PUBLIC DISCLOSURE

December 4, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Belgrade State Bank
RSSD #761244

14185 State Highway C
Belgrade, Missouri 63622

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 OUTSTANDING.

Belgrade State Bank meets the criteria for an Outstanding rating based on the evaluation of the bank's lending activity. The factors supporting the institution's rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.

- A substantial majority of the bank's lending occurred inside its designated assessment area.

- The borrower's profile analysis reveals excellent penetration among individuals of different income levels, including low- and moderate-income (LMI) levels and businesses of different revenue sizes.

- The geographic distribution of loans analysis reflects excellent dispersion throughout the bank's 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) *Interagency CRA Procedures for Small Institutions.* Residential real estate, small business, and consumer motor vehicle loans were used to evaluate the bank's lending performance, as these loan categories are significant based on lending volume and are considered the bank's core business lines. The loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	September 30, 2012 – September 30, 2017
Assessment Area Concentration	January 1, 2016 – December 31, 2016
Loan Distribution by Borrower's Profile	January 1, 2016 – December 31, 2016
Geographic Distribution of Loans	January 1, 2016 – December 31, 2016
Response to Written CRA Complaints	October 15, 2012 – December 3, 2017

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on the Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2010 U.S. Census data; certain business demographics are based on 2016 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders in an assessment area. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three banks were identified as similarly situated peers, with asset sizes ranging from $239.5 million to $334.0 million, as of September 30, 2017.

To augment this evaluation, two interviews were conducted with knowledgeable individuals residing and/or conducting business in the bank's assessment area. These interviews were conducted to ascertain specific credit needs, opportunities, and local market conditions in the bank's assessment area. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and development opportunities. Key details from these interviews are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Belgrade State Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. Belgrade State Bank is wholly owned by Turner Bancshares, Inc., a one-bank holding company also located in Belgrade, Missouri.

The bank's network consists of six offices (including the main office), four of which are full-service, and two that are limited-service (drive-through only). All six locations have deposit-accepting ATMs that dispense cash on site. In addition, the bank also has two stand-alone (cash-dispensing only) ATMs—one at a local convenience store, and the other at the local hospital. The bank did not open or close any branch offices during this review period. Based on its branch network and other service delivery systems, the bank is adequately positioned to deliver financial services to most of its 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. On September 30, 2017, the bank reported total assets of $254.9 million. On the same date, loans and leases outstanding were $206.9 million (81.2 percent of total assets), and deposits totaled $229.5 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	$12,030	5.8%
Commercial Real Estate	$51,703	25.0%
Multifamily Residential	$4,761	2.3%
1–4 Family Residential	$76,780	37.1%
Farmland	$10,912	5.3%
Farm Loans	$8,888	4.3%
Commercial and Industrial	$26,640	12.9%
Loans to Individuals	$11,699	5.7%
Total Other Loans	$3,469	1.7%
TOTAL	**$ 206,882**	**100%**

This table shows that a significant portion of the bank's lending resources are directed to 1–4 family residential properties and commercial lending, which includes commercial real estate and commercial and industrial loans. Further, although the lending volume by dollar percentage of consumer loans (5.7 percent) is small, the lending volume by number of loans originated represents a major product; consumer loans not related to residential real estate are typically made in small dollar amounts relative to other credit products. In addition to portfolio mortgage loans, the bank originates and subsequently sells loans related to residential real estate; as these loans are typically sold on the secondary market shortly after origination, this activity is not fully reflected in the previous table. In 2016, the bank sold 46 residential real estate loans on the secondary market, totaling $5.8 million.

The bank received an Outstanding rating at its previous CRA evaluation conducted on October 15, 2012, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 89,414, is located in southeastern Missouri in the nonmetropolitan statistical area portion of Missouri (nonMSA Missouri). The bank's assessment area consists of the entirety of Washington and St. Francois counties, and the Northern portion of Iron County.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2017, there are nine FDIC-insured depository institutions in the assessment area operating a total of 40 offices. Belgrade State Bank ranked second in terms of deposit market share, encompassing 17.4 percent of the total assessment area deposit dollars.

One particular credit need of the assessment area is gap financing for small businesses. Community contacts stated that, while banks have the opportunity to invest in the Southeast Economic Development Fund, Inc. (SEED$), individuals may still find it difficult to obtain start-up funding due to lack of entrepreneurial experience. SEED$ offers financing and technical assistance for startups and existing small businesses. To a lesser degree, one interviewee mentioned the need for financing of multifamily affordable housing renovations and new construction in the area.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	0	4	11	3	0	**18**
	0.0%	22.2%	61.1%	16.7%	0.0%	**100%**
Family Population	0	4,646	16,664	2,751	0	24,061
	0.0%	19.3%	69.3%	11.4%	0.0%	100%

As shown in the preceding table, there are no low-income census tracts in the assessment area, and 22.2 percent of the census tracts are moderate-income geographies, and 19.3 percent of the population resides in these tracts. All 11 middle-income census tracts are distressed due to poverty, and one is also considered underserved due to its rural nature. One of the four moderate-income census tracts is located in eastern central Washington County in and around the city of Potosi, Missouri. Additionally, the remaining three moderate-income geographies are located in central and southwestern St. Francois County and northeastern Iron County.

Based on 2010 U.S. Census data, the median family income for the assessment area was $45,751. 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.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	4,806	4,411	4,844	10,000	24,061
	20.0%	18.3%	20.1%	41.6%	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, 38.3 percent of families in the assessment area are LMI, which is the same as the LMI family percentage in nonMSA Missouri. The percentage of families living below the poverty threshold in the assessment area (13.2 percent) is above the level for nonMSA Missouri (12.4 percent). These factors indicate that the assessment area is of similar affluence to the nonMSA as a whole.

Housing Demographics

Based on the housing demographics displayed in the following table, housing in the assessment area is slightly more affordable compared to nonMSA Missouri. As shown below, both the median housing value and median gross rent in the nonMSA Missouri marginally exceed that of the assessment area. Similarly, the affordability ratio indicates that the cost of housing in the assessment is slightly lower than the nonMSA when considering income.

Housing Affordability			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (monthly)**
Assessment Area	$93,400	39.7%	$516
nonMSA Missouri	$94,539	38.0%	$532

One community contact stated that the housing market has been steadily improving since the recession, as indicated by the increase in new home construction in the area. The contact also cited the availability of subsidized rental units and housing vouchers in St. Francois County as proof that affordable housing is available to LMI individuals.

Industry and Employment Demographics

The assessment area economy is supported by a mixture of service-oriented sectors and manufacturing. Saint Francois County represents the largest portion of employment of all the counties, and the U.S. Census Bureau 2015 County Business Patterns indicate that there are

18,654 paid employees in the St. Francois County portion of the assessment area. By percentage of employees, the three largest job categories in St. Francois County are healthcare and social assistance (28.3 percent), retail trade (17.2 percent), and accommodation and food services (11.0 percent).

The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to nonMSA Missouri as a whole.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	**Assessment Area**	**NonMSA Missouri**
2012	9.6%	8.0%
2013	9.1%	7.7%
2014	8.1%	7.0%
2015	6.4%	5.8%
2016	5.9%	5.5%
2017 (5-month average)	5.7%	5.3%

As shown in the preceding table, unemployment levels for the assessment area, as well as nonMSA Missouri, have shown a decreasing trend. However, while the margin has decreased over time, unemployment levels in the assessment area remain slightly higher than nonMSA Missouri levels.

Community Contact Information

Information from two community contact interviews was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. One of the interviews was conducted with an individual specializing in community development, and the other was with a person working in economic development.

The interviewees categorized the economy as good with moderate growth. One mentioned how unemployment has been on the decline since September 2016 and how the housing market is recovering from 2008. Both contacts indicated that there is a need for gap financing for small business start-ups in the area; however, both contacts also indicated that banks in the area are meeting the needs of their communities.

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 chart below displays the bank's quarterly average LTD ratio compared to those of regional peers. The quarterly average LTD ratio represents a 21-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**
Belgrade State Bank	Belgrade, Missouri	$254,869	84.3%
Regional Banks	Farmington, Missouri	$239,499	85.3%
	Fredericktown, Missouri	$334,001	74.2%
	Mineral Point, Missouri	$257,158	68.8%

Based on data from the previous table, the bank's level of lending is above two of its regional peers. During the review period, the LTD ratio showed an upward trend, with a 21-quarter average of 84.3 percent. On September 30, 2017, the quarterly LTD was 89.6 percent, up from 81.5 percent on September 30, 2012. In comparison, the average LTD ratios for the regional peers ranged from 68.8 percent to 85.3 percent. Therefore, 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	67	85.9%	11	14.1%	**78**	**100%**
	6,317	55.0%	5,175	45.0%	**$11,492**	**100%**
Small Business	107	91.5%	10	8.5%	**117**	**100%**
	8,252	92.4%	677	7.6%	**$8,929**	**100%**
Consumer Motor Vehicle	133	93.7%	9	6.3%	**142**	**100%**
	1,778	89.9%	199	10.1%	**$1,977**	**100%**
TOTAL LOANS	**307**	**91.1%**	**30**	**8.9%**	**337**	**100%**
	16,346	**73.0%**	**6,051**	**27.0%**	**$22,397**	**100%**

A substantial majority of loans and other lending-related activities were made in the bank's assessment area. As shown in the preceding table, 91.1 percent of the total loans were made inside the assessment area, accounting for 73.0 percent of the dollar volume of total loans. However, the percentage of loans outside the assessment area by dollar volume of loans is heavily skewed by three 1–4 family residential real estate loans from two borrowers that account for $4.1 million of the total $5.2 million in loans made outside the assessment area.

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 ($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 compared to family population income characteristics 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	6	9.0%	17	25.4%	13	19.4%	31	46.3%	0	0.0%	**67**	**100%**
Family Population	20.0%		18.3%		20.1%		41.6%		0.0%		**100%**	
2016 1–4 Family Aggregate	5.5%		14.5%		20.4%		37.6%		21.9%		**100%**	

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (9.0 percent) is significantly below the low-income family population figure (20.0 percent); however, it is above the 2016 aggregate lending level to low-income borrowers (5.5 percent), reflecting reasonable performance.

The bank's level of lending to moderate-income borrowers (25.4 percent) is excellent, as it is above the moderate-income family population percentage (18.3 percent) and significantly above the 2016 aggregate lending level to moderate-income borrowers (14.5 percent). Combined, 34.4 percent of the bank's 1–4 family residential real estate loans were made to LMI borrowers while combined LMI aggregate lending levels were at 20.0 percent. Additionally, the numbers above do not reflect the bank's secondary market lending during this time period. The bank originated 36 secondary market loans in 2016, 38.9 percent of which were to LMI individuals. Therefore, considering this context in addition to lending performance to both income categories, the bank's overall distribution of loans by borrower's profile is excellent.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2016 small business loans by loan amount and revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of Loans Inside Assessment Area by Business Revenue January 1, 2016 through December 31, 2016								
Gross Revenue	Loan Amounts in $000s						TOTAL	
	≤$100		>$100 and ≤$250		>$250 and ≤$1,000			
$1 Million or Less	87	81.3%	12	11.2%	8	7.5%	**107**	**100.0%**
Greater Than $1 Million/Unknown	0	0.0%	0	0.0%	0	0.0%	**0**	**0.0%**
TOTAL	**87**	**81.3%**	**12**	**11.2%**	**8**	**7.5%**	**107**	**100%**
Dun & Bradstreet Businesses ≤ $1MM							**91.0%**	
Small Business Aggregate ≤ $1MM							**51.6%**	

The bank's level of lending to small businesses is excellent. The bank originated all of its small business loans to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 91.0 percent of businesses in the assessment area had annual revenues of $1 million or less, and the 2016 aggregate lending level to small businesses is 51.6 percent. Furthermore, of the 107 loans made to small businesses, 81.3 percent were made in amount of $100,000 or less, indicating the bank's willingness to meet the credit needs of small businesses.

Finally, the borrower distribution of consumer motor vehicle loans was analyzed by borrower's income profile. The table below displays the distribution of consumer motor vehicle loans by income level of borrower compared to household population income characteristics.

Distribution of Loans Inside Assessment Area by Income Level of Borrower
January 1, 2016 through December 31, 2016

	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Consumer Motor Vehicle Loans	36	27.1%	30	22.6%	34	25.6%	31	23.3%	2	1.5%	**133**	**100%**
Household Population	23.3%		16.5%		18.4%		41.8%		0.0%		**100%**	

The analysis of the bank's performance by number of consumer motor vehicle loans made to LMI borrowers revealed excellent performance. The bank's lending performance to low-income borrowers (27.1 percent) is above the household population comparison of 23.3 percent, reflecting excellent performance. Similarly, the bank's lending performance to moderate-income borrowers of 22.6 percent is above the household population comparison (16.5 percent), reflecting excellent performance. Combined, 49.7 percent of the consumer motor vehicle loans were made to LMI borrowers, which is well above the combined LMI household population of 39.8 percent.

Geographic Distribution of Loans

As noted previously, the assessment area contains 4 moderate-income, 11 middle-, and 4 upper-income census tracts. Overall, the bank's geographic distribution of loans in its assessment area reflects excellent penetration throughout the four moderate-income census tracts, based on activity from 1–4 family residential real estate, small business, and consumer motor vehicle loan categories.

The following table displays the geographic distribution of 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%	10	14.9%	55	82.1%	2	3.0%	0	0.0%	**67**	**100%**
Owner-Occupied Housing	0.0%		16.9%		70.5%		12.7%		0.0%		**100%**	
2016 1–4 Family Aggregate	0.0%		14.1%		68.6%		17.3%		0.0%		**100%**	

The bank's penetration of 1–4 family residential real estate lending to moderate-income census tracts by number of loans (14.9 percent) is below the percentage of owner-occupied housing units in moderate-income census tracts (16.9 percent); however, it is slightly above the aggregate lending to borrowers residing in moderate-income census tracts (14.1 percent). Furthermore, 82.1 percent of the bank's loans were made in middle-income census tracts, all 11 of which were considered distressed during the review period. This figure exceeds the percentage of owner-occupied housing in distressed census tracts (70.5 percent), as well as aggregate lending of 68.6 percent. Considering the reasonable level of lending in the moderate-income geographies and the bank's excellent distribution in the distressed, middle-income geographies, the bank's overall distribution of residential real estate loans is considered excellent.

Second, the bank's geographic distribution of small business loans was analyzed. The following table displays 2016 small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and 2016 small business aggregate data.

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			
Small Business Loans	0	0.0%	28	26.2%	74	69.2%	5	4.7%	0	0.0%	**107**	**100%**
Business Institutions	0.0%		21.7%		61.6%		16.7%		0.0%		**100%**	
2016 Small Business Aggregate	0.0%		13.5%		67.9%		17.4%		1.2%		**100%**	

The bank's percentage of loans in moderate-income census tracts (26.2 percent) is above both the percentage of small businesses in moderate-income census tracts (21.7 percent) and the aggregate lending levels in the moderate-income tracts (13.5 percent). This level of lending reflects excellent performance.

Finally, the geographic distribution of consumer motor vehicle loans was reviewed. The following table displays the results of this review, along with the percentage of household population located in each geographical income category for comparison purposes.

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 Loans	0	0.0%	18	13.5%	111	83.5%	4	3.0%	0	0.0%	**133**	**100%**
Household Population	0.0%		19.2%		68.2%		12.6%		0.0%		**100%**	

The bank's percentage of loans in moderate-income census tracts (13.5 percent) is below the percentage of household population percent of 19.2 percent, but reflects reasonable performance. While below the demographic in the moderate-income tracts, the bank's performance in distressed, middle-income geographies (83.5 percent) exceeds the household population of 68.2 percent. This performance in the assessment area's distressed, middle-income tracts further supports reasonable performance with regard to the geographic distribution of consumer motor vehicle loans.

Responses to Complaints

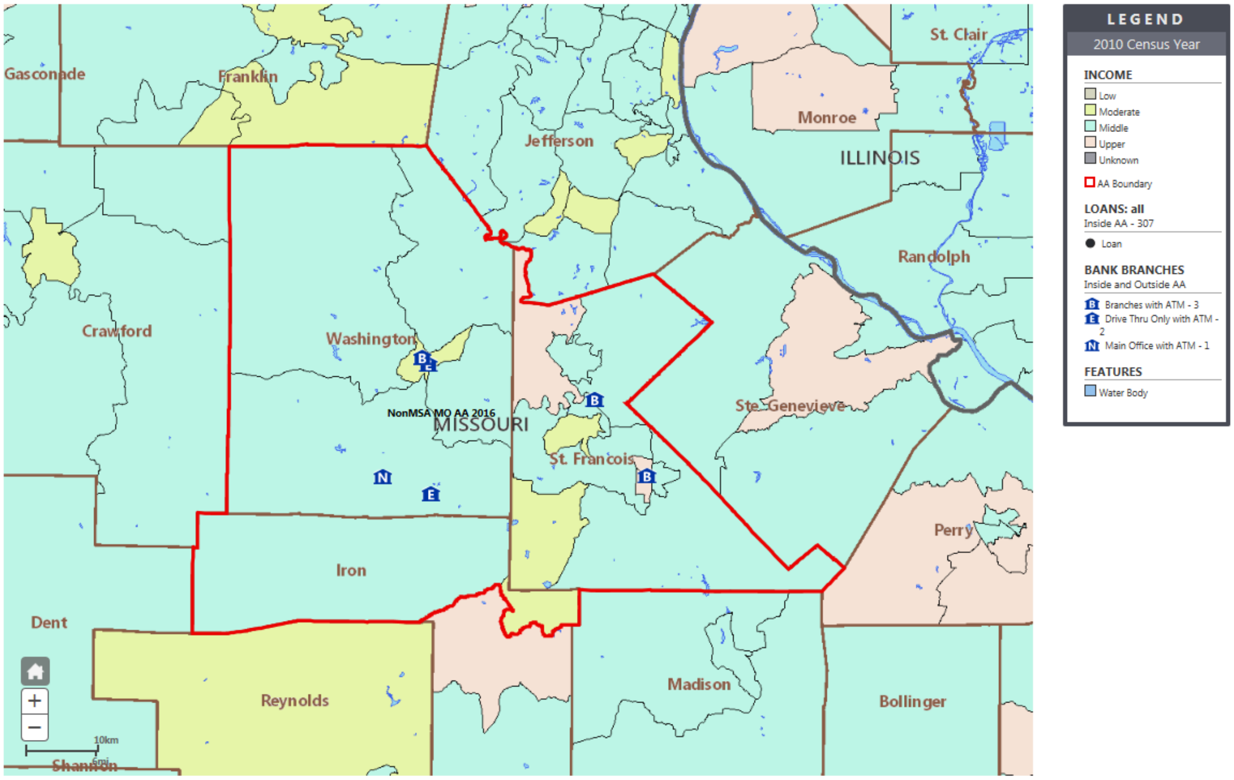
No CRA-related complaints were filed against the bank during this review period (October 15, 2012 through December 3, 2017).

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

Belgrade State Bank - Belgrade, MO
NonMSA MO AA 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) affordable housing (including multifamily rental housing) for low- and moderate-income (LMI) individuals; (2) community services targeted to LMI individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize 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.