



## **PUBLIC DISCLOSURE**

March 8, 2021

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

**Security State Bank  
RSSD# 955959**

**201 South 4<sup>th</sup> Street  
Basin, Wyoming 82410**

**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 Community Reinvestment Act Rating..... 2

Scope of Examination ..... 2

Description of Institution..... 3

Description of Assessment Area ..... 3

Conclusions with Respect to Performance Criteria ..... 6

Fair Lending or Other Illegal Credit Practices Review..... 10

Appendix A – Map of the Assessment Area..... 11

Appendix B – Demographic Information ..... 12

Appendix C – Glossary ..... 13

### **INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING**

This institution is rated:	<b>Satisfactory</b>
The Lending Test is rated:	<b>Satisfactory</b>
The Community Development Test is rated:	<b>Outstanding</b>

Security State Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests.

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A substantial majority of the bank's loans are originated in the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City received any CRA-related complaints since the previous evaluation.
- Community development (CD) activity reflects excellent responsiveness to CD needs of the bank's AA.

### **SCOPE OF EXAMINATION**

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Performance was assessed within the bank's Northern Wyoming AA. The following data were reviewed:

- The bank's 19-quarter average NLTD ratio;
- A statistical sample of 66 small business loans from a universe of 98 loans originated between January 1, 2019 and December 31, 2019.
- A statistical sample of 51 home mortgage loans from a universe of 69 loans originated between January 1, 2019 and December 31, 2019; and,
- CD loans, qualified investments, and CD services from June 13, 2016 to December 31, 2020.

Small business loans were given greater weight in the evaluation due to commercial loans comprising the largest portion of the loan portfolio.

## DESCRIPTION OF INSTITUTION

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

- The bank is a wholly owned subsidiary of Financial Security Corporation.
- The bank has total assets of \$392.6 million as of September 30, 2020.
- In addition to its main office in Basin, Wyoming, the bank has four branches throughout northcentral and northeast Wyoming in the towns of Gillette, Greybull, Sheridan, and Worland.
- All five locations include a cash-dispensing automated teller machine (ATM); one off-site ATM is also located in each town.
- The bank's primary business focus is commercial lending. The bank also originates a significant volume of home mortgage loans that are sold into the secondary market, which is not reflected in loan portfolio totals noted in Table 1.

<b>TABLE 1 COMPOSITION OF LOAN PORTFOLIO AS OF SEPTEMBER 30, 2020</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Commercial	116,375	57.1
Agricultural	43,966	21.6
Residential Real Estate	31,826	15.6
Consumer	11,177	5.5
Other	563	0.3
<b>Gross Loans</b>	<b>203,907</b>	<b>100.0</b>
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its June 13, 2016 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

## DESCRIPTION OF ASSESSMENT AREA

The bank's AA is comprised of Big Horn, Campbell, Sheridan, and Washakie Counties in their entireties (see Appendix A for an AA map).

- The AA is comprised of two moderate-, 13 middle-, and four upper-income census tracts.
- The AA was expanded in 2018 to include the northernmost tract of Big Horn County. The previous AA was comprised of Campbell, Sheridan, and Washakie Counties in their entirety and the central and southern tracts of Big Horn County.
- The June 30, 2020 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report shows the bank has a 10.1 percent deposit market share, ranking third of 15 FDIC-insured depository institutions operating in the AA.
- Two interviews with members of the communities within the bank's AA were conducted to ascertain the credit needs of the communities, the responsiveness of area banks in meeting

those credit needs, and the local economic conditions. One contact represented an organization focused on economic development. The other contact represented an affordable housing program.

**TABLE 2  
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Big Horn County	11,668	11,895	2.0
Campbell County	46,133	48,013	4.1
Sheridan County	29,116	29,738	2.1
Washakie County	8,533	8,400	(1.6)
Nonmetropolitan Wyoming	396,438	404,237	2.0
State of Wyoming	563,626	579,679	2.9

Source: 2010 U.S. Census Bureau Decennial Census  
2011-2015 U.S. Census Bureau: American Community Survey

- The AA's 2015 population of 98,046 accounts for 16.9 percent of the statewide population.
- Main population centers in the AA include the cities of Gillette (32,857 residents), Sheridan (17,844 residents), and Worland (5,180 residents).
- A community member stated many families and individuals are moving from larger cities and towns in Wyoming to more rural areas within the state.

**TABLE 3  
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Big Horn County	62,838	59,519	(5.3)
Campbell County	91,434	87,858	(3.9)
Sheridan County	67,470	71,020	5.3
Washakie County	66,796	66,113	(1.0)
Nonmetropolitan Wyoming	73,003	72,833	(0.2)
State of Wyoming	71,832	73,194	1.9

Source: 2006-2010 U.S. Census Bureau: American Community Survey  
2011-2015 U.S. Census Bureau: American Community Survey

- According to the 2015 U.S. Census Bureau, 34.5 percent of AA families are LMI, which is below the statewide and nonmetropolitan figures at 38.2 percent and 38.5 percent, respectively. Washakie and Big Horn Counties have the highest numbers of low-income families at 25.3 percent and 23.0 percent, respectively.
- The percentage of AA families living below the poverty line, at 6.1 percent, is below the statewide and nonmetropolitan figures of 7.7 percent and 7.9 percent, respectively. Washakie and Big Horn Counties have the highest percentage of families living below poverty at 10.1 percent and 8.3 percent, respectively.

**TABLE 4  
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Big Horn County	116,100	141,400	21.8	526	595	13.1
Campbell County	197,700	212,200	7.3	795	936	17.7
Sheridan County	211,900	228,000	7.6	670	731	9.1
Washakie County	130,000	160,800	23.7	504	605	20.0
Nonmetropolitan Wyoming	175,520	200,821	14.4	670	767	14.5
State of Wyoming	174,000	194,800	12.0	666	789	18.5

Source: 2006-2010 U.S. Census Bureau: American Community Survey  
2011-2015 U.S. Census Bureau: American Community Survey

- The median housing value in the AA of \$204,417 is above to the statewide figure of \$194,800 and comparable to the nonmetropolitan figure of \$200,821.
- The AA median rent of \$814 is above both the statewide and nonmetropolitan figures of \$789 and \$767, respectively.
- There is a higher percentage of owner-occupied units in the AA compared to the state of Wyoming and other nonmetropolitan areas in the state.
- According to a community member, rent has increased due to the high demand for homes and rental homes. Another community member indicated that the state has limited multi-family properties.

**TABLE 5  
UNEMPLOYMENT RATES**

Region	2015	2016	2017	2018	2019
Big Horn County	4.5	5.0	4.2	4.5	4.2
Campbell County	4.0	7.2	4.8	3.9	3.7
Sheridan County	4.3	4.7	3.9	3.9	3.5
Washakie County	4.2	4.8	4.0	4.1	3.9
Nonmetropolitan Wyoming	4.3	5.3	4.1	3.8	3.6
State of Wyoming	4.3	5.3	4.2	3.9	3.6

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- A community member stated the AA's major employers include the public school districts, health care providers, mineral plants, agriculture, trucking, and construction.
- A community member stated there has been a recent increase in employment with companies in wind energy development.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, loan portfolio composition, and location. The bank's NLTD ratio is reasonable. The bank's NLTD ratio is within the range of NLTD ratios of the similarly situated banks.

<b>TABLE 6 COMPARATIVE NLTD RATIOS</b>			
Institution	Location	Asset Size (\$000s)	NLTD Ratio (%)
			19 - Quarter Average
Security State Bank	Basin, WY	392,588	70.4
First Northern Bank of Wyoming	Buffalo, WY	488,033	78.3
First Federal Bank and Trust	Sheridan, WY	376,953	74.3
Big Horn Federal Savings Bank	Greybull, WY	299,592	49.3

### Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. A substantial majority of the bank's loans, by number and dollar, are originated inside the AA.

<b>TABLE 7 LENDING INSIDE AND OUTSIDE THE AA</b>								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Home Mortgage Loans	45	7,912	88.2	88.4	6	1,036	11.8	11.6
Small Business Loans	63	2,729	95.5	94.6	3	156	4.5	5.4
<b>Total Loans</b>	<b>108</b>	<b>10,641</b>	<b>92.3</b>	<b>89.9</b>	<b>9</b>	<b>1,192</b>	<b>7.7</b>	<b>10.1</b>

*Note: Percentages may not add to 100.0 percent due to rounding.*

### Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts. The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts within the AA.

### Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. Lending in the moderate-income census tracts is below the percentage of owner-occupied units in moderate-income census tracts. However, one of the two moderate-income census tracts is located in northern Big Horn County. Prior to 2018, the bank did not include this census tract in its AA. The bank has yet to form many customer relationships in that area due to it being located over 30 miles from the bank's nearest branch in Greybull, and due to existing competition. According to a community member, there are several financial institutions in the town of Lovell that serve the needs of the communities located in northern Big Horn County.

Loan dispersion throughout all of the AA's geographies was evaluated and although a gap was identified within the northern census tract of Big Horn County (one of the AA's two moderate-income tracts), dispersion is acceptable. Owner-occupied housing units in the northern Big Horn County moderate-income tract are low in inventory and as mentioned previously, competition and proximity to the bank's nearest branch hinder the bank's lending opportunities in this tract. The bank is better able to serve the other moderate-income census tract in Worland, where the bank has a branch location.

**TABLE 8  
DISTRIBUTION OF 2019 HOME MORTGAGE LENDING  
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Owner- Occupied Units
	#	\$(000)	#%	\$%	
<b>Low</b>	0	0	0.0	0.0	0.0
<b>Moderate</b>	1	94	2.2	1.2	8.5
<b>Middle</b>	38	6,794	84.4	85.9	62.7
<b>Upper</b>	6	1,023	13.3	12.9	28.8
<b>Unknown</b>	0	0	0.0	0.0	0.0
<b>Not Reported</b>	0	0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

### Small Business Lending

The geographic distribution of small business lending is reasonable. Lending in moderate-income census tracts is comparable to the percentage of businesses operating in moderate-income census tracts.

Loan dispersion throughout all of the AA's geographies was evaluated and similar to the bank's home mortgage lending performance, no small business loans were originated in Big Horn County (one of the AA's two moderate-income tracts). Although this gap was identified, dispersion is acceptable due to the limited number of businesses in the moderate-income census tract. As mentioned, a community member stated that the many financial institutions located in Lovell are serving the needs of the businesses in the area.



**TABLE 9  
DISTRIBUTION OF 2019 SMALL BUSINESS LENDING  
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	6	124	9.5	4.6	7.4
Middle	47	2,143	74.6	78.5	73.6
Upper	10	461	15.9	16.9	19.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data  
2019 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

### **Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes**

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has a reasonable penetration among individuals of different income levels and businesses of different sizes.

#### Home Mortgage Lending

The borrower distribution of home mortgage lending is excellent. Lending to LMI borrowers is above the percentage of LMI families in the AA.

**TABLE 10  
DISTRIBUTION OF 2019 HOME MORTGAGE LENDING  
BY BORROWER INCOME LEVEL**

Borrower Income Level	Bank Loans				Families by Family Income %
	#	\$(000)	#%	\$%	
Low	11	1,079	24.4	13.6	17.8
Moderate	11	1,302	24.4	16.5	16.7
Middle	13	2,720	28.9	34.4	22.9
Upper	10	2,811	22.2	35.5	42.6
Unknown	0	0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

#### Small Business Lending

The borrower distribution of small business lending is reasonable. The bank's lending to businesses with revenues of \$1 million (MM) or less is comparable to the percentage of total businesses operating in the AA with revenues of \$1MM or less.

**TABLE 11  
DISTRIBUTION OF 2019 SMALL BUSINESS LENDING  
BY REVENUE SIZE OF BUSINESSES**

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	48	1,780	76.2	65.2	89.9
Over \$1 Million	11	591	17.5	21.7	8.5
Not Known	4	358	6.3	13.1	1.7
Total	63	2,729	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	60	2,388	95.2	87.5	
\$100,001 – \$250,000	3	341	4.8	12.5	
\$250,001 – \$1 Million	0	0	0.0	0.0	
Total	63	2,729	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	47	1,677	97.9	94.2	
\$100,001 – \$250,000	1	103	2.1	5.8	
\$250,001 – \$1 Million	0	0	0.0	0.0	
Total	48	1,780	0.0	0.0	
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey NOTE: Percentages may not add up to 100.0 due to rounding.					

## COMMUNITY DEVELOPMENT TEST

The CD test evaluates the bank's responsiveness to CD needs of its AA through CD loans, qualified investments, and CD services, considering the bank's capacity and the need and availability of such opportunities in the bank's AA. The bank's CD performance demonstrates excellent responsiveness.

The bank originated 211 CD loans totaling \$21.3MM. Of the 211 loans, 120 were qualified Paycheck Protection Program loans totaling \$6.1MM. Since the bank's CD activities were responsive to AA credit needs, consideration was also given to CD activities that took place outside of the bank's AA, but within the greater statewide/regional area that met the requirements for CD credit. This included one affordable housing loan for \$191 thousand (M) and one economic development loan for \$432M, both made in counties adjacent to the bank's AA, as well as one investment bond for \$200M that supported the statewide Wyoming Community Development Authority (WCDA). The WCDA assists LMI borrowers with purchasing a home with low interest rate financing and down payment assistance.

Additionally, the bank's significant donations supported many organizations promoting various community services for LMI individuals and families. This included a local food bank and an organization that supports community members during times of need through rent, grocery, and medical assistance. Several bank employees also provided financial services to organizations such as local economic development organizations, schools, and various non-profits.

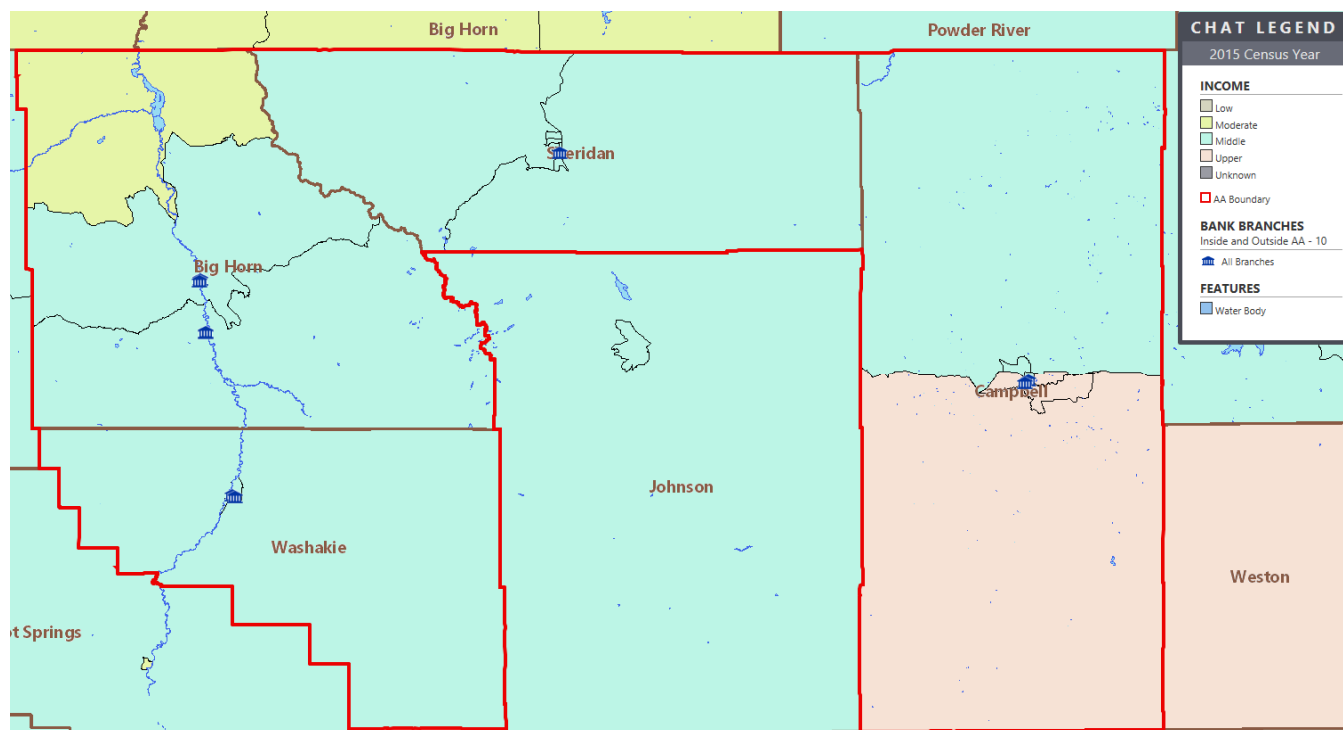
**TABLE 12  
COMMUNITY DEVELOPMENT ACTIVITIES**

Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	62	9,256	1	200	0	0	1	200	0
Community Services	0	0	0	0	64	38	64	38	24
Economic Development	134	10,970	0	0	10	7	10	7	15
Revitalization and Stabilization	15	1,099	0	0	2	1	2	1	2
Totals	211	21,325	1	200	76	46	76	246	41

### **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 other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA



**APPENDIX B – DEMOGRAPHIC INFORMATION**

<b>TABLE B-1 2019 NORTHERN WYOMING AA DEMOGRAPHICS</b>								
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	4,517	17.8
Moderate	2	10.5	2,040	8.1	170	8.3	4,217	16.7
Middle	13	68.4	15,401	60.9	956	6.2	5,787	22.9
Upper	4	21.1	7,866	31.1	414	5.3	10,786	42.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>19</b>	<b>100.0</b>	<b>25,307</b>	<b>100.0</b>	<b>1,540</b>	<b>6.1</b>	<b>25,307</b>	<b>100.0</b>
	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	3,696	2,315	8.5	62.6	955	25.8	426	11.5
Middle	27,673	17,023	62.7	61.5	7,204	26.0	3,446	12.5
Upper	11,605	7,813	28.8	67.3	2,781	24.0	1,011	8.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>42,974</b>	<b>27,151</b>	<b>100.0</b>	<b>63.2</b>	<b>10,940</b>	<b>25.5</b>	<b>4,883</b>	<b>11.4</b>
	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	422	7.4	367	7.1	45	9.3	10	10.5
Middle	4,220	73.6	3,806	73.9	336	69.1	78	82.1
Upper	1,091	19.0	979	19.0	105	21.6	7	7.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>5,733</b>	<b>100.0</b>	<b>5,152</b>	<b>100.0</b>	<b>486</b>	<b>100.0</b>	<b>95</b>	<b>100.0</b>
Percentage of Total Businesses:				<b>89.9</b>		<b>8.5</b>		<b>1.7</b>
	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	35	9.0	34	8.9	1	25.0	0	0.0
Middle	319	82.2	315	82.2	3	75.0	1	100.0
Upper	34	8.8	34	8.9	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>388</b>	<b>100.0</b>	<b>383</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
Percentage of Total Farms:				<b>98.7</b>		<b>1.0</b>		<b>0.3</b>
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey NOTE: Percentages may not add up to 100.0 due to rounding.								

## APPENDIX C – 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.

**Census tract:** A small subdivision 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. Census tracts 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.

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; 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; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income 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.

**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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 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 such data as the race, gender, and the income of

applications, the amount of loan requested, and the disposition of the application (for example, 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 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 (for example, 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.

**Metropolitan area (MA):** 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.

**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 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 loan(s) to business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by 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):** 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 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.