

PUBLIC DISCLOSURE

February 22, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Benton State Bank
Certificate Number: 14316

42 West Main Street
Benton, Wisconsin 53803

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area's credit needs.
- The bank made a majority of its home mortgage, small business, and small farm loans in the assessment area.
- The distribution of loans to borrowers reflects reasonable penetration of loans among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes.
- The assessment area does not include any low- and moderate-income geographies; therefore, the Geographic Distribution criterion was not evaluated.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

The Benton State Bank (Benton) is headquartered in Benton, Wisconsin, and is part of the one-bank holding company BSB Community Bancorporation, Inc., located in Benton, Wisconsin. Benton serves all of Grant and Lafayette Counties in southwestern Wisconsin. The Federal Deposit Insurance Corporation (FDIC) rated Benton "Satisfactory" at its last CRA review on April 13, 2015, using the Interagency Small Institution Examination Procedures.

The bank operates out of its main office and two full-service branch offices. The main office (Benton) and the Shullsburg branch are located in Lafayette County, while the Potosi branch is located in Grant County. All offices are located in middle-income census tracts in the non-Metropolitan Statistical Area (MSA) portion of Wisconsin.

Benton offers various loan products such as home mortgage, agricultural, commercial, and consumer loans. The bank also offers commercial purpose loans through the Small Business Administration (SBA), including loans under the Paycheck Protection Program (PPP). The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet banking, mobile banking, and electronic bill pay. The bank did not open or close any branches, and no merger or acquisition activities have occurred since the previous evaluation.

According to the December 31, 2020, Call Report, the bank had \$70.8 million in total assets, \$60.4 million in total loans, and \$59.8 million in total deposits. There have not been any material changes to the bank’s financial condition since the previous evaluation, and the bank’s primary business emphasis continues to be home mortgage, agricultural, and commercial lending. The following table details the bank’s loan distributions.

Loan Portfolio Distribution as of 12/31/2020		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	582	1.0
Secured by Farmland	11,516	19.1
Secured by 1-4 Family Residential Properties	18,577	30.8
Secured by Multifamily (5 or more) Residential Properties	544	0.9
Secured by Nonfarm Nonresidential Properties	13,766	22.8
Total Real Estate Loans	44,985	74.6
Commercial and Industrial Loans	5,800	9.6
Agricultural Production and Other Loans to Farmers	5,318	8.8
Consumer Loans	3,139	5.2
Other Loans	1,161	1.9
Total Loans	60,403	100

Source: Reports of Condition and Income; percentages don't equal 100% due to rounding

Examiners did not identify any 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 bank has one assessment area comprised of the full Grant and Lafayette Counties in southwestern Wisconsin. The assessment area includes 16 middle-income census tracts and one upper-income census tract. The one upper-income geography is located in the city of Platteville in Grant County. Both Grant County and Lafayette County are part of the non-MSA portion of Wisconsin. The assessment area comprises contiguous counties, includes whole geographies, and does not arbitrarily exclude low- or moderate-income census tracts.

Economic and Demographic Data

The following table details economic and demographic data specific to the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Benton State Bank						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	17	0.0	0.0	94.1	5.9	0.0
Population by Geography	68,324	0.0	0.0	88.5	11.5	0.0
Housing Units by Geography	28,968	0.0	0.0	92.5	7.5	0.0
Owner-Occupied Units by Geography	18,853	0.0	0.0	93.2	6.8	0.0
Occupied Rental Units by Geography	7,240	0.0	0.0	88.9	11.1	0.0
Vacant Units by Geography	2,875	0.0	0.0	96.6	3.4	0.0
Businesses by Geography	4,044	0.0	0.0	94.1	5.9	0.0
Farms by Geography	847	0.0	0.0	98.7	1.3	0.0
Family Distribution by Income Level	16,611	16.9	18.7	24.7	39.7	0.0
Household Distribution by Income Level	26,093	21.7	17.3	19.7	41.4	0.0
Median Family Income Non-MSAs – WI		\$60,742	Median Housing Value			\$130,329
			Median Gross Rent			\$670
			Families Below Poverty Level			7.4%

Source: 2015 ACS and 2020 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.

Examiners used the 2020 FFIEC estimated median family income levels to analyze the reviewed home mortgage loans under the Borrower Profile criterion. The following table illustrates the 2020 income categories for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
WI NA Median Family Income (99999)				
2020 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600

Source: FFIEC

Of the 28,968 housing units in the assessment area, 90.1 percent are occupied, 65.1 percent are owner-occupied, 25 percent are occupied rental properties, and 9.9 percent are vacant. A further breakout of the assessment area housing units shows that 85.8 percent are 1-4 family, 8.4 percent are multifamily, and 5.8 percent are mobile homes. This data provides insight as to the potential credit needs and opportunities for various types of residential lending.

The Wisconsin Realtors Association provides information on the number of home sales and median sales price by county. This information, which follows, provides insight into the housing market's availability and credit needs, as well as the potential affordability of the housing to low- and moderate-income borrowers. The table shows that both counties' median sales prices have increased from the prior year's data. Home sales have also increased slightly.

Housing Sales and Median Prices by County			
County	2020 Sales	2020 Median Sales Price	Additional Information – Trend
Grant	478	\$144,250	Prior Year: 432 sales with median price of \$140,000
Lafayette	157	\$150,000	Prior Year: 135 sales with median price of \$126,000

Source: Wisconsin Realtors Association; YTD is from 1/1/2020 through 12/31/2020

Since the prior evaluation, the unemployment trend for the assessment area counties has generally been stable outside of a large increase following the COVID-19 pandemic outbreak. The pandemic significantly impacted the unemployment rates nationwide, resulting in the highest increase for the assessment area as of April 2020. As of April 2020, the state unemployment rate reached 13.6 percent, while Grant and Lafayette Counties reached 11.1 and 9.0 percent, respectively. The pandemic crisis, resulting in forced business closures or significantly reduced and altered services and high unemployment rates, has resulted in the need for more flexible financing and loan servicing programs. The unemployment rate has since decreased significantly to its current level. The most recent unemployment data for December 2020 shows the state of Wisconsin at 6.5 percent, Grant County at 3.9 percent, Lafayette County at 3.4 percent, and the national unemployment rate at 6.5 percent.

According to 2020 D&B data, there were 819 farms in the assessment area. Gross Annual Revenues (GARs) for these farms are: 98.1 percent have \$1 million or less; 1.6 percent have more than \$1 million; and 0.3 percent have unknown revenues. The analysis for small farm loans under the Borrower Profile criterion compares the distribution of farms by GAR level.

D&B data for 2020 also indicates that there were 3,762 non-farm businesses in the assessment area. The service industries represent the largest portion of businesses in the assessment area at 30.4 percent followed by agriculture, forestry, and fishing at 17.3 percent, and retail at 12.7 percent. Large employers in the area include local and county governments, school districts, universities, and hospitals. Like small farm, the analysis of small business loans under the Borrower Profile criterion also compares the distribution of businesses by GAR level. 2020 GARs for these businesses are: 77.4 percent report \$1 million or less; 5.4 percent report more than \$1.0 million; and 17.2 percent have unknown revenues. Additionally, 67.9 percent of area businesses have four or fewer employees, and 86.1 percent operate from a single location.

Competition

The assessment area has strong competition in the market for financial services. As of June 30, 2020, the FDIC Deposit Market Share data reflects 16 financial institutions operating 50 offices within the assessment area. Of these, Benton ranked 9th, with a deposit market share of approximately 3.5 percent. The bank's primary competition includes local banks and credit unions in Lafayette and Grant County as well as in eastern Iowa and northern Illinois.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs and opportunities. This information helps determine whether local financial institutions are responsive to these needs. Examiners contacted an individual from an economic development corporation that serves Wisconsin's Grant County. The contact specified that this area's economy, although impacted by the COVID-19 pandemic, has sustained relatively well due to its major industries of agriculture, food production, and manufacturing. However, the contact noted access to capital for small businesses, including entrepreneurs and start-ups, is a continuing need for the area. The contact identified an opportunity for lending to these prospective owners, entrepreneurs, and start-up businesses and suggested that banks should be more aware of resources and programs designed to assist small businesses. The contact indicated that financial institutions have been responsive to the credit needs in the area as a whole, with some providing a great deal of assistance in 2020 due to the COVID-19 pandemic. Most notably, the SBA PPP has been especially beneficial throughout the area, and many area financial institutions provide this program.

Credit Needs

Considering information from bank management, demographic and economic data, and the community contact, examiners determined that there are credit needs for small farms, small businesses, and affordable housing in the assessment area. The median housing value for the area supports the need for more affordable housing. As noted by the community contact and from demographic and economic data, there are many opportunities for small business loans. The significant percentages of businesses with GARs of \$1 million or less, and a large number of businesses with four or fewer employees, support this conclusion.

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Small Institution Examination Procedures to evaluate the bank's performance from April 13, 2015, to February 21, 2021. These procedures consist of the CRA Small Bank Lending Test. The Appendix details the performance criteria related to this test. This evaluation does not include any lending activity performed by affiliates, as the bank does not have any affiliates involved in any lending activities.

Examiners relied upon records provided by the bank, 2015 American Community Survey (ACS) data, 2010 U.S. Census, 2020 D&B demographic data, U.S. Bureau of Labor Statistics, Wisconsin Department of Workforce Development, Wisconsin Realtors Association, community contacts, and other readily available public information. Examiners analyzed the bank's CRA performance in relation to the bank's performance context, which includes (but is not limited to) bank size and structure, financial condition, loan mix, resources, limitations, assessment area demographics, economic factors, competition, loan demand, and available opportunities.

Activities Reviewed

Based on the loan portfolio, home mortgage, small business, and small farm loans represent significant lending focuses for the bank. Residential real estate loans accounted for 31.7 percent of the loan portfolio, commercial loans accounted for 32.4 percent of the bank's portfolio, and farm loans accounted for 27.9 percent of the loan portfolio as of the December 31, 2020, Call Report data. No other loan types represent a major product line or provide material support for conclusions or ratings and are not presented. This evaluation considers the home mortgage, small business, and small farm loans originated January 1, 2020 through December 31, 2020. Lending activity for this year is representative of the entire evaluation period.

This evaluation considers all home mortgage loans originated in 2020 for the Assessment Area Concentration criterion and a sample of loans for the Borrower Profile criterion. The bank originated 140 home mortgage loans totaling \$20.8 million in 2020. The sample reviewed for Borrower Profile consisted of 73 loans totaling \$10.4 million. ACS demographic data from 2015 provided a standard of comparison for the home mortgage loans.

The bank originated 110 small business loans totaling \$9.3 million in 2020. The whole universe of small business loans was reviewed for the Assessment Area Concentration criterion, and a sample consisting of 73 small business loans totaling \$6.1 million was reviewed for the Borrower Profile criterion. The 2020 D&B data provided a standard of comparison for the small business loans.

Finally, this evaluation considers 2020 small farm loan originations. The bank originated 38 small farm loans totaling \$6.1 million in 2020. The whole universe of small farm loans was reviewed for the Assessment Area Concentration criterion, while a sample consisting of 24 loans totaling \$3.1 million was reviewed for the Borrower Profile criterion.

All three loan products were weighted equally in the conclusions and overall rating. Discussion with management indicated that all three products are equal lending focuses for the bank. While this evaluation includes number and dollar volume of loans, examiners emphasized performance by number of loans extended, as this is generally a better indicator of the number of individuals and small businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

A "Satisfactory" rating is assigned under the Lending Test. This conclusion is supported by reasonable performance in the bank's assessment area. Performance for each Lending Test criterion follows.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and credit needs in the assessment area. The bank's loan-to-deposit ratio, calculated from Call Report data, averaged 98.6 percent over the past 23 quarters since the previous evaluation. The

ratio ranged from a low of 94.8 percent as of December 31, 2018, to a high of 103.6 percent as of June 30, 2016. The ratio remained generally stable during the evaluation period, with no specific trends noted. The bank maintained a ratio higher than those of four comparable and competing financial institutions for the same period. The average ratios of similar institutions ranged between 71.2 and 94.7 percent. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. Details are in the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2020 (\$000s)	Average Net LTD Ratio (%)
The Benton State Bank	70,843	98.6
SSI #1	319,658	60.2
SSI #2	420,173	94.7
SSI #3	497,574	80.6
SSI #4	170,724	71.2
<i>Source: Reports of Condition and Income 6/30/15 through 12/31/2020</i>		

Assessment Area Concentration

Benton originated a majority of its home mortgage loans, small business loans, and small farm loans, by number and dollar volume, within its assessment area. Details follow.

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										
2020	98	70.0	42	30.0	140	14,209	68.4	6,562	31.6	20,771
Small Business										
2020	86	78.2	24	21.8	110	7,355	79.4	1,904	20.6	9,259
Small Farm										
2020	24	63.2	14	36.8	38	3,088	50.4	3,041	49.6	6,129
Total	208	72.2	80	27.8	288	24,652	68.2	11,507	31.8	36,159
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Borrower Profile

The distribution of loans to borrowers within the assessment area reflects reasonable penetration among individuals of different income levels and businesses and farms of different sizes. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-

income borrowers. Examiners also focused on the percentage by number of small business and small farm loans to entities with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels in the assessment area. Examiners focused on comparison to demographic data for 2020.

The following table shows that home mortgage lending to low-income borrowers in 2020, at 2.7 percent, by number, is below demographic data showing 16.9 percent of the families in the assessment area are low-income. Examiners largely attribute this disparity to the 7.4 percent of all families who live below the poverty level. Due to their limited financial resources, families with incomes below the poverty level generally do not have the capacity to support a traditional home mortgage. In addition, a low-income family in the assessment area, with an income of \$34,000 or below in 2020, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$144,250 in Grant County and \$150,000 in Lafayette County. Because of these factors, the demand and opportunity for lending to low-income families is relatively limited. However, the bank’s performance continues to trail the adjusted demographic of 9.5 percent when accounting for the poverty level.

Though trailing the demographic in performance to low-income borrowers, the record of lending to moderate-income borrowers for 2020 exceeded the number of moderate-income families of 18.7 percent. Overall, Benton’s performance is reasonable when considering the level of lending to low- and moderate-income borrowers in the assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2020	16.9	2	2.7	140	1.3
Moderate					
2020	18.7	18	24.7	1,504	14.4
Middle					
2020	24.7	19	26.0	2,276	21.9
Upper					
2020	39.7	34	46.6	6,494	62.4
Totals					
2020	100.0	73	100.0	10,414	100.0
<i>Source: 2015 ACS Census; Bank Data; Due to rounding, totals may not equal 100.0</i>					

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. In 2020, the bank’s level of lending by number to small businesses was at 41.1 percent and trails the percentage of small businesses that reported revenues of \$1 million or less at 74.6 percent. During this period, 52 percent of the bank’s small business loans were originated as part of the SBA PPP, which does not require the collection and review of a business’s revenues. These loans are reflected in the “Revenue Not Available” section of the following table, and skew the bank’s performance. When considering only the loans for which the bank had revenue information, the bank’s performance under this criterion is substantially stronger and reasonably comparable to demographic data.

Considering the overall impact of the PPP loans and the bank’s lending to businesses outside of the PPP program, examiners determined that performance is reasonable. The following table shows the bank’s performance in extending small business loans based on the revenue size of the business.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2020	77.4	30	41.1	3,829	62.6
>1,000,000					
2020	5.4	5	6.8	1,303	21.3
Revenue Not Available					
2020	17.2	38	52.1	982	16.1
Totals					
2020	100.0	73	100.0	6,114	100.0
<i>Source: 2020 D&B Data; Bank Data</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration of loans to farms with GARs of \$1 million or less. For 2020, the bank’s level of lending, by number, to small farms is at 100 percent and exceeds the percentage of farms that report revenues of \$1 million or less. The following table demonstrates the bank’s performance in extending small farm loans based on the revenue size of the farm.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2020	98.1	24	100.0	3,088	100.0
>1,000,000					
2020	1.6	0	0.0	0	0.0
Revenue Not Available					
2020	.3	0	0.0	0	0.0
Totals					
2020	100.0	24	100.0	3,088	100.0
<i>Source: 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated. However, a brief analysis of the loans extended during the review period revealed that loans were distributed throughout the defined assessment area.

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

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.