



## **PUBLIC DISCLOSURE**

MAY 21, 2018

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**FIRST STATE BANK OF NEWCASTLE  
RSSD# 87159**

**24 NORTH SUMNER  
NEWCASTLE, WYOMING 82701**

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

**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 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.

## TABLE OF CONTENTS

Institution's CRA Rating .....	2
Scope of Examination .....	2
Description of Institution.....	3
Description of The Bank's AA .....	4
Performance Context.....	4
Conclusions with Respect to Performance Criteria.....	6
Appendix A – Map of the AA.....	12
Appendix B – Demographic Information .....	13
Appendix C – Scope of Examination.....	14
Appendix D – Glossary .....	15

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

First State Bank of Newcastle (the bank) has a Satisfactory record of meeting the credit needs of its assessment area (AA) in a manner consistent with its resources and operating philosophy. The bank also received a Satisfactory rating at its previous Community Reinvestment Act (CRA) evaluation conducted by the Federal Reserve Bank of Kansas City (Reserve Bank) on April 21, 2014.

- The bank is meeting the credit needs of its community based on an analysis of lending activity.
- The bank's net loan to deposit (NLTD) ratio is less than reasonable given the bank's size, financial condition, and AA credit needs; however, this did not significantly impact the overall rating given the bank's performance under the other lending test criterion.
- A majority of the bank's loans are originated in the AA.
- The bank's geographic distribution of loans reflects a reasonable dispersion throughout the AA.
- Lending reflects an excellent penetration among individuals of different income levels, including low- and moderate-income (LMI) borrowers, and businesses of different revenue sizes.
- Neither the bank nor the Reserve Bank received any CRA-related complaints since the previous evaluation.

**SCOPE OF EXAMINATION**

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions*. The evaluation was performed in the context of information about the bank and its AAs, such as asset size, financial condition, economic and demographic characteristics, and competition. Lending performance was assessed within the bank's single, NonMetropolitan Statistical Area AA comprised of Weston County, which is located in northeastern Wyoming and borders the state line of South Dakota. The following criteria were reviewed:

- **NLTD Ratio** – A 16-quarter average NLTD ratio was calculated for the bank and compared to a sample of similarly situated competitors.
- **Lending in the AA, Geographic Distribution of Lending in the AA, and Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes** – Statistically derived samples of the bank's residential real estate loans originated

from April 21, 2014 through December 31, 2017, and motor vehicle secured and commercial loans originated from January 1, 2017 through December 31, 2017, were reviewed to determine:

- The percentage of loans originated in the AA;
  - The extent to which the bank is making loans in geographies of different income levels; and,
  - The distribution among borrowers of different income levels, particularly those considered LMI, and to businesses with different revenue sizes.
- **Response to Substantiated Complaints** – Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.
  - **Community Contacts** – One community representative from a business development organization and one community representative from a real estate organization were contacted to provide insight into the needs of LMI individuals and small businesses within the AA.

## DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Newcastle, Wyoming. The bank's characteristics include:

- Total assets of \$142.1 million (MM) as of December 31, 2017.
- The bank operates one full-service location with a cash-only automated teller machine (ATM) and drive-through services.
- As of December 31, 2017, the bank's loan portfolio is primarily comprised of commercial and residential real estate loans as these represented 38.7 percent and 35.0 percent of the bank's total loans, respectively.
- Consumer loans comprised a smaller percentage by dollar volume but accounted for a significant volume by number of loans.

**TABLE 1**  
**FIRST STATE BANK OF NEWCASTLE LOAN PORTFOLIO**  
**AS OF DECEMBER 31, 2017**

<b>Loan Type</b>	<b>Amount \$(000)</b>	<b>Percent of Total</b>
Commercial	14,842	38.7
Residential Real Estate	13,415	35.0
Agricultural	5,052	13.2
Consumer	4,458	11.6
Other	577	1.5
<b>Gross Loans</b>	<b>38,344</b>	<b>100.0</b>

There are no known legal, financial, or other factors impeding the bank's ability to meet the credit needs of the communities it serves.

### DESCRIPTION OF THE BANK'S ASSESSMENT AREA<sup>1</sup>

The bank's AA is comprised of Weston County in its entirety.

- See Appendix A for an assessment area map.
- The county has one middle- and one upper-income census tract.
- The AA's composition has changed since the previous evaluation due to updated Census information and previously consisted of two middle-income census tracts.
- Weston County ranks 18<sup>th</sup> in size out of Wyoming's 23 counties and encompasses approximately 2,400 square miles. It also ranks 21<sup>st</sup> in population and includes the city of Newcastle, the town of Upton, and the unincorporated communities of Osage, Hill View Heights, and Four Corners.
- As of June 30, 2017, the bank's market share of 56.7 percent ranked first of three Federal Deposit Insurance Corporation (FDIC)-insured institutions in Weston County. Pinnacle Bank, with 30.8 percent market share, had the second largest market share in the AA.

### PERMORMANCE CONTEXT

- See Appendix B for demographic information.

<sup>1</sup> The demographic data is based on 2015 U.S. Census, 2011-2015 American Community Survey five-year estimate data, and 2016 Dun & Bradstreet (D&B) data. Additional demographic data was also utilized based on the June 30, 2017 FDIC Market Share Report, and WyoHistory.org's description of Weston County, Wyoming.

- The AA has a small population, equaling 7,152 based on the 2015 American Community Survey (ACS) five-year estimate.
- The population in the AA decreased by 0.8 percent between 2010 and 2015; however, the state of Wyoming, as a whole, experienced marginal growth of 2.8 percent during the same time period.
- According to a community representative, the oil and mining industries contribute to upswings and dips in population due to the transient work force within these industries; however, the overall population remains stable.

**TABLE 2  
WESTON COUNTY POPULATION CHANGE**

Area	2010 Population	2011-2015 Population	Percentage Change (%)
Weston County, Wyoming	7,208	7,152	-0.8
State of Wyoming	563,626	579,679	2.8

Based on U.S. Census Bureau Decennial Census.

- Median family income in the AA grew at a higher rate compared to the state of Wyoming between 2010 and 2015 as captured in the U.S. Census Bureau's ACS. The median family income in Weston County is now 9.3 percent higher than the state of Wyoming.
- A community representative indicated there were substantial layoffs three years ago in the coal mining industry, which eliminated approximately 50 percent of the workforce. However, the oil and gas industry was able to absorb some of those jobs and coal mining has substantially recovered, bringing higher-paying jobs back to the AA.

**TABLE 3  
WESTON COUNTY MEDIAN FAMILY INCOME CHANGE  
2006 – 2015**

Area	2006-2010 Median Family Income (\$)	2011-2015 Median Family Income (\$)	Percentage Change (%)
Weston County, Wyoming	63,438	80,000	26.1
State of Wyoming	65,964	73,194	11.0

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

- The median housing value in the AA increased 54.7 percent between 2010 and 2015, which is more than double the growth rate of the AA's median family income during the same time period.

- The AA's housing affordability ratio<sup>2</sup> of 33.0 percent is slightly higher than the state of Wyoming at 30.2 percent, indicating that housing is generally more affordable in the AA compared to the state.

**TABLE 4**  
**WESTON COUNTY HOUSING COSTS CHANGE**

Area	Median Housing Value		Percentage Change (%)	Median Gross Rent		Percentage Change (%)
	2006-2010	2011-2015		2006-2010	2011-2015	
Weston County, Wyoming	115,200	178,200	54.7	605	740	22.3
State of Wyoming	174,000	194,800	12.0	666	789	18.5

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

- The unemployment rate within the AA is low and is generally in line with the state of Wyoming.

**TABLE 5**  
**WESTON COUNTY UNEMPLOYMENT RATES (%)**

Area	2013	2014	2015	2016	2017
Weston County, Wyoming	3.6	3.3	3.4	4.9	4.0
State of Wyoming	4.7	4.1	4.3	5.3	4.2

Based on Bureau of Labor Statistics: Local Area Unemployment Statistics.

- The AA's primary industries include mining, oil, and gas (19.8 percent); educational services (14.6 percent); retail (11.0 percent); and healthcare (9.5 percent).
- Per a community representative, the primary employers in Weston County include: North Antelope Rochelle Mine, Weston County Health Services, Weston County School District, Wyoming Refining Company, and Wyoming Honor Conservation Camp.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Net Loan-to-Deposit Ratio

The bank's NLTD ratio, at 27.9 percent, is less than reasonable given the bank's size, financial condition, AA credit needs, and comparison to four similarly situated FDIC-insured institutions.

- The bank has a relatively large portion of deposits from public entities, which the

<sup>2</sup> Affordability ratios are calculated using the median household income divided by median housing value. The higher the ratio, the more affordable the housing stock.



bank is unable to lend against. When removing public deposits from the calculation, the bank's average NLTD ratio over the 16-quarter period increased to 36.5 percent.

- In addition, in an effort to increase its NLTD ratio, the bank has begun pursuing new relationships with area banks to increase its participation and correspondent lending.
- While this performance context was considered in the overall conclusion, the NLTD ratio has continued to decline over the prior three CRA evaluations: the NLTD was 34.7 percent in 2014; 41.4 percent in 2010; and 43.0 percent in 2006.

**TABLE 6  
COMPARATIVE NET LOAN-TO-DEPOSIT RATIOS**

Institution	NLTD Ratio (%)
	16-Quarter Average
First State Bank of Newcastle	27.9
<b>Competitors</b>	
Black Hills Community Bank	92.0
Buffalo Federal Bank	73.1
Summit National Bank	85.1
Sundance State Bank	62.1

### Assessment Area Concentration

A majority of the bank's loans are originated inside the AA by both number and dollar volume.

**TABLE 7  
LENDING INSIDE AND OUTSIDE THE BANK'S AA**

Bank Loans	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Motor Vehicle Loans	44	504	80.0	75.8	11	161	20.0	24.2
Residential Loans	64	5,820	79.0	81.8	17	1,295	21.0	18.2
Small Business Loans	42	3,006	75.0	74.8	14	1,014	25.0	25.2

### Distribution by Income Level of Geographies

The bank's geographic distribution of loans reflects a reasonable dispersion throughout the AA. As the AA is comprised entirely of middle- and upper-income census tracts, the analysis of this performance criterion was limited and received less weighting than other criterion of the lending test.

#### Residential Real Estate Loans

The geographic distribution of residential real estate lending is reasonable. Lending in the middle-income geography by number was higher than the percentage of owner-occupied units in the same geography, while lending in the upper-income geography by number was lower



than the demographic figure. By dollar volume, lending in middle- and upper-income geographies was more comparable to the percentage of owner-occupied units in each geography, respectively.

**TABLE 8  
DISTRIBUTION OF 2014 – 2017 RESIDENTIAL REAL ESTATE LOANS  
BY INCOME LEVEL OF GEOGRAPHY  
WESTON COUNTY AA**

Census Tract Income Level	Residential Real Estate Loans				% of Owner- Occupied Units <sup>1</sup>
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0
Middle	45	3,392	70.3	58.3	52.7
Upper	19	2,423	29.7	41.7	47.3

<sup>1</sup> The percentage of owner-occupied housing by tract is based on 2017 FFIEC's Census tract definitions and 2015 ACS five-year estimate data.  
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

### Motor Vehicle Secured Loans

The geographic distribution of motor vehicle secured lending is reasonable. Lending by both number and dollar volume in the middle-income geography was slightly higher than the percentage of households in the same geography. Conversely, lending by both number and dollar volume in the upper-income geography was slightly lower than the demographic figure.

**TABLE 9  
DISTRIBUTION OF 2017 MOTOR VEHICLE SECURED LOANS  
BY INCOME LEVEL OF GEOGRAPHY  
WESTON COUNTY AA**

Census Tract Income Level	Motor Vehicle Secured Loans				% of Households <sup>1</sup>
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0
Middle	27	317	61.4	62.9	53.3
Upper	17	187	38.6	37.1	46.7

<sup>1</sup> The percentage of households by tract is based on 2017 FFIEC Census tract definitions and 2015 ACS five-year estimate data.  
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

### Small Business Loans

The geographic distribution of small business lending is reasonable. Lending by both number and dollar volume in the middle-income geography was slightly higher than the percentage of businesses in the same geography. Conversely, lending by both number and dollar volume in the upper-income geography was slightly lower than the demographic figure.

**TABLE 10**  
**DISTRIBUTION OF 2017 SMALL BUSINESS LOANS**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**WESTON COUNTY AA**

Census Tract Income Level	Small Business Loans				% of Businesses <sup>1</sup>
	#	\$(000)	#%	\$%	
<b>Low</b>	0	0	0.0	0.0	0.0
<b>Moderate</b>	0	0	0.0	0.0	0.0
<b>Middle</b>	30	2,221	71.4	73.9	66.7
<b>Upper</b>	12	785	28.6	26.1	33.3

<sup>1</sup> The percentage of businesses by tract is based on 2017 FFIEC's Census tract definitions and 2016 D&B data.  
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

### **Distribution by Borrower Income and Revenue Size of Businesses:**

The bank's lending has an excellent penetration among individuals of different income levels and businesses of different revenue sizes.

### Residential Real Estate Loans

The borrower distribution of residential real estate lending to borrowers of different income levels is reasonable. The bank originated fewer loans to low-income borrowers than the percentage of low-income families; however, the level of lending to moderate-income borrowers significantly exceeded the percentage of moderate-income families in the AA by both number and dollar volume.

- A community representative indicated that many of the affordable homes in the AA are in need of significant repair, which have caused lower-income residents to rent rather than purchase a home.

**TABLE 11**  
**DISTRIBUTION OF 2014 – 2017 RESIDENTIAL REAL ESTATE LOANS**  
**BY BORROWER INCOME LEVELS**  
**WESTON COUNTY AA**

Borrower Income Level	Residential Real Estate Loans				% of Families <sup>1</sup>
	#	\$(000)	#%	\$%	
Low	8	300	12.5	5.2	21.2
Moderate	21	1,498	32.8	25.7	18.3
Middle	16	1,585	25.0	27.2	24.4
Upper	19	2,437	29.7	41.9	36.0

<sup>1</sup> The percentage of borrowers by income levels is based on 2015 ACS five-year estimate data.  
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

### Motor Vehicle Secured Loans

The borrower distribution of motor vehicle secured lending is excellent. The level of lending to LMI individuals exceeds the demographic measure of the percentage of LMI households in the AA by both number and dollar volume.

**TABLE 12**  
**DISTRIBUTION OF 2017 MOTOR VEHICLE SECURED LOANS**  
**BY BORROWER INCOME LEVELS**  
**WESTON COUNTY AA**

Borrower Income Level	Motor Vehicle Secured Loans				% of Households <sup>1</sup>
	#	\$(000)	#%	\$%	
Low	13	177	29.5	35.2	26.0
Moderate	14	126	31.8	25.0	15.4
Middle	12	137	27.3	27.2	16.6
Upper	5	63	11.4	12.5	42.0

<sup>1</sup> The percentage of households by income levels is based on 2015 ACS five-year estimate data.  
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

### Small Business Loans

The borrower distribution of small business lending is excellent. The bank's lending to small businesses, or those with gross annual revenues of \$1MM or less, exceeded the percent of small businesses in the AA by both number and dollar volume.

**TABLE 13  
DISTRIBUTION OF 2017 SMALL BUSINESS LOANS  
BY REVENUE SIZE OF BUSINESSES  
WESTON COUNTY AA**

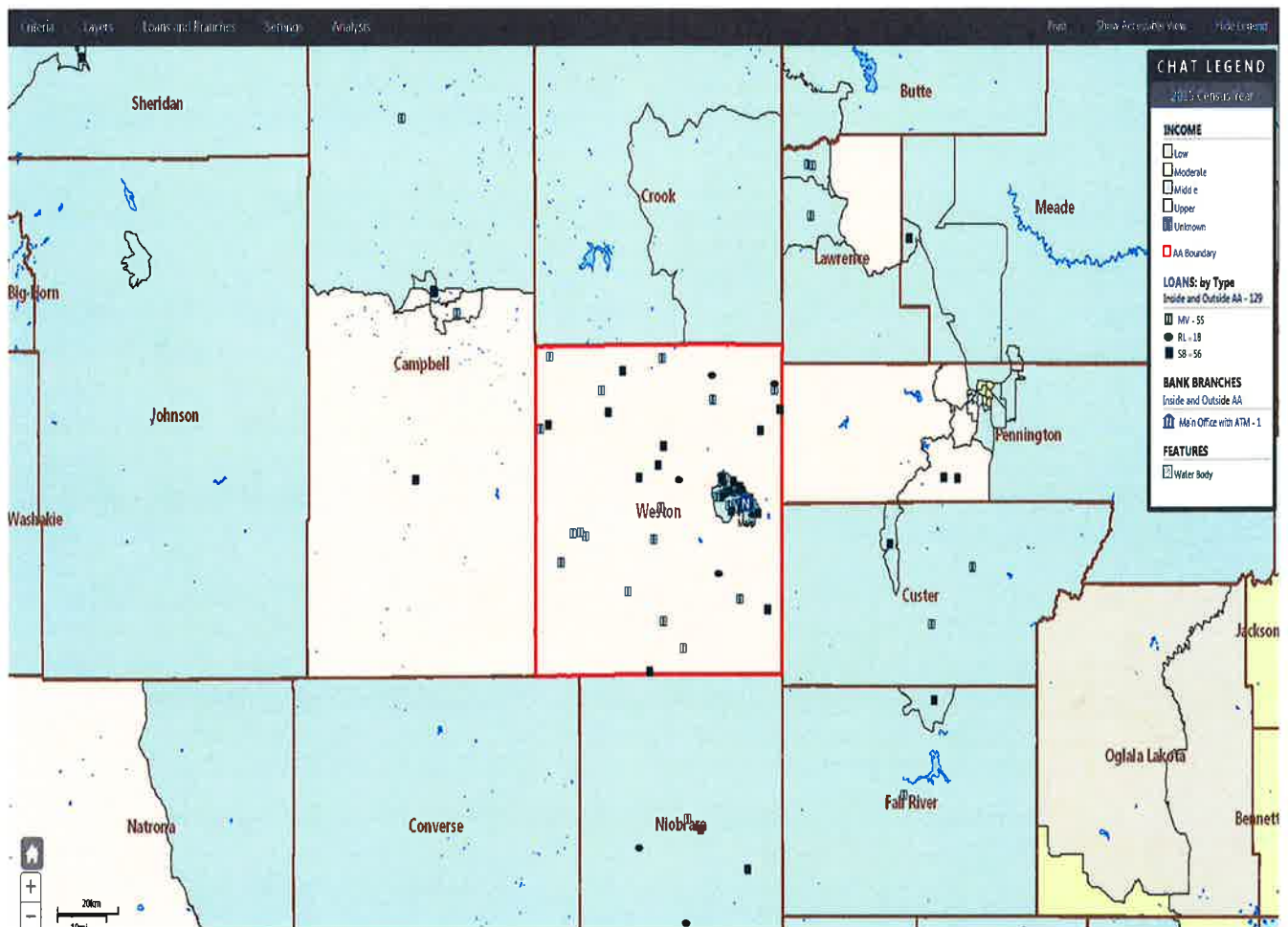
Business Revenue	Small Business Loans				% of Businesses by Revenue <sup>1</sup>
	#	\$(000)	#%	\$%	
<b>\$1MM or less</b>	41	2,816	97.6	93.7	90.6
<b>Over \$1MM</b>	1	189	2.4	6.3	7.0
<b>Unknown</b>	0	0	0.0	0.0	2.4

<sup>1</sup> The percentage of businesses by revenue size is based on 2016 D&B data.  
(NOTE: Total percentages shown may vary by 0.1 percent due to automated rounding differences.)

## FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDIX A – MAP OF THE ASSESSMENT AREA





APPENDIX B – DEMOGRAPHIC INFORMATION

**TABLE B-1  
WESTON COUNTY AA DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	414	22.0
Moderate	0	0.0	0	0.0	0	0.0	277	14.7
Middle	1	50.0	977	51.8	159	16.3	370	19.6
Upper	1	50.0	909	48.2	45	5.0	825	43.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2	100.0	1,886	100.0	204	10.8	1,886	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	1,759	1,227	52.7	69.8	366	20.8	166	9.4
Upper	1,747	1,103	47.3	63.1	290	16.6	354	20.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	3,506	2,330	100.0	66.5	656	18.7	520	14.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	248	66.7	225	66.8	18	69.2	5	55.6
Upper	124	33.3	112	33.2	8	30.8	4	44.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	372	100.0	337	100.0	26	100.0	9	100.0
Percentage of Total Businesses:				90.6		7.0		2.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	8	17.4	8	17.4	0	0.0	0	0.0
Upper	38	82.6	38	82.6	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	46	100.0	46	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

Based on 2017 FFIEC Census tract definitions, 2015 ACS five-year estimate data, and 2016 D&B data.  
(NOTE: Total percentages may vary by 0.1 percent due to automated rounding differences.)



APPENDIX C – SCOPE OF EXAMINATION

SCOPE OF EXAMINATION FIRST STATE BANK OF NEWCASTLE			
Products Reviewed	Residential real estate loans, statistical sample Motor vehicle secured loans, statistical sample Small business loans, statistical sample		
Time Period Reviewed	Residential real estate loans: April 21, 2014 to December 31, 2017 Motor vehicle secured loans: January 1, 2017 to December 31, 2017 Small business loans: January 1, 2017 to December 31, 2017		
Affiliate(s)	Affiliate Relationship	Products Reviewed	
None	N/A	N/A	
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Examination	Branches Visited	Other Information
Weston County, Wyoming	Full Scope	None	N/A

## APPENDIX D – GLOSSARY

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Affordability ratio:** To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

**Aggregate lending:** The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**Census tract:** Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Consumer loan:** A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

**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 household and no wife present) or “female householder” (a family with a female householder and no husband present).

**Fair market rent:** Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the

distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

**Geography:** A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

**Home mortgage loans:** Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**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 lenders in the MSA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area:** A metropolitan statistical area (**MSA**) or a metropolitan division (**MD**) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area (**MMSA**). Performance within each MMSA is analyzed separately as a full-scope review and receives its own ratings under the Lending, Investment and Service Tests provided the financial institution has its main office, branch, or deposit-taking ATM located in each applicable state making up the MMSA.

**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.

**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.

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

**Small loans to farms:** 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 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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