

PUBLIC DISCLOSURE

November 26, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Citizens Bank of Butte
3220 Harrison Avenue
P.O. Box 3149
Butte, Montana 59701
RSSD 666358

**Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, MN 55480-0291**

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 the safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this 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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Definitions for many of the terms used in this performance evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix A at the end of this performance evaluation.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Examiners evaluated the Community Reinvestment Act (CRA) performance of First Citizens Bank of Butte, Butte, Montana, using the Small Bank CRA Examination Procedures. Given the bank's asset size and financial condition, the bank meets the credit needs of small businesses and residents in its assessment area.

Several factors support the bank's Satisfactory rating:

- The bank's lending to businesses of different sizes and to borrowers of different income levels is reasonable.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The bank's net loan-to-deposit ratio indicates a reasonable level of lending.
- The bank originated a majority of its loans within its assessment area.

The bank received a satisfactory rating at the previous CRA evaluation, conducted August 25, 2014.

SCOPE OF EVALUATION

Examiners based the evaluation on a sample of 62 small business loans (originated from September 2014 to July 2018) and a sample of 46 consumer loans (originated from August 2017 to July 2018). These product lines are representative of the bank's loan activity during the evaluation period. Small business loans are the bank's major product line by total dollar amount. Consumer loans represent the bank's major product line by total number of loans. Examiners conducted a full-scope review of the bank's assessment area.

TABLE 1¹				
Loan Originations From January 1, 2017, through December 31, 2017				
<i>Loan Type</i>	<i>Number of Loans</i>	<i>% of Total Number</i>	<i>Total Loan Dollars</i>	<i>% of Total Dollars</i>
Construction/Land Development	3	3.5	\$ 883,364	12.1
Consumer	44	51.8	1,370,871	18.7
Ready Reserve	3	3.5	2,000	<0.1
Residential Real Estate	9	10.6	1,174,441	16.0
Small Business (≤ \$1 million)	25	29.4	3,828,869	52.3
Small Farm (≤ \$500,000)	1	1.2	62,000	0.9
Total	85	100.0	\$7,321,545	100.0

Examiners analyzed the following criteria to determine the bank's CRA rating:

- Lending to businesses of different sizes and to borrowers of different income levels.
- Geographic distribution of loans.
- Net loan-to-deposit ratio.

¹Note: Because the percentages presented in the tables are rounded to the nearest tenth, some columns or rows may not total 100.0%.

- Lending within the assessment area.
- Record of responding to complaints about the bank's CRA performance.

For the evaluation criteria, examiners placed the greatest weight on the bank's lending to businesses of different sizes and to borrowers of different income levels and the geographic distribution of loans. Examiners weighted the remaining criteria equally. Examiners placed equal weight on small business and consumer loans.

The evaluation is based in part on discussions with bank management and interviews with members of the community. Examiners interviewed individuals familiar with the economic and demographic characteristics of the bank's assessment area. Examiners used information from these sources to help evaluate the bank's CRA performance.

DESCRIPTION OF INSTITUTION

Offices. The bank's main office is in Butte, Montana, and it has one limited-service branch located at a senior living facility in Butte. The limited-service branch accepts deposits and cashes checks on a weekly basis. The bank offers reasonable lobby and drive-up hours. In addition, the bank operates a cash-dispensing-only ATM at the main office. Since the previous evaluation, the bank removed its ATM located at a nearby shopping mall.

First Citizens Bank of Butte also offers Internet banking, allowing customers to view account information, transfer funds, and make loan payments. In addition, the bank offers mobile banking, electronic statements, and bill payment services.

Loan Portfolio. According to the September 30, 2018, Report of Condition, the bank's assets total \$64.4 million. The bank's \$39.2 million loan portfolio consists of 52.8% commercial, 29.1% residential real estate, 11.2% agricultural, and 6.9% consumer loans. The composition of the loan portfolio has not changed significantly since the previous evaluation.

Credit Products. The bank offers a variety of traditional loan products to meet the credit needs of the farms, businesses, and consumers in the assessment area. The bank's credit products include open- and closed-end agricultural, commercial, consumer, and residential real estate loans. The bank also participates in the U.S. Small Business Administration loan programs.

Deposit Market Share. According to the June 30, 2018, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank has \$53.3 million in deposits in the Butte assessment area. The bank ranks sixth out of eight financial institutions operating in Silver Bow County, with a 9.0% market share.

DESCRIPTION OF ASSESSMENT AREA

Assessment Area. The Butte assessment area includes all of Silver Bow County, Montana. The bank has not changed this assessment area since the previous evaluation. However, the income classifications of some of the tracts changed from 2016 to 2017 based on the 2017 FFIEC adjusted census data. The Butte assessment area changed from one moderate-, six middle-, and one upper-income census tracts to one low-, three moderate-, three middle-, and one upper-income census tracts. None of the census tracts in Silver Bow County are classified as distressed or underserved.

Table 2 shows the demographic characteristics of the assessment area based on the 2018 Federal Financial Institutions Examination Council (FFIEC) adjusted census data² and 2017 Dun & Bradstreet data.

² The FFIEC adjusted census data is based on decennial U.S. Census data and American Community Survey five-year estimate data, and it also reflects the Office of Management and Budget's metropolitan statistical area revisions.

TABLE 2
Assessment Area Demographics

<i>Income Categories</i>	<i>Tract Distribution</i>		<i>Families by Tract Income</i>		<i>Families < Poverty Level as % of Families by Tract</i>		<i>Families by Family Income</i>	
	#	%	#	%	#	%	#	%
Low Income	1	12.5	946	11.3	246	26.0	2,138	25.5
Moderate Income	3	37.5	2,736	32.7	478	17.5	1,557	18.6
Middle Income	3	37.5	3,550	42.4	288	8.1	1,600	19.1
Upper Income	1	12.5	1,139	13.6	116	10.2	3,076	36.7
Total Assessment Area	8	100.0	8,371	100.0	1,128	13.5	8,371	100.0
<i>Income Categories</i>	<i>Housing Units by Tract</i>	<i>Housing Types by Tract</i>						
		<i>Owner-Occupied</i>			<i>Rental</i>		<i>Vacant</i>	
		#	%	%	#	%	#	%
Low Income	2,882	1,147	11.7	39.8	1,352	46.9	383	13.3
Moderate Income	5,792	2,986	30.5	51.6	2,279	39.3	527	9.1
Middle Income	6,100	4,192	42.8	68.7	1,373	22.5	535	8.8
Upper Income	2,002	1,464	15.0	73.1	351	17.5	187	9.3
Total Assessment Area	16,776	9,789	100.0	58.4	5,355	31.9	1,632	9.7
<i>Income Categories</i>	<i>Total Businesses by Tract</i>		<i>Businesses by Tract and Revenue Size</i>					
			<i>≤ \$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
	#	%	#	%	#	%	#	%
Low Income	437	26.2	382	25.3	48	34.5	7	36.8
Moderate Income	485	29.1	451	29.8	31	22.3	3	15.8
Middle Income	579	34.7	523	34.6	48	34.5	8	42.1
Upper Income	168	10.1	155	10.3	12	8.6	1	5.3
Total Assessment Area	1,669	100.0	1,511	100.0	139	100.0	19	100.0
Percentage of Total Businesses:				90.5		8.3		1.1
<i>Income Categories</i>	<i>Total Farms by Tract</i>		<i>Farms by Tract and Revenue Size</i>					
			<i>≤ \$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
	#	%	#	%	#	%	#	%
Low Income	2	6.7	1	3.4	1	100.0	0	0.0
Moderate Income	6	20.0	6	20.7	0	0.0	0	0.0
Middle Income	22	73.3	22	75.9	0	0.0	0	0.0
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	30	100.0	29	100.0	1	100.0	0	0.0
Percentage of Total Farms:				96.7		3.3		0.0

Income. In order to classify borrowers by income level, this evaluation uses the FFIEC estimated median family income for the nonmetropolitan areas of Montana. This figure is \$66,700 for 2018 and \$60,500 for 2017. For purposes of classifying census tracts by income level, this evaluation relies on the FFIEC adjusted census data median family income for the relevant area. For the nonmetropolitan areas of Montana, the figure is \$53,555 for 2017 and 2018 and \$52,779 for 2014 to 2016.

Population. According to 2018 FFIEC census data, the population of the assessment area is 34,549, which is an increase of approximately 1.0% from the 2010 census data population of 34,200. The population of the low-income census tract is 5,110, or 14.8% of the assessment area's population. The

population of the moderate-income census tracts is 11,829, or 34.2% of the population. Of the 15,144 households in the assessment area, 30.9% are low income and 18.3% are moderate income.

Economy. The economy in the assessment area is growing at a stable pace. Although mining is pervasive in Butte's history and identity and continues to be a large industry in the area, small business retail, health care, energy services, and tourism also drive the local economy. According to a community contact and bank management, the main employers are a health-care company, a public university, an energy company, and a mining company. Tourism plays an important role in the community, because a number of nature and recreational sites are nearby. Tourism supports jobs in the area, including those in food, entertainment, recreation, and retail trade.

Growth in Butte is not as high as in other Montana cities, such as Missoula, Bozeman, and Helena. As a community contact noted, the growth in the local economy is spurred by continued growth in population and existing industries. Some major retailers no longer operate in Butte; however, small businesses are opening to fill needs previously met by major retailers. These small businesses have helped the local economy.

According to the Bureau of Labor Statistics, the October 2018 non-seasonally adjusted unemployment rate was 3.7% for Silver Bow County. This rate is slightly higher than the Montana rate of 3.3% but is comparable to the national rate of 3.5% for the same period.

Housing. A community contact noted that the housing market is growing. Part of the reason for growth is the shortage of existing homes in the area. As a result, more people are building homes or renovating older homes. A number of the older homes are in poor condition, and it can be difficult for homebuyers to afford the renovations as well as the mortgage. Consequently, there is growth in new higher-density housing, including the recent construction of a mixed-use condominium complex in Uptown Butte. However, the demand for housing in the area continues to exceed supply. According to bank management, the cost of residential housing in Butte is lower than in other larger Montana cities, such as Bozeman, Missoula, or Billings. Bank management indicated a need for affordable housing in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's lending performance in the assessment area is reasonable. Overall, the bank's lending to businesses of different sizes and to borrowers of different income levels is reasonable. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The net loan-to-deposit ratio is reasonable given the bank's size and financial condition as well as the assessment area's credit needs. Finally, the bank originated a majority of its loans inside the assessment area.

LENDING TO BUSINESSES OF DIFFERENT SIZES AND TO BORROWERS OF DIFFERENT INCOME LEVELS

Overall, the bank's lending to businesses of different sizes and borrowers of different income levels is reasonable.

Small Business Lending. The bank's lending to businesses of different sizes is reasonable. Table 3 shows the bank's small business lending.

Table 3 Small Business Lending				
<i>Small Business Loans</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1,000,000 (Business)</i>	<i>Total Originations</i>
Percentage of All Small Business Loans	60.8%	11.8%	27.5%	100.0%
Percentage of Loans to Businesses with Revenues of \$1 Million or Less	63.0%	13.0%	23.9%	90.2%

The bank originated 90.2% of its commercial loans to small businesses. The bank's lending to small businesses is comparable to the demographics of the assessment area. Dun & Bradstreet data for 2017³ shows that 90.5% of businesses in the assessment area are small businesses. Management stated there is strong competition in the assessment area for commercial loans. The bank makes the majority of its small business loans in amounts less than \$250,000, which is responsive to the operational needs of smaller entities. Given these factors, the bank's lending to small businesses is reasonable.

Consumer Lending. The bank's consumer lending to low- and moderate-income borrowers is reasonable.

TABLE 4 Distribution of Consumer Loans by Borrower Income Level*										
Loan Type Sample	Low Income		Moderate Income		Middle Income		Upper Income		Unknown Income	
	#	\$	#	\$	#	\$	#	\$	#	\$
Consumer	22.5%	15.9%	25.0%	12.1%	17.5%	27.4%	32.5%	43.8%	2.5%	0.8%
Demographic Data										
Percentage of Households**	30.9%		18.3%		16.5%		34.3%		NA	
*Median family income for the assessment area was \$66,700 for 2018 and \$60,500 for 2017.										
**Based on 2017 and 2018 FFIEC census data using 2015 Housing data.										

As shown in Table 4, 30.9% of the households in the assessment area are low income, and 18.3% are moderate income. The bank originated 22.5% of its consumer loans to low-income borrowers, which is lower than the percentage of low-income households in the assessment area. The bank originated 25.0% of its consumer loans to moderate-income borrowers, which exceeds the percentage of moderate-income households in the assessment area. Overall, the bank extended 47.5% of its loans to low- and moderate-income borrowers, which is generally comparable to demographics at 49.2%.

Management offers a variety of consumer loan products designed to meet the credit needs of consumers in a market where there is strong competition. The bank originates small-dollar consumer loans, which help serve the credit needs of low- and moderate-income borrowers. According to management, these loans are typically used for personal expenses. Of the loans in the sample, 22.5% were for amounts of \$3,000 or less. Of these small-dollar consumer loans, 66.7% were to low- and moderate-income borrowers.

³ The small business loan sample includes loans from August 26, 2014, to July 31, 2018. Since the Dun & Bradstreet demographic data for 2014 to 2016 is comparable to 2017 data, the loan data for all years was combined and compared to 2017 demographic data for analysis.

Overall, the bank's lending to businesses of different sizes and borrowers of different income levels is reasonable.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of small business and consumer loans reflects reasonable dispersion throughout the assessment area and does not reveal any unexplained gaps in lending. According to 2018 FFIEC census data, the assessment area includes the following census tracts: one low-income, three moderate-income, three-middle income, and one upper-income. The bank's main office is located in middle-income census tract 7.00 in Silver Bow County.

Small Business Lending. The geographic distribution of small business lending is reasonable.

Table 5 Geographic Distribution of 2017 and 2018 Small Business and Consumer Loans by Income Level of Census Tract*								
Loan Type Sample	Low Income		Moderate Income		Middle Income		Upper Income	
	#	\$	#	\$	#	\$	#	\$
Small Business	18.2%	9.4%	22.7%	4.3%	59.1%	86.3%	0.0%	0.0%
Consumer	2.5%	2.6%	40.0%	35.9%	47.5%	54.3%	10.0%	7.2%
Demographic Data								
Number of Census Tracts	1		3		3		1	
Percentage of Census Tracts	12.5%		37.5%		37.5%		12.5%	
Percentage of Households	16.5%		34.8%		36.8%		12.0%	
Percentage of Businesses **	26.2%		29.1%		34.7%		10.1%	
*Income classification of census tracts is based on the 2018 FFIEC census data.								
**Percentages are based on 2017 Dun & Bradstreet data.								

Table 5 shows that the bank originated 18.2% of its 2017 and 2018 small business loans in the low-income census tract and 22.7% in the moderate-income census tracts. The bank's small business lending is slightly below demographics. According to 2017 Dun & Bradstreet data, which is used for 2017 and 2018, 26.2% of businesses are located in the low-income tract, and 29.1% are in the moderate-income tracts.

The Dun & Bradstreet data used to analyze 2014, 2015, and 2016 loans differs from the data for 2017 and 2018 because the income classifications of some census tracts changed based on 2017 FFIEC adjusted census data. In 2014 to 2016, the assessment area included no low-income tracts, one moderate-income tract, six middle-income tracts, and one upper-income tract. In those years, the bank originated 20.7% of its loans in the moderate-income tract. According to 2016 Dun & Bradstreet data,⁴ 26.2% of businesses were located in the moderate-income tract. Thus, the bank's small business lending is slightly below the demographic characteristics for 2014 to 2016. The bank's small business lending in the low- and moderate-income census tracts during the evaluation period does not reveal unexplained gaps in lending. The bank's performance is reasonable given demographics and the competitive banking environment.

⁴ The Dun & Bradstreet demographic data for 2014 and 2015 is comparable to 2016 data.

Consumer Lending. The geographic distribution of consumer loans is reasonable. Table 5 shows the percentage of consumer loans originated by census tract income level. The bank originated 2.5% of its consumer loans to borrowers residing in the low-income tract, which is lower than the percentage of households in this tract. In comparison, the bank originated 40.0% of its consumer loans to borrowers residing in the moderate-income census tracts, which exceeds the percentage of households in these tracts. Overall, the bank originated 42.5% of the consumer loans to borrowers residing in the low- and moderate-income census tracts, which exceeds the percentage of households in these tracts. In addition, the bank extended loans in each of the census tracts. Management attributed the dispersion and distribution of consumer loans to the bank's efforts to originate all consumer loan requests regardless of the borrower's geographic location.

Overall, the distribution and dispersion of consumer loans and small business loans in the assessment area is reasonable and does not reveal unexplained gaps in lending.

LOAN-TO-DEPOSIT RATIO ANALYSIS

The bank's net loan-to-deposit ratio is reasonable, given the bank's size, financial condition, and the assessment area's credit needs. As of September 30, 2018, the bank's net loan-to-deposit ratio was 70.9%, which is comparable to the Uniform Bank Performance Report peer group net loan-to-deposit ratio of 71.3%. The bank's peer group includes insured commercial banks with assets between \$50 million and \$100 million, with two or fewer full-service banking offices and not located in a metropolitan statistical area. The Butte assessment area does not include any other banks headquartered in Silver Bow County, Montana. As a result, this analysis does not include a comparison to other individual banks.

The 17-quarter average net loan-to-deposit ratio for the bank is 72.4%. At the previous evaluation, the bank's 17-quarter average net loan-to-deposit ratio was 73.5%. Management indicated that loan demand remained relatively good during the evaluation period and that competition by other financial institutions to provide financial services has increased. Management described the competition among banks and credit unions serving the assessment area as strong. The bank's quarterly loan-to-deposit ratio has ranged from 67.2% to 79.0% since the last evaluation. Fluctuations primarily result from commercial loan participations and the seasonality of agricultural lending.

The community contact did not know of any unmet credit needs.

Overall, the bank's net loan-to-deposit ratio is reasonable, based on the bank's asset size, financial condition, and lending activity. The bank's net loan-to-deposit ratio demonstrates the bank's willingness to meet the credit needs of small business owners and consumers in its assessment area.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA

The bank originated a majority of its loans to borrowers within the assessment area, specifically 84.3% by number and 84.8% by dollar amount. Table 6 shows the bank's lending inside and outside its assessment area by loan type.

Table 6 Distribution of Loans Inside and Outside the Assessment Area								
<i>Loan Category</i>	<i>Inside</i>				<i>Outside</i>			
	<i>#</i>	<i>%</i>	<i>\$(000s)</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>\$(000s)</i>	<i>%</i>
Consumer	40	87.0	580	51.9	6	13.0	537	48.1
Small Business	51	82.3	9,726	88.1	11	17.7	1,314	11.9
Total	91	84.3	10,306	84.8	17	15.7	1,852	15.2

The percentage of consumer loans by loan amount originated inside the assessment area is lower than the percentage of the bank's small business lending. Management attributes the lower percentage to the impact of making loans to a customer that lives outside the assessment area, but obtains larger consumer loans. Typically, most of the small business and consumer loans originated outside the assessment area are to customers in census tracts near the bank's assessment area or to individuals who have moved away but maintain banking relationships with the bank. As shown in Table 6, the bank does not originate many loans outside its assessment area.

Overall, the bank made a majority of its small business and consumer loans, by number and dollar amount, inside the assessment area. The bank's lending shows its commitment to meeting credit needs within its assessment area.

RECORD OF RESPONSE TO CRA-RELATED COMPLAINTS

Neither the bank nor the Federal Reserve Bank of Minneapolis has received any CRA-related complaints concerning the bank since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The examination did not reveal any evidence of violations of antidiscrimination laws or regulations (including Regulation B – Equal Credit Opportunity Act, Regulation C – Home Mortgage Disclosure Act, and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

Appendix A

Glossary of Common CRA Terms

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 statistical area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. 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 development: An activity associated with one of the following five descriptions:

(1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 C.F.R. 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income census tracts, designated disaster areas, or distressed or underserved nonmetropolitan middle-income census tracts; 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 census tracts.

Consumer loan: A loan to one or more individuals for household, family, or other personal expenditures. It 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.

Distressed nonmetropolitan middle-income census tract: A middle-income, nonmetropolitan census tract 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 20.0% or more, or (3) a population loss of 10.0% or more between the previous and most recent decennial census or a net migration loss of 5.0% 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 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., 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 data such as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (i.e., approved, denied, or 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 refinancings 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 is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments).

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 statistical area/assessment area.

Metropolitan statistical area (MSA): An area, defined by the Office of Management and Budget, based on the concept of a core area with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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 MSA. 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 MSA, the institution will receive a rating for the multistate metropolitan area.

Small loan to business: A loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or classified as commercial and industrial loans.

Small loan to farm: 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 classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income census tract: A middle-income, nonmetropolitan census tract 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 more than 120 percent of the area median income or a median family income that is more than 120 percent, in the case of geography.

(For additional information, please see the Definitions sections of Regulation BB at 12 C.F.R. 228.12.)