

# **PUBLIC DISCLOSURE**

June 6, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Bank of St. Francisville  
Certificate Number: 22739

5700 Commerce Street  
Saint Francisville, Louisiana 70775

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

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans are in the institution's AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different incomes and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the institution's rating.

## DESCRIPTION OF INSTITUTION

Bank of St. Francisville (BSF), headquartered in Saint Francisville, Louisiana, is wholly owned by Saint Francisville Bancshares, Inc., a one-bank holding company. BSF received a "Satisfactory" rating at its previous FDIC CRA Performance Evaluation, dated January 5, 2016, based on Small Institution Examination Procedures.

BSF operates from its one full-service office in Saint Francisville, Louisiana. The institution offers various loan products including commercial, home mortgage, agriculture, and consumer loans, primarily focusing on commercial and home mortgage lending. Bank management worked with the Small Business Administration to offer loans in conjunction with the Paycheck Protection Program (PPP) in response to the COVID-19 pandemic. BSF originated 426 PPP loans totaling \$26.0 million during the evaluation period, averaging approximately \$61,100 per loan. The bank offers a variety of deposit services including personal checking and savings accounts, money market deposit accounts, Christmas Club, and certificate of deposit accounts. Alternative banking systems include internet and mobile banking, electronic bill pay, and four automated teller machines (ATMs). BSF did not open or close any offices, and no merger or acquisition activities occurred since the previous evaluation.

The bank received the designation as a Community Development Financial Institution (CDFI) on November 18, 2016. CDFIs have a primary mission of promoting community development, predominantly serving and maintaining accountability to eligible target markets, being a financing entity, providing development services, and being neither a government entity nor controlled by a government entity.

Based on Call Report data as of March 31, 2022, total assets equaled \$210.8 million, net loans equaled \$156.6 million, and total deposits equaled \$189.8 million. Since the previous evaluation, on average per year, total assets increased by 14.6, net loans increased by 16.3 percent, and total deposits increased 15.3 percent. The following table represents the outstanding loan portfolio as of March 31, 2022.

Loan Portfolio Distribution as of 03/31/2022		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	35,931	22.6
Secured by Farmland	12,305	7.7
Secured by 1-4 Family Residential Properties	39,318	24.7
Secured by Multifamily (5 or more) Residential Properties	5,507	3.4
Secured by Nonfarm Nonresidential Properties	44,725	28.1
<b>Total Real Estate Loans</b>	<b>137,786</b>	<b>86.5</b>
Commercial and Industrial Loans	17,448	11.0
Agricultural Production and Other Loans to Farmers	181	0.1
Consumer Loans	3,301	2.1
Obligations of State and Political Subdivisions in the U.S.	535	0.3
Other Loans	45	<0.1
<b>Total Loans</b>	<b>159,296</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that limit the institution's ability to meet the credit needs of its AA.

## DESCRIPTION OF ASSESSMENT AREA

The designated AA consists of 94 census tracts from a portion of the Baton Rouge, Louisiana, Metropolitan Statistical Area (Baton Rouge MSA). The AA includes all 92 census tracts of East Baton Rouge Parish and 2 of the 3 census tracts from West Feliciana Parish in the Baton Rouge MSA. The AA conforms to technical CRA regulatory requirements.

The bank expanded this AA since the last evaluation by adding all of East Baton Rouge Parish and excluded the northwest census tract of the West Feliciana Parish. The excluded tract is middle-income and primarily inhabited by the Angola State Prison.

### Economic and Demographic Data

According to 2015 American Community Survey (ACS) data, the AA includes 17 low-, 28 moderate-, 19 middle-, and 29 upper-income census tracts. Additionally, there is 1 census tract with no income data available. The bank's office operates in an upper-income census in West Feliciana Parish. The following table provides additional demographic data for the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	94	18.1	29.8	20.2	30.9	1.1
Population by Geography	456,253	12.4	27.8	21.5	38.3	0.0
Housing Units by Geography	195,302	12.9	28.4	20.1	38.6	0.0
Owner-Occupied Units by Geography	103,871	7.2	23.1	25.5	44.3	0.0
Occupied Rental Units by Geography	68,981	19.2	34.1	14.2	32.5	0.0
Vacant Units by Geography	22,450	20.2	35.2	13.2	31.4	0.0
Businesses by Geography	72,414	8.9	25.0	20.1	46.0	0.1
Farms by Geography	1,290	6.0	21.3	24.2	48.4	0.0
Family Distribution by Income Level	105,848	25.7	16.6	17.0	40.7	0.0
Household Distribution by Income Level	172,852	28.0	15.4	16.1	40.5	0.0
Median Family Income MSA - 12940 Baton Rouge, LA MSA	\$65,593	Median Housing Value			\$176,533	
			Median Gross Rent		\$865	
			Families Below Poverty Level		13.3%	

Source: 2015 ACS and 2021 D&B Data; Due to rounding, totals may not equal 100.0%.

(\*) The NA category consists of geographies that have not been assigned an income classification.

The AA received 10 major disaster declarations during the review period from the Federal Emergency Management Agency (FEMA) as a result of multiple natural disasters.

According to City and Parish websites and Data Vu, major employers in the AA include Louisiana State University, Louisiana State Penitentiary, Our Lady of the Lake Regional Medical Center, Baton Rouge General Medical Center, West Feliciana Hospital St. Francisville – Rehabilitation Services, and West Feliciana Parish Hospital. The economic outlook and unemployment levels changed significantly in April 2020 due to the national state of emergency related to the COVID-19 pandemic. According to the Bureau of Labor Statistics, unemployment levels increased sharply at the onset of the pandemic, declined gradually during the year, and generally remain above levels posted in 2018 and 2019. However, as seen in the following table, the 2021 unemployment rates approached pre-pandemic levels.

Unemployment Rates				
Area	2018	2019	2020	2021
East Baton Rouge Parish	4.3	4.3	8.3	5.3
West Feliciana Parish	3.9	4.0	5.8	3.7
State of Louisiana	4.8	4.6	8.7	5.5
Nationwide	3.9	3.7	8.1	5.3

Source: Bureau of Labor Statistics

Examiners used the Federal Financial Institutions Examination Council (FFIEC)-updated median family income levels to analyze home mortgage loans under the borrower profile criterion. The following table presents the low-, moderate-, middle-, and upper-income ranges based on the 2021 FFIEC-updated median family income of \$75,400 for the Baton Rouge MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Baton Rouge, LA MSA Median Family Income (12940)</b>				
2021 (\$75,400)	<\$37,700	\$37,700 to <\$60,320	\$60,320 to <\$90,480	≥\$90,480
<i>Source: FFIEC</i>				

## **Competition**

The area reflects a moderate level of competition for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 32 financial institutions operate 125 full-service offices within the AA. Of these institutions, BSF ranked 10<sup>th</sup> with 0.9 percent deposit market share.

## **Community Contact**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community needs. This information helps determine financial institutions' responsiveness to these needs and indicates available credit opportunities.

Examiners performed one community contact with a representative of an economic development organization located in the AA. The contact described the area's current economic condition as a positive state of recovery from the COVID-19 pandemic. The contact specified a need for small business financing, infrastructure redevelopment, and workforce development. Overall, the contact felt that financial institutions demonstrate community involvement and responsiveness to the credit needs of the area.

## **Credit Needs**

Considering information obtained from the community contact, demographic data, and bank management, examiners determined that residential and commercial loans represent the primary credit needs of the AA. Small business loans and small business development services remain in demand to support area growth. Additionally, home loans continue as a need to ensure businesses can maintain an adequate workforce.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated January 5, 2016, to the current evaluation dated June 6, 2022. To evaluate performance, examiners applied Small Institution Procedures, which include the Lending Test. The appendix lists the evaluation criteria for these procedures.

## **Activities Reviewed**

Small Institution Procedures require examiners to determine the bank's major product lines for review. Examiners may select from among the same loan categories used for Large Bank CRA evaluations, including home mortgage, small business, small farm, and consumer loans. The following table shows the bank's originations and purchases over the most recent completed calendar year by loan type.

<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$ (000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	52,618	42.8	64	13.7
Secured by Farmland	4,040	3.3	12	2.6
Secured by 1-4 Family Residential Properties	17,651	14.3	85	18.2
Multi-Family (5 or more) Residential Properties	4,978	4.0	39	8.4
Commercial Real Estate Loans	28,889	23.5	27	5.8
Commercial and Industrial Loans	13,179	10.7	99	21.3
Agricultural Loans	96	0.1	2	0.4
Consumer Loans	1,623	1.3	138	29.6
Other Loans	0	0.0	0	0.0
<b>Total Loans</b>	<b>123,074</b>	<b>100.0</b>	<b>466</b>	<b>100.0</b>

*Source: 2021 Bank Data.*

Considering the dollar volume and number of loans originated, as well as management's stated business strategy, examiners determined that the bank's major product lines consist of residential loans and commercial loans. Since the other categories typically reviewed for CRA, including small farm and consumer loans, do not represent major product lines and thus would not materially affect any conclusions or ratings, this evaluation does not include a review of them. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period.

Although BSF was subject to reporting home mortgage loans under the Home Mortgage Disclosure Act (HMDA) through 2019, HMDA reporting requirements no longer apply to the bank. As a result, examiners reviewed home mortgage loans originated in 2021 as listed on BSF's loan trial. Examiners considered the home mortgage universe for evaluating assessment area concentration and geographic distribution. For borrower profile, examiners analyzed a random sample of 36 home mortgage loans totaling over \$5.5 million from the universe of 70 such loans totaling over \$13.4 million originated inside the AA in 2021. Examiners compared the bank's home mortgage lending to 2015 American Community Survey (ACS) data.

Additionally, examiners considered the small business universe for evaluating assessment area concentration and geographic distribution. For borrower profile, examiners analyzed a random sample of 41 small business loans totaling over \$8.0 million from the universe of 79 such loans totaling over \$16.8 million originated inside the AA in 2021. D&B data for 2021 provided a standard of comparison for small business loans.

As reflected in the following table, examiners considered the universes by dollar volume and number of loans, as well as management's stated business strategy, to determine the weighting applied to the loan categories reviewed, when arriving at applicable conclusions. Based on the bank's lending focus and recent lending activity for home mortgage and small business loans, examiners applied greater weight to small business loans when arriving at overall conclusions.

Loan Products Reviewed				
Loan Category	Universe			
	#	%	\$(000s)	%
Home Mortgage	83	41.1	17,431	44.8
Small Business	119	58.9	21,452	55.2
<b>Total Loans</b>	<b>202</b>	<b>100.0</b>	<b>38,883</b>	<b>100.0</b>

*Source: 2021 Bank Data.*

While the evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans since the number of loans better indicates the number of individuals and businesses served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

BSF demonstrated satisfactory performance regarding the Lending Test. A reasonable LTD ratio, a majority of loans inside the AA, a reasonable record regarding geographic distribution, and a reasonable borrower profile distribution support this conclusion.

#### Loan-to-Deposit Ratio

The LTD is reasonable given the institution's size, financial condition, and AA credit needs. The average net LTD ratio over the last 25 calendar quarters since the previous evaluation averaged 82.4 percent, representing a slight increase from the 79.1 percent average net LTD ratio noted at the previous evaluation. The ratio fluctuated throughout the evaluation period, ranging from a low of 70.1 percent as of December 31, 2016, to a high of 89.7 percent as of June 30, 2019.

Examiners identified and listed in the following table two comparable institutions operating within the bank's AA and reporting similar asset sizes and lending emphases. As seen in the table, the bank's average net LTD ratio reflects similar performance to comparable institutions.

Loan-to-Deposit Ratio Comparison			
Bank	Total Assets as of 3/31/2022 (\$000s)		Average Net LTD Ratio (%)
<b>Bank of St. Francisville, Saint Francisville, LA</b>	<b>210,803</b>		<b>82.4</b>
Feliciana Bank & Trust Company, Clinton, LA	144,603		85.4
Landmark Bank, Clinton, LA	180,480		76.8

*Source: Reports of Condition and Income 3/31/2016 – 3/31/2022*

### Assessment Area Concentration

A majority of loans are in the institution's AA. As seen in the following table, a majority of home mortgage and small business loans, by number and dollar volume, originated inside the AA supports this conclusion.

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				
	#	%	#	%		\$	%	\$	%		
Home Mortgage	70	84.3	13	15.7	83	13,442	77.1	3,989	22.9	17,431	
Small Business	79	66.4	40	33.6	119	16,839	78.5	4,613	21.5	21,452	

*Source: 2021 Bank Data; Due to rounding, totals may not equal 100.0%*

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA. Reasonable performance regarding small business and home mortgage lending supports this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts in the AA when arriving at conclusions for this criteria. Less weight was afforded to the performance in low-income geographies due to the lower level of opportunities in these areas.

#### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. The following table shows that the bank's level of lending in low-income geographies lagged demographic data by 6.4 percentage points, reflective of reasonable performance. As noted, examiners considered the lower level of opportunities in low-income geographies for small business lending in support of reasonable performance. Further, the table shows that the bank's level of lending in moderate-income geographies lags demographic data by only 3.5 percentage points, reflecting reasonable performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	8.9	2	2.5	546	3.2
Moderate	25.0	17	21.5	1,566	9.3
Middle	20.1	4	5.1	465	2.8
Upper	46.0	56	70.9	14,262	84.7
Not Available	0.1	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>79</b>	<b>100.0</b>	<b>16,839</b>	<b>100.0</b>

*Source: 2021 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%*

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. The following table shows that the bank did not originate any home mortgage loans in low-income geographies, reflective of poor performance. Further, the table shows that the bank's level of lending in moderate-income geographies exceeds demographic data by 15.5 percentage points, evidencing excellent performance. Considering the excellent performance in moderate-income geographies and poor performance in low-income geographies, the dispersion is reasonable in the AA.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	7.2	0	0.0	0	0.0
Moderate	23.1	27	38.6	4,782	35.6
Middle	25.5	6	8.5	594	4.4
Upper	44.3	37	52.9	8,066	60.0
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>70</b>	<b>100.0</b>	<b>13,442</b>	<b>100.0</b>

*Source: 2015 ACS, Bank Data; Due to rounding, totals may not equal 100.0%*

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels and businesses of different sizes. Reasonable records regarding small business and home mortgage support this conclusion.

### ***Small Business Loans***

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The following table shows the bank made approximately four out of every ten small business loans to businesses with gross annual revenues of \$1 million or less, typically reflective of poor performance. However, examiners considered additional performance criteria, which supports reasonable performance.

Specifically, PPP loans comprised a significant portion of the sampled small business loans. Reported revenue was not available for PPP loans given the program requirements, materially affecting the small business lending analysis.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$ (000s)	%
<=\$1,000,000	89.3	18	43.9	4,454	55.4
>\$1,000,000	3.1	6	14.6	2,420	30.1
Revenue Not Available	7.6	17	41.5	1,165	14.5
<b>Total</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>8,039</b>	<b>100.0</b>

*Source: 2021 D&B Data, Bank Data.; Due to rounding, totals may not equal 100.0%*

Excluding the PPP loans from the above analysis, examiners noted a majority of loans with available revenue data, 64.3 percent, were to businesses with gross annual revenues of \$1 million or less, thereby reflecting reasonable performance. Additionally, examiners evaluated PPP loans using loan size as a proxy for those with revenues not available. As seen in the following table, a majority of sampled PPP loans, by number, had original loan amounts of \$100,000 or less. Furthermore, as previously stated, the average loan size for all PPP loans originated over the evaluation cycle was \$61,100, further indicating that the bank is helping to serve the needs of the smallest businesses in the AA.

Distribution of PPP Loans by Loan Size				
Loan Size	#	%	\$ (000s)	%
< \$100,000	11	84.6	257	40.9
\$100,000 - \$249,999	2	15.4	372	59.1
\$250,000 - \$1,000,000	0	0.0	0	0.0
<b>Total</b>	<b>13</b>	<b>100.0</b>	<b>629</b>	<b>100.0</b>

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

### ***Home Mortgage Loans***

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Examiners focused on the percentage by number of loans to borrowers in the AA with low- and moderate-income levels when arriving at conclusions for this performance factor.

As reflected in the following table, the bank's level of lending to low-income borrowers falls below demographic data by 20.1 percentage points, typically reflecting poor performance. However, examiners considered additional performance criteria, which supports reasonable performance. Specifically, examiners considered the poverty level of 13.3 percent and the fact that nearly a majority of the home mortgage loans were to borrowers where income data was not available due to the borrowers being non-natural people. After considering these performance factors, examiners concluded that the performance is reasonable.

The table further shows that to moderate-income borrowers the bank's percentage of lending falls below demographic data by only 2.7 percentage points, which reflects reasonable performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	25.7	2	5.5	95	1.7
Moderate	16.6	5	13.9	562	10.2
Middle	17.0	6	16.7	680	12.4
Upper	40.7	6	16.7	1,005	18.2
Not Available	0.0	17	47.2	3,170	57.5
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>5,512</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data; Due to rounding, totals may not equal 100.0%*

### **Response to Complaints**

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

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## 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.