

PUBLIC DISCLOSURE

April 30, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

State Savings Bank
Certificate Number: 248

4800 George Mills Civic Parkway
West Des Moines, Iowa 50265

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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.

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INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

State Savings Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the bank's lending performance.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of small business, small farm, and home mortgage loans are inside the bank's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue sizes and individuals of varying income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

State Savings Bank is a commercial bank operating from its main office in West Des Moines, Iowa, and a branch in Baxter, Iowa. The bank continues to be wholly owned by a one-bank holding company, SSB Holding Company, Inc., West Des Moines, Iowa. State Savings Bank received a rating of Satisfactory at the March 27, 2018 FDIC Performance Evaluation based on Interagency Small Institution Examination Procedures. There were no mergers or acquisitions since the prior evaluation.

State Savings Bank offers various loan products and services, including commercial, agricultural, home mortgage, and consumer. The bank places an equal emphasis on commercial, agricultural, and home mortgage lending. The bank offers financing alternatives through the U.S. Department of Agriculture/Rural Housing, Farm Service Agency, and Small Business Administration (SBA) loans. The bank offers long-term fixed-rate conventional and government-guaranteed loan programs on the secondary market, and refers student loans to a statewide student-lending agency. In response to the COVID-19 pandemic, the bank originated loans under the SBA Paycheck Protection Program to assist business and agricultural entities. Deposit products include checking, savings, certificates of deposit, individual retirement accounts, health savings accounts, and first-time homebuyer savings accounts. Alternative banking services include online and mobile banking, a deposit-taking ATM at the main office, and a cash-only ATM at the Baxter branch.

According to the December 31, 2023 Consolidated Reports of Condition and Income (Call Report), State Savings Bank reported total assets of \$222.2 million, total loans of \$192.9 million, and total deposits of \$163.7 million. Loan portfolio concentrations have remained generally consistent over the review period. Total loans increased 60.1 percent, total assets increased 63.2 percent, and total deposits increased 67.1 percent since the prior evaluation. Management stated that the increases are attributed to an influx of pandemic-related stimulus funds, new relationships gained from originating SBA Paycheck Protection Program loans, and business and farm customers that have maintained higher cash reserves. The following table illustrates the composition of the loan portfolio.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	22,698	11.8
Secured by Farmland	23,289	12.1
Secured by 1-4 Family Residential Properties	35,148	18.2
Secured by Multifamily (5 or more) Residential Properties	10,851	5.6
Secured by Nonfarm Nonresidential Properties	55,379	28.7
Total Real Estate Loans	147,365	76.4
Commercial and Industrial Loans	27,779	14.4
Agricultural Production and Other Loans to Farmers	11,770	6.1
Consumer Loans	2,739	1.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	3,219	1.7
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
Total Loans	192,872	100.0
<i>Source: Reports of Condition and Income</i>		

There are no financial, legal, or other impediments that would limit the institution’s ability to meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. State Savings Bank has designated one assessment area comprising of all of Polk and Jasper counties, and parts of Dallas, Marshall, and Warren counties. The assessment area contains a portion of the Des Moines-West Des Moines, Iowa Metropolitan Statistical Area (MSA) and a nonmetropolitan area of Iowa. There were no changes to the assessment area boundaries since the prior evaluation. The assessment area includes Dallas County tracts 508.03, 508.05, 508.07, 508.12, 508.13, 508.14, 508.15, 508.16, 508.17, 508.18, 509.01, and 509.02; all tracts in Jasper County; Marshall County tract 9503; all tracts in Polk County; and Warren County tracts 201.01, 202.01, 202.02, 203, and 204.

Economic and Demographic Data

According to the 2020 U.S. Census data, the assessment area contains 140 census tracts, of which seven are low-income, 34 are moderate-income, 62 are middle-income, 34 are upper-income, and three do not have an income designation. This represents a change since the 2015 American Community Survey data, when the assessment area contained 120 census tracts, of which 10 were low-income, 28 were moderate-income, 52 were middle-income, 29 were upper-income, and one census tract had no income designation. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	140	5.0	24.3	44.3	24.3	2.1
Population by Geography	625,107	4.5	20.7	44.8	29.1	0.9
Housing Units by Geography	256,503	4.1	22.1	45.7	27.2	0.9
Owner-Occupied Units by Geography	164,399	2.6	18.9	48.0	30.2	0.4
Occupied Rental Units by Geography	75,410	6.7	26.7	41.7	22.8	2.1
Vacant Units by Geography	16,694	6.7	32.9	40.5	18.4	1.5
Businesses by Geography	99,860	3.4	15.5	41.6	37.0	2.6
Farms by Geography	3,505	2.1	11.0	48.7	37.3	0.9
Family Distribution by Income Level	149,591	19.9	18.2	21.7	40.2	0.0
Household Distribution by Income Level	239,809	22.2	17.1	19.1	41.5	0.0
Median Family Income - Des Moines-West Des Moines, Iowa MSA		\$89,538	Median Housing Value			\$201,752
Median Family Income - Nonmetropolitan Iowa		\$71,763	Median Gross Rent			\$951
			Families Below Poverty Level			6.5%

Source: 2020 U.S. Census and 2023 D&B Data. () The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%*

According to 2020 U.S. Census data, service industries represent the largest portion of business and farm operations at 32.2 percent; followed by non-classifiable establishments at 28.2 percent; and finance, insurance, and real estate at 12.5 percent. Additionally, 60.5 percent of assessment area businesses and farms have less than five employees, and 93.9 percent operate from one location.

The Federal Financial Institutions Examination Council (FFIEC)-estimated median family income levels are used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the Des Moines-West Des Moines, Iowa MSA and nonmetropolitan Iowa are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Des Moines-West Des Moines, Iowa MSA Median Family Income				
2023 (\$105,000)	<\$52,500	\$52,500 to <\$84,000	\$84,000 to <\$126,000	≥\$126,000
Nonmetropolitan Iowa Median Family Income				
2023 (\$86,300)	<\$43,150	\$43,150 to <\$69,040	\$69,040 to <\$103,560	≥\$103,560
<i>Source: FFIEC</i>				

Competition

The assessment area is highly competitive regarding the market for financial services. According to the June 30, 2023 FDIC Deposit Market Share Report, 57 institutions operate 217 offices within the counties that make up the assessment area. These institutions range from small community banks to larger financial institutions operating branch locations. State Savings Bank ranked 29th with 0.5 percent of the deposit market share. There are three large banks that combined have 46.7 percent of the deposit market share. Further, 2022 HMDA aggregate data (most recent available) shows that there are 387 lenders reporting 26,068 home mortgage loans in the assessment area. Management indicated that they also face competition from Farm Credit Services and numerous banks and credit unions.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the bank’s assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. Examiners referenced a previously conducted interview with a representative from an economic development organization knowledgeable about economic conditions in the assessment area.

The representative said that the economy is stable but higher interest rates are increasing costs for businesses and slowing some loan demand. Many businesses are struggling to find qualified workers, which has slowed some business expansions. While relief funds were available through SBA Paycheck Protection Program loans, the contact indicated that businesses sought any additional relief funds offered at the State or local levels, and there continues to be demand for capital to open new or grow existing businesses. The individual said the housing market is tight even with rising interest rates, and homes sell very quickly. While the contact believes that community development and credit needs are being met, opportunities exist for more institutions to provide small business education and to offer SBA loans, including micro loans below \$50,000.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business, small farm, and home mortgage loans are primary credit needs of the assessment area.

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the prior evaluation dated March 27, 2018, to the current evaluation dated April 30, 2024. Examiners conducted a full-scope review using the Small Institution Examination Procedures, which includes the Lending Test, to evaluate State Savings Bank's CRA performance. The criteria for the Lending Test is outlined in the Appendices.

Activities Reviewed

Examiners determined the bank's major product lines are small business, small farm, and home mortgage loans. This conclusion considered the bank's business focus, number and dollar volume of loans originated during the evaluation period, and review of Call Report data. Given the portfolio composition, small business lending performance conclusions were given greater weight in this evaluation. Management agreed that the loan activity during 2023 is representative of the bank's performance during the evaluation period. As such, examiners reviewed small business, small farm, and home mortgage loans originated or renewed between January 1, 2023, and December 31, 2023.

For the Lending Test, examiners reviewed the entire universe of 2023 loans to evaluate the Assessment Area Concentration criterion. This universe included 175 small business loans totaling \$36.6 million and 64 small farm loans totaling \$10.3 million. Examiners also reviewed the bank's 2023 Home Mortgage Disclosure Act (HMDA) loan application register, as the bank became a required reporter in 2023. During the review period, the bank was not a HMDA reporter for the years prior to 2023. The loan application register included 50 home mortgage loans totaling \$13.7 million.

For the Geographic Distribution criterion, examiners reviewed all small business, small farm, and home mortgage loans originated in 2023 within the bank's assessment area. For the Borrower Profile criterion, examiners reviewed a sample of small business and small farm loans, and all home mortgage loans, located inside the assessment area. This review included 55 small business loans totaling \$10.2 million, 34 small farm loans totaling \$5.7 million, and 40 home mortgage loans totaling \$10.0 million.

The 2023 D&B data provided a standard of comparison for the bank's small business and small farm lending performance. The 2020 U.S. Census data provided a standard of comparison for the bank's home mortgage lending performance because 2023 HMDA aggregate data was not available. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, which is a better indicator of the number of businesses, farms, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

State Savings Bank demonstrated reasonable performance under the Lending Test. The bank's reasonable Assessment Area Concentration, Geographic Distribution, and Borrower Profile performance primarily supports this conclusion.

Loan-to-Deposit Ratio

State Savings Bank’s loan-to-deposit ratio is more than reasonable, given the institution’s size, financial condition, and credit needs. The bank’s average net loan-to-deposit ratio averaged 108.6 percent over the past 24 calendar quarters from March 31, 2018, to December 31, 2023, which mirrored the ratio at the prior evaluation of 108.5 percent. The ratio ranged from a low of 87.8 percent on June 30, 2021, to a high of 121.3 percent on September 30, 2018. The bank’s lending performance was compared to that of four similarly-situated institutions operating in State Savings Bank’s assessment area with similarities in lending focus and asset size. The bank’s ratio significantly exceeds most of the comparable banks’ ratios. See the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net Loan-to-deposit Ratio (%)
State Savings Bank, West Des Moines, Iowa	222,190	108.6
Charter Bank, Johnston, Iowa	213,992	66.9
Farmers Savings Bank, Marshalltown, Iowa	142,705	71.3
First Newton National Bank, Newton, Iowa	115,667	61.8
Freedom Financial Bank, West Des Moines, Iowa	272,043	104.7

Source: Reports of Condition and Income 03/31/2018 - 12/31/2023

Assessment Area Concentration

State Savings Bank extended a majority of small business, small farm, and home mortgage loans by number and dollar volume within its assessment area. See the following table for details.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	141	80.6	34	19.4	175	28,251	77.1	8,377	22.9	36,628
Small Farm	44	68.8	20	31.2	64	7,329	71.1	2,982	28.9	10,311
Home Mortgage	40	80.0	10	20.0	50	9,960	72.6	3,750	27.4	13,710

*Source: Bank Data
Due to rounding, totals may not equal 100.0%*

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank’s reasonable small business and small farm lending performance primarily supports this conclusion. Examiners focused on the percentage of loans, by number, in low- and moderate-income census tracts.

Small Business Loans

The geographic distribution of small business loans is reasonable. As shown in the next table, the bank’s level of lending in the low- and moderate-income areas is similar to D&B data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.4	3	2.1	766	2.7
Moderate	15.5	21	14.9	5,963	21.1
Middle	41.6	76	53.9	12,596	44.6
Upper	37.0	37	26.2	7,645	27.1
Not Available	2.6	4	2.8	1,281	4.5
Totals	100.0	141	100.0	28,251	100.0
<i>Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The geographic distribution of small farm loans is reasonable. As shown in the next table, the bank did not originate any small farm loans in the low-income areas, and the bank's level of lending in the moderate-income areas is lower than D&B data. The low- and moderate-income census tracts are primarily located in or within close proximity to the city limits of Des Moines where few farming operations are located.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	2.1	0	0.0	0	0.0
Moderate	11.0	1	2.3	30	0.4
Middle	48.7	40	90.9	6,666	91.0
Upper	37.3	3	6.8	633	8.6
Not Available	0.9	0	0.0	0	0.0
Totals	100.0	44	100.0	7,329	100.0
<i>Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans is excellent. The bank's performance of lending in the low- and moderate-income census tracts exceeds the comparable data. See the next table.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	2.6	4	10.0	1,610	16.2
Moderate	18.9	12	30.0	2,520	25.3
Middle	48.0	18	45.0	2,340	23.5
Upper	30.2	6	15.0	3,490	35.0
Not Available	0.4	0	0.0	0	0.0
Total	100.0	40	100.0	9,960	100.0

Source: 2020 U.S. Census; Bank Data.
Due to rounding, totals may not equal 100.0%

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue sizes, and individuals of different income levels. State Savings Bank’s reasonable lending performance in all three loan products reviewed supports this conclusion. Examiners focused on the percentage of small business and small farm loans to operations with gross annual revenues of \$1 million or less, and on the percentage of home mortgage loans to low- and moderate-income borrowers.

Small Business Loans

State Savings Bank’s distribution of small business loans reflects reasonable penetration among operations of different revenue sizes when considering other factors. As shown in the next table, the bank’s lending performance to businesses with revenues of \$1 million or less is lower than the D&B data. Management indicated that small businesses have limited borrowing needs and many maintain cash reserves. The community contact indicated that small businesses are experiencing workforce shortages, which has slowed expansions. While State Savings Bank is not a CRA reporter, examiners also considered the 2022 CRA aggregate performance of small business loan reporters, the most recent data available, to assess the demand for small business lending in the assessment area. The aggregate performance of lending to businesses with revenues of \$1 million or less was at 49.8 percent. This further supports limited credit demand for small businesses. Lastly, the bank continues to offer SBA loans to meet the needs of small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	91.2	37	67.3	6,772	66.6
>\$1,000,000	2.5	15	27.3	3,053	30.0
Revenue Not Available	6.3	3	5.5	336	3.3
Total	100.0	55	100.0	10,161	100.0

Source: 2023 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%

Small Farm Loans

State Savings Bank’s distribution of small farm loans reflects reasonable penetration among operations of different revenue sizes when considering other factors. As shown in the following table, the bank’s lending performance to farm operations with revenues of \$1 million or less falls below D&B data. The 2022 U.S. Census of Agriculture data for the counties that make up the assessment area shows 60.4 percent of farmers have a primary occupation outside of farming, 30.0 percent are hobby farms (earn \$2,500 or less/year), and 60.0 percent report having no interest expense. This data indicates that a significant proportion of operators have limited or no borrowing needs.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.2	28	82.4	3,845	67.3
>\$1,000,000	1.1	6	17.6	1,872	32.7
Revenue Not Available	0.7	0	0.0	0	0.0
Total	100.0	34	100.0	5,717	100.0
<i>Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

State Savings Bank’s lending performance to low- and moderate-income borrowers is reasonable when considering other factors. As shown in the next table, the bank’s level of lending to low- and moderate-income borrowers falls below demographic data. However, 75.0 percent of the loans reviewed were for rental properties in which no income was reported. The bank’s level of lending to middle- and upper-income borrowers was also significantly below demographic data. Additionally, the bank offers first-time homebuyer lending through the secondary market, and the Home Start program through the Federal Home Loan Bank. These loans help meet the needs of low- and moderate-income home mortgage borrowers. As noted previously, the assessment area is very competitive for home mortgage lending. The community contact stated that high interest rates have reduced credit demand. Despite these high rates, the contact mentioned that home inventory is low as homes sell very quickly.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	19.9	2	5.0	110	1.1
Moderate	18.2	2	5.0	260	2.6
Middle	21.7	3	7.5	605	6.1
Upper	40.2	3	7.5	625	6.3
Not Available	0.0	30	75.0	8,360	83.9
Total	100.0	40	100.0	9,960	100.0
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Response to Complaints

The institution has not received any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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 Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: 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 Farm Loan: 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, 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 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.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.