms of deposit market share, with 10.8 percent of the total assessment area deposit dollars.

In discussions with community contacts, it was revealed that real estate lending products represent a significant credit need in the assessment area. Insufficient income from paying jobs is a large barrier for individuals when trying to obtain a home. Standard types of consumer loan products also represent a significant credit need in the community.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level

Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	0	4	8	0	0	**12**
	0.0%	33.3%	66.7%	0.0%	0.0%	**100%**
Family Population	0	5,051	11,005	0	0	**16,056**
	0.0%	31.5%	68.5%	0.0%	0.0%	**100%**

As shown in the preceding table, the assessment area contains no low-income census tracts and four moderate-income census tracts (33.3 percent of assessment area tracts), which account for 31.5 percent of the assessment area's family population. Of the four moderate-income census tracts, one is located in the center of Dent County; one is in the eastern portion of Texas County; and the other two are located in Wright County. The majority of the assessment area's family population (68.5 percent) lives in the eight middle-income census tracts, which are all classified as distressed due to poverty.

Based on 2010 U.S. Census data, the median family income for the assessment area was $39,416. At the same time, the median family income for nonMSA Missouri was $45,746. More recently, the FFIEC estimates the 2016 median family income for nonMSA Missouri to be $48,200. The following table displays population percentages of assessment area families by income level compared to nonMSA Missouri family population as a whole.

Family Population by Income Level

Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Assessment Area	3,577	3,682	3,617	5,180	0	**16,056**
	22.3%	22.9%	22.5%	32.3%	0.0%	**100%**
NonMSA Missouri	81,159	76,628	90,297	164,554	0	**412,638**
	19.7%	18.6%	21.9%	39.9%	0.0%	**100%**

As shown in the previous table, 45.2 percent of families in the assessment area were considered LMI, which is higher than the LMI family percentages of 38.3 percent in nonMSA Missouri. The percentage of families living below the poverty threshold in the assessment area, 14.9 percent, is higher than the 12.4 percent level in nonMSA Missouri. Considering these factors, the assessment area appears less 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 similar to that of nonMSA Missouri. The median housing value for the assessment area is $88,908, which is below the figure for nonMSA Missouri, $94,539. Further, the median gross rent for the assessment area of $470 per month is more affordable compared to $532 per month for nonMSA Missouri. However, despite lower housing and rental cost, housing in the assessment area is similar in affordability when considering income levels. The assessment area housing affordability ratio of 36.2 percent is below, but comparable to, the nonMSA Missouri figure of 38.0 percent.

Industry and Employment Demographics

The assessment area supports a diverse business community, led by its healthcare, retail, and manufacturing sectors. County business patterns indicate that there are 11,198 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (19.5 percent), followed by retail trade (19.4 percent) and manufacturing (16.6 percent). The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to the state of Missouri as a whole.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	Assessment Area	Missouri
2014	7.4%	6.2%
2015	6.3%	5.0%
2016	5.9%	4.5%

As shown in the preceding table, unemployment levels for the assessment area, as well as the state of Missouri, have shown a decreasing trend. Additionally, unemployment levels in the assessment area have consistently been higher than the unemployment levels in the state of Missouri.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. Of these community contact interviews, one was with an individual specializing in affordable housing, and one was with an individual from a nonprofit community action agency that specializes in providing community services. The services include assistance for individuals in low-income housing, state insurance services, and tax preparation assistance. The community contacts described the area's economy as not faring well compared to the rest of the nation. Specifically, one contact stated that there was a shortage of affordable housing options for LMI individuals, especially in rural areas. Another community contact stated that insufficient income from available jobs in the community is the largest barrier for LMI individuals when trying to obtain a home. Community contacts stated that most institutions are active in the community but did not specifically mention Progressive Ozark Bank.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

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 in comparison to those of regional peers. The average LTD ratio represents a 17-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of September 30, 2017**	**Average LTD Ratio**
Progressive Ozark Bank	Salem, Missouri	$112,926	86.7%
Regional Banks	Salem, Missouri	$102,111	55.1%
	Mansfield, Missouri	$101,724	87.9%
	West Plains, Missouri	$174,589	85.2%

Based on data from the previous table, the bank's level of lending is generally in line with that of its regional peers. During the review period, the LTD ratio had a generally increasing trend with a 17-quarter average of 86.7 percent. In comparison, the average LTD ratios for the regional peers had a generally stable trend. Overall, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.

Assessment Area Concentration

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

Lending Inside and Outside of Assessment Area January 1, 2016 through December 31, 2016						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
1–4 Family Residential Real Estate	83	85.6%	14	14.4%	**97**	**100%**
	$8,031	90.4%	$855	9.6%	**$8,886**	**100%**
Consumer Motor Vehicle	98	94.2%	6	5.8%	**104**	**100%**
	$1,169	94.2%	$72	5.8%	**$1,241**	**100%**
TOTAL LOANS	**181**	**90.0%**	**20**	**10.0%**	**201**	**100%**
	$9,199	**90.8%**	**$927**	**9.2%**	**$10,126**	**100%**

A substantial majority of loans and other lending-related activities were made in the bank's assessment area. As shown in the previous table, 90.0 percent of the total loans were made inside the assessment area, accounting for 90.8 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 reasonable, based on performance from the two loan categories reviewed. Both categories reflected reasonable distribution.

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 ($48,200 for nonMSA Missouri as of 2016). The following table shows the distribution of 1–4 family residential real estate loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2016 aggregate data for the assessment area is displayed.

Distribution of Loans Inside Assessment Area by Borrower Income

January 1, 2016 through December 31, 2016

	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
1–4 Family Residential Real Estate	14	16.9%	16	19.3%	29	34.9%	24	28.9%	0	0.0%	**83**	**100%**
Family Population	22.3%		22.9%		22.5%		32.3%		0.0%		**100%**	
2016 HMDA Aggregate	9.5%		16.4%		19.7%		39.5%		15.0%		**100%**	

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (16.9 percent) is below the low-income family population figure (22.3 percent) but substantially above the 2016 aggregate lending level to low-income borrowers (9.5 percent). As mentioned previously, one community contact stated there was a shortage of LMI-affordable housing options in the area. Considering this factor, coupled with the greater reliance on aggregate data as a comparator, the bank's level of lending to low-income borrowers reflects excellent performance. The bank's level of lending to moderate-income borrowers (19.3 percent) is below the moderate-income family population percentage (22.9 percent) but above the aggregate lending level to moderate-income borrowers (16.4 percent), reflecting reasonable performance. The bank originated 36.2 percent of its 1–4 family residential real estate loans to LMI individuals. As shown above, LMI individuals comprise 45.2 percent of the assessment area's overall demographic. Overall, combined performance in this category is considered reasonable.

Next, consumer motor vehicle loans were reviewed to determine the bank's lending levels to LMI borrowers in the assessment area. The following table shows the distribution of consumer motor vehicle loans by income level compared to the household population percentages for the income categories in the assessment area.

Distribution of Loans Inside Assessment Area by Borrower Income January 1, 2016 through December 31, 2016												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Consumer Motor Vehicle	26	26.5%	18	18.4%	16	16.3%	38	38.8%	0	0.0%	**98**	**100%**
Household Population	26.9%		18.7%		20.5%		34.0%		0.0%		**100%**	

The bank originated consumer motor vehicle loans consistent with the household population designated as LMI. Specifically, the bank originated 26.5 percent of its consumer motor vehicle loans to low-income borrowers, which reflects reasonable performance when compared to the household population level of 26.9 percent. The bank also made 18.4 percent of its consumer motor vehicle loans to moderate-income borrowers, which also reflects reasonable performance when compared to the household population level of 18.7 percent. Therefore, considering performance to both income categories, the bank's overall distribution of motor vehicle loans by borrower's profile is reasonable.

Geographic Distribution of Loans

As noted previously, the assessment area includes no low-income and four moderate-income census tracts, representing 33.3 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts, based on the 1–4 family residential real estate and consumer motor vehicle loan categories. As previously stated, performance in the 1–4 family residential real estate loan category carried the most significance in the overall rating of reasonable for geographic distribution.

The following table displays the geographic distribution of 2016 1–4 family residential real estate loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Distribution of Loans Inside Assessment Area by Geography Income Level January 1, 2016 through December 31, 2016												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
1–4 Family Residential Real Estate	0	0.0%	24	28.9%	59	71.1%	0	0.0%	0	0.0%	**83**	**100%**
Owner-Occupied Housing	0.0%		30.7%		69.3%		0.0%		0.0%		**100%**	
2016 HMDA Aggregate	0.0%		27.1%		72.7%		0.0%		0.2%		**100%**	

The analysis of 1–4 family residential real estate loans revealed reasonable lending performance to borrowers residing in moderate-income geographies. The bank's total penetration of moderate-income census tracts by number of loans (28.9 percent) is below the percentage of owner-occupied housing units in low-income census tracts (30.7 percent). However, the bank's performance in moderate-income census tracts is above other lenders in the assessment area based on 2016 HMDA aggregate data, which indicates that 27.1 percent of aggregate HMDA loans inside this assessment area were made to borrowers residing in moderate-income geographies. Therefore, with no low-income census tracts, overall performance is considered reasonable.

Second, the bank's geographic distribution of consumer motor vehicle loans was reviewed. The following table displays 2016 consumer motor vehicle loan activity by geography income level compared to household population demographics in the assessment area.

Distribution of Loans Inside Assessment Area by Geography Income Level January 1, 2016 through December 31, 2016												
	Geography Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
Consumer Motor Vehicle	0	0.0%	29	29.6%	69	70.4%	0	0.0%	0	0.0%	**98**	**100%**
Household Population	0.0%		30.7%		69.3%		0.0%		0.0%		**100%**	

The bank originated 29.6 percent of its consumer motor vehicle loans in moderate-income geographies. This reflects reasonable performance when compared to the household population level of 30.7 percent. Therefore, with no low-income census tracts, overall performance is considered reasonable.

Lastly, based on the categories reviewed, the bank had lending in all 12 census tracts in the assessment area. As a result, no conspicuous lending gaps were noted in LMI areas.

<u>Responses to Complaints</u>

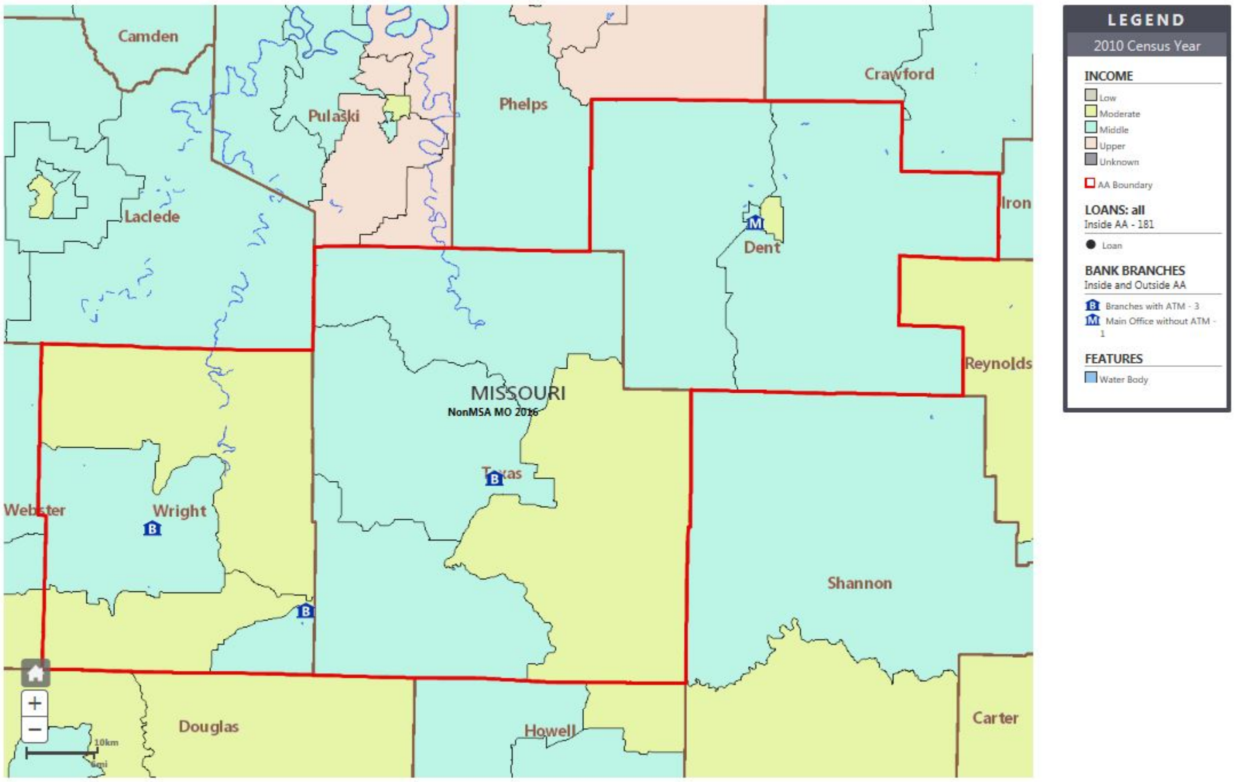
No CRA-related complaints were filed against the bank during this review period (October 29, 2013 through January 15, 2018).

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

Progressive Ozark Bank - Salem, MO
NonMSA MO 2016



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 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.