

PUBLIC DISCLOSURE

February 26, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Grand Rapids State Bank
RSSD# 1003558

523 Northwest First Avenue
Grand Rapids, Minnesota 55744

Federal Reserve Bank of Minneapolis
90 Hennepin Avenue
Minneapolis, Minnesota 55480

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Grand Rapids State Bank (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

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

SCOPE OF EXAMINATION

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

- The bank's 19-quarter average NLTD ratio.
- A statistical sample of 65 consumer loans and 47 small business loans originated between June 1, 2023, and November 30, 2023, and 49 residential real estate (RRE) loans originated between December 1, 2022, and November 30, 2023. Consumer, small business, and RRE loans represent a significant portion of originations, by dollar amount and volume of loans.

Of the five core performance criteria, examiners placed the greatest weight on borrower and geographic distribution, followed by lending inside the AA and then NLTD ratio. The bank and the Reserve Bank have not received any CRA-related complaints since the previous evaluation. Examiners placed the greatest weight on small business loans. Consumer and RRE loans were each weighted equally.

DESCRIPTION OF INSTITUTION

Grand Rapids State Bank is a community bank headquartered in Grand Rapids, Minnesota. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Wilcox Bancshares, Inc.
- The bank has total assets of \$249.6 million as of December 31, 2023.

- In addition to its main office in Grand Rapids, the bank has one additional office in Grand Rapids.
- The bank operates a deposit-taking ATM at each of its offices. The bank also operates two cash-dispensing-only ATMs, at Grand Itasca Clinic and Hospital and at the IRA Civic Center.
- As shown in Table 1, the bank’s primary business focus is commercial lending. The bank also offers consumer and residential real estate loans.

Table 1		
Composition of Loan Portfolio as of December 31, 2023		
Loan Type	\$(000)	%
Commercial	115,382	80.6
Residential Real Estate	18,047	12.6
Consumer	9,393	6.6
Other	254	0.2
Gross Loans	143,076	100.00

Note: Percentages may not total 100.0 percent due to rounding.

The bank was rated Satisfactory under the CRA at its September 30, 2019, performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank’s Grand Rapids AA consists of the entirety of Itasca County. See Appendix A for an AA map and Appendix B for additional demographic data.

- The bank’s AA delineation has changed since the previous evaluation, and it now includes the entirety of Itasca County. At the previous evaluation, the bank’s AA included most but not all of the county. In addition, the 2020 U.S. Census resulted in the number of census tracts in Itasca County increasing from 11 to 21 tracts.
- The AA consists of six moderate-income, 12 middle-income, and three upper-income census tracts. At the previous evaluation, all the middle-income census tracts were classified as distressed. The middle-income census tracts in the AA are no longer classified as distressed as of 2021.
- The bank’s AA includes a portion of the Leech Lake Reservation (Reservation), which is home to the Leech Lake Band of Ojibwe (LLBO). Tribal headquarters are in Cass Lake, Minnesota, which is outside the AA. Most tribal members live outside of the AA, but AA tract 9400.00, which includes tribal land, has a sizeable American Indian population.
- The bank’s AA consists of many lakes, and portions are heavily forested, including the tract that is part of the Reservation. Most of the forestland is owned by the federal government, state government, and private entities.

- According to the June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks first out of nine FDIC-insured financial institutions with offices in the AA, capturing 24.1% of the deposits.
- Examiners spoke with two community contacts, one who works at an organization that specializes in the housing market and the other who specializes in the needs of local businesses.

Table 2			
Grand Rapids AA Population Change			
Area	2015 Population	2020 Population	Percent Change
Grand Rapids AA	45,354	45,014	-0.7%
NonMSA Minnesota	1,243,105	1,259,719	1.3%
Minnesota	5,419,171	5,706,494	5.3%
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

- The population of the AA has decreased slightly since 2015, as shown in Table 2.
- Community contacts indicated that the population in the AA is aging. Retaining and attracting younger residents has been a challenge in the area.

Table 3			
Grand Rapids AA Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Grand Rapids AA	\$61,708	\$69,551	12.7%
NonMSA Minnesota	\$68,881	\$74,737	8.5%
Minnesota	\$84,188	\$92,692	10.1%
<i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

- The median family income of the AA has grown since the 2015 U.S. Census but continues to be below the state of Minnesota median family income, as shown in Table 3.
- Based on 2023 FFIEC adjusted census data, LMI households make up 42.0% of all households in the AA. In addition, 12.6% of AA households are below the poverty level.
- According to the Federal Reserve Bank of Minneapolis Center for Indian Country Development (CICD), 35.1% of the individuals on the Reservation who self-identify as American Indian or Alaska Native alone (AIANA) are experiencing poverty.

Table 4 Grand Rapids AA Housing Cost Burden						
Area	Cost Burden – Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Grand Rapids AA	71.6%	28.4%	48.2%	54.8%	26.4%	18.9%
NonMSA Minnesota	64.2%	20.8%	37.1%	55.5%	24.1%	17.1%
Minnesota	71.3%	25.6%	40.7%	59.4%	26.7%	16.7%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy</i>						

- The housing cost burden for LMI renters in the AA is higher than other nonmetropolitan areas of the state. Approximately 71.6% of low- and 28.4% of moderate-income renters spend more than 30% of their household income on rent in the area. For LMI homeowners, the housing cost burden is similar to other nonmetropolitan areas of Minnesota.
- Bank management and community contacts indicated that there is limited affordable housing available in the AA. Affordable homes tend to be older and in need of improvement.
- One contact stated that the contractors in the AA tend to focus on high-value builds and remodels as opposed to affordable housing. The contact also noted a lack of available contractors in the area and lower return on investment for affordable housing development.

Table 5 Grand Rapids AA Unemployment Rates				
Area	2019	2020	2021	2022
Grand Rapids AA	6.0%	8.6%	5.1%	4.5%
NonMSA Minnesota	4.0%	6.0%	3.9%	3.1%
Minnesota	3.3%	6.3%	3.8%	2.7%
<i>Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics</i>				

- As shown in Table 5, the unemployment rate for Itasca County has generally been declining apart from 2020 when unemployment increased due to the COVID-19 pandemic.
- Bank management indicated that the labor market is extremely tight, and it is difficult to find individuals to fill open positions.
- According to bank management and community contacts, the major employers in the AA include healthcare providers, the local school districts, local government, a paper mill, and retail businesses.

- Major employers on the Reservation include local school districts, local and federal government, and tribal gaming enterprises. According to the CICD, individuals who self-identify as AIANA on the Reservation have a 20.0% unemployment rate.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. There are no similarly situated financial institutions operating in the bank’s AA for comparison purposes. The bank’s NLTD ratio is reasonable.

The bank’s average NLTD ratio for the past 19 quarters is 68.8%. At the previous evaluation, the bank’s 16-quarter average NLTD ratio was 73.3%. Since then, the NLTD ratio has ranged from a high of 85.3% (in March 2020) to a low of 58.1% (in December 2022). The bank’s NLTD steadily decreased during the evaluation period, primarily due to lower loan demand and higher deposits. According to bank management, strong crop yields and prices along with PPP lending increased cash flow in the area and resulted in increased deposit balances. In addition, management noted that they saw many customers consolidating their banking relationships at the bank, which also increased its deposit base.

The bank’s NLTD ratio (62.6%) was similar to its peer banks (66.3%) as of December 31, 2023. The bank’s national peer group includes insured commercial banks that have assets between \$100 million and \$300 million with two or fewer full-service banking offices and not located in a metropolitan statistical area (MSA).

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of the bank’s loans, by number and dollar, inside the AA.

Table 6								
Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Consumer Loans	55	84.6	\$3,398	84.3	10	15.4	\$632	15.7
Residential Loans	41	83.7	\$20,089	86.9	8	16.3	\$3,034	13.1
Small Business Loans	37	78.7	\$4,667	67.2	10	21.3	\$2,273	32.7
Total Loans	133	82.6	\$28,154	82.6	28	17.4	5,939	17.4
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

Residential Real Estate Lending

The geographic distribution of RRE lending is excellent. The bank originated 31.7% of its RRE loans in moderate-income tracts, as shown in Table 7. This exceeds the number of families (23.2%) in the AA who reside in moderate-income tracts. The bank’s lending also exceeds the percentage of owner-occupied units (23.7%) that are in the moderate-income tracts. The bank made loans in four of the six moderate-income census tracts in the AA. The lack of lending in the two moderate-income tracts is reasonable. One tract is approximately 30 miles from the bank’s branches and closer to Hibbing, Minnesota, which has a number of other financial institutions. The other tract is closer to downtown Grand Rapids. That tract includes the Grand Rapids-Itasca airport and has limited housing stock.

Table 7 Distribution of 2022 and 2023 Residential Lending By Income Level of Geography Assessment Area: Grand Rapids AA					
Geographic Income Level	Bank Loans				Owner Occupied Units %
	2022 and 2023				
	#	%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	13	31.7	5,022	25.0	23.7
Middle	19	46.3	8,700	43.3	63.9
Upper	9	22.0	6,367	31.7	12.3
Total	41	100.0	20,089	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank originated 29.7% of its small business loans in moderate-income tracts, as shown in Table 8. This is comparable to demographics, which indicate that 30.3% of the businesses in the AA are in moderate-income tracts. The bank originated small business loans in all six moderate-income tracts.

Table 8 Distribution of 2023 Small Business Lending By Income Level of Geography Assessment Area: Grand Rapids AA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	11	29.7	1,554	33.3	30.3
Middle	21	56.8	2,733	58.6	61.5
Upper	5	13.5	381	8.2	8.1
Total	37	100.0	4,667	100.0	100.0

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Consumer Lending

The geographic distribution of consumer lending is reasonable. The bank originated 16.4% of its consumer loans in moderate-income tracts, as shown in Table 9. This is below demographics, which indicate that 26.1% of households in the AA reside in moderate-income tracts. Although below demographics, the bank’s lending is reasonable. The bank originated consumer loans in four out of six moderate-income tracts. Consumer loans were not originated in tract 4805.00, which borders the eastern edge of Itasca County and is closer to the financial institutions in the Hibbing area. The bank also did not originate consumer loans in tract 4801.01, which borders the northern edge of Itasca County. This tract has only 5.5% of the AA population and has limited opportunity for lending. The majority of the bank’s consumer loans are in tracts where its offices are located or in adjacent tracts. The bank has slightly less moderate-income tract lending compared to the previous evaluation. However, the lending data is impacted by the number of census tracts near the bank’s offices that changed from moderate-income to middle-income since the previous evaluation.

Table 9 Distribution of 2023 Other Loan Data Lending By Income Level of Geography Assessment Area: Grand Rapids AA					
Geographic Income Level	Bank Loans				Households %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	9	16.4	164	4.8	26.1
Middle	34	61.8	2,731	80.4	63.2
Upper	12	21.8	503	14.8	10.8
Total	55	100.0	3,398	100.0	100.0

*Source: 2023 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.*

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

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

Residential Real Estate Lending

The borrower distribution of RRE lending is reasonable. The bank originated 2.4% of its RRE loans to low-income borrowers and 14.6% of its RRE loans to moderate-income borrowers, as shown in Table 10. This is below demographics, which indicate that 20.7% of families in the AA are low income and 21.4% of families in the AA are moderate income.

Although the bank’s lending is below demographics, it is reasonable. Bank management noted that the area has numerous financial institutions competing for loans. Community contacts and bank management also noted that there is a shortage of affordable housing in the area due to increasing home values. A contact also indicated that contractors are not building homes affordable to LMI borrowers. Lastly, approximately 29.7% of the homes in the AA are categorized as vacant due in part to the large amount of vacation homes in the area. This also limits lending opportunity for LMI families in the area.

Finally, the bank continues to service loans on behalf of a local nonprofit housing organization, which shows the bank’s commitment to supporting affordable housing efforts in the AA.

Table 10 Distribution of 2022 and 2023 Residential Lending By Borrower Income Level Assessment Area: Grand Rapids AA					
Borrower Income Level	Bank Loans By Year 2022 and 2023				Families by Family Income %
	#	#%	\$(000)	%	
Low	1	2.4	160	0.8	20.7
Moderate	6	14.6	2,275	11.3	21.4
Middle	12	29.3	3,872	19.3	20.5
Upper	15	36.6	11,265	56.1	37.4
Unknown	7	17.1	2,518	12.5	0.0
Total	41	100.0	20,089	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank originated 56.8% of its small business loans by number and 39.3% of loans by dollars to businesses with gross annual revenues of \$1 million or less, as shown in Table 11. The bank’s lending to small businesses is below demographics, which indicate that 91.1% of businesses in the AA have gross annual revenues of \$1 million or less. However, the bank’s performance is reasonable. Bank management indicated that the four businesses with revenues unknown are new businesses without revenue to report and would likely be classified as small businesses. Furthermore, out of the 12 loans made to businesses with revenues over \$1 million, two account for 54.0% of the lending dollars to such entities. Of the loans to small businesses, 81.0% were in the amounts of \$100,000 or less, which indicates a commitment to serving the credit needs of small businesses. A local contact noted that local banks are meeting small business credit needs.

Table 11 Distribution of 2023 Small Business Lending By Revenue Size of Businesses Assessment Area: Grand Rapids AA					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	21	56.8	1,834	39.3	91.1
Over \$1 Million	12	32.4	2,038	43.7	6.4
Revenue Unknown	4	10.8	795	17.0	2.6
Total	37	100.0	4,667	100.0	100.0

Table 11 Distribution of 2023 Small Business Lending By Revenue Size of Businesses Assessment Area: Grand Rapids AA					
By Loan Size					
\$100,000 or Less	24	64.9	1,302	27.9	
\$100,001 - \$250,000	9	24.3	1,541	33.0	
\$250,001 - \$1 Million	4	10.8	1,824	39.1	
Total	37	100.0	4,667	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	17	81.0	864	47.1	
\$100,001 - \$250,000	3	14.3	586	32.0	
\$250,001 - \$1 Million	1	4.8	384	20.9	
Total	21	100.0	1,834	100.0	
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

Consumer Lending

The borrower distribution of consumer lending is reasonable. Overall, 36.4% of the bank’s consumer loans were made to LMI borrowers, as shown in Table 12. This level of lending is generally consistent with the overall percentage of LMI households in the AA (42.0%). The bank’s lending to low-income borrowers at 16.4% is below demographics, which indicate that 25.8% of households in the AA are low income. The bank’s lending to moderate-income borrowers at 20.0% is above demographics, which show that 16.2% of households in the area are moderate income. Bank management noted the strong competition for consumer loans in the AA.

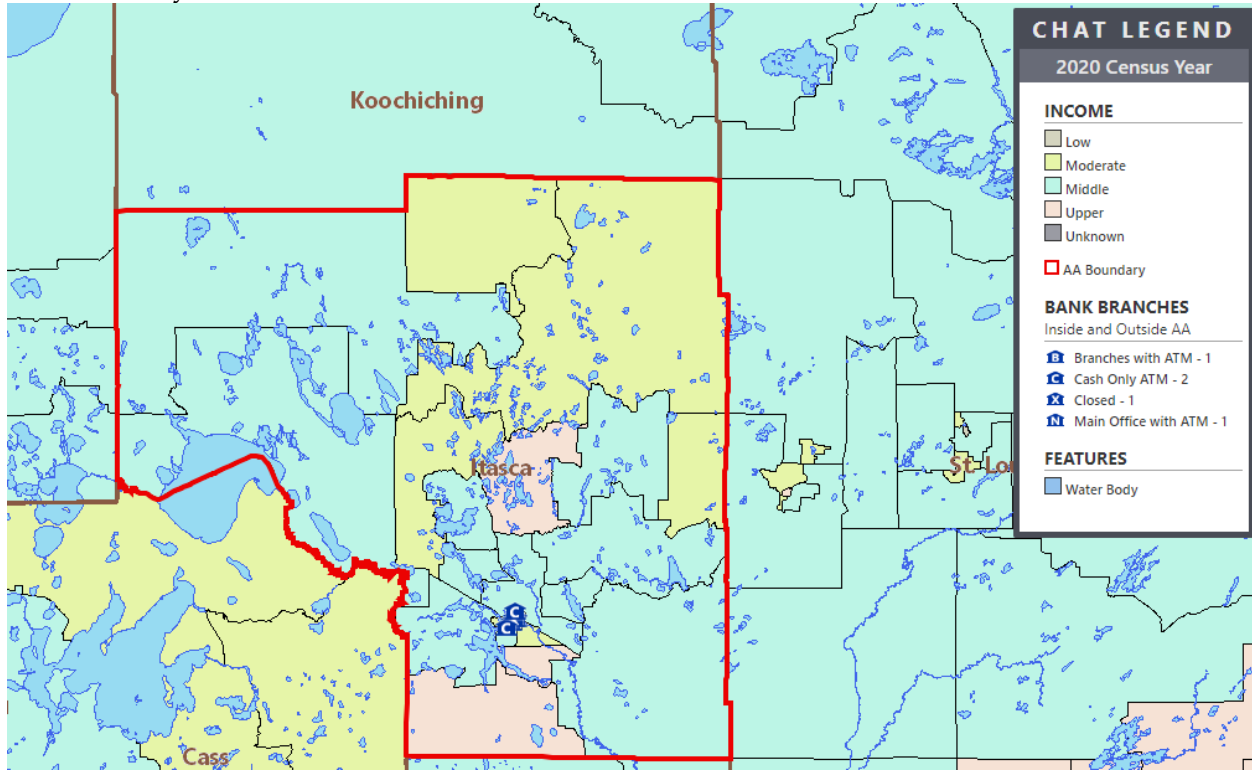
Table 12 Distribution of 2023 Other Loan Data Lending By Borrower Income Level Assessment Area: Grand Rapids AA					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	%	\$(000)	%	
Low	9	16.4	66	1.9	25.8
Moderate	11	20.0	467	13.7	16.2
Middle	8	14.5	1,812	53.3	19.6
Upper	21	38.2	813	23.9	38.3
Unknown	6	10.9	241	7.1	0.0
Total	55	100.0	3,398	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

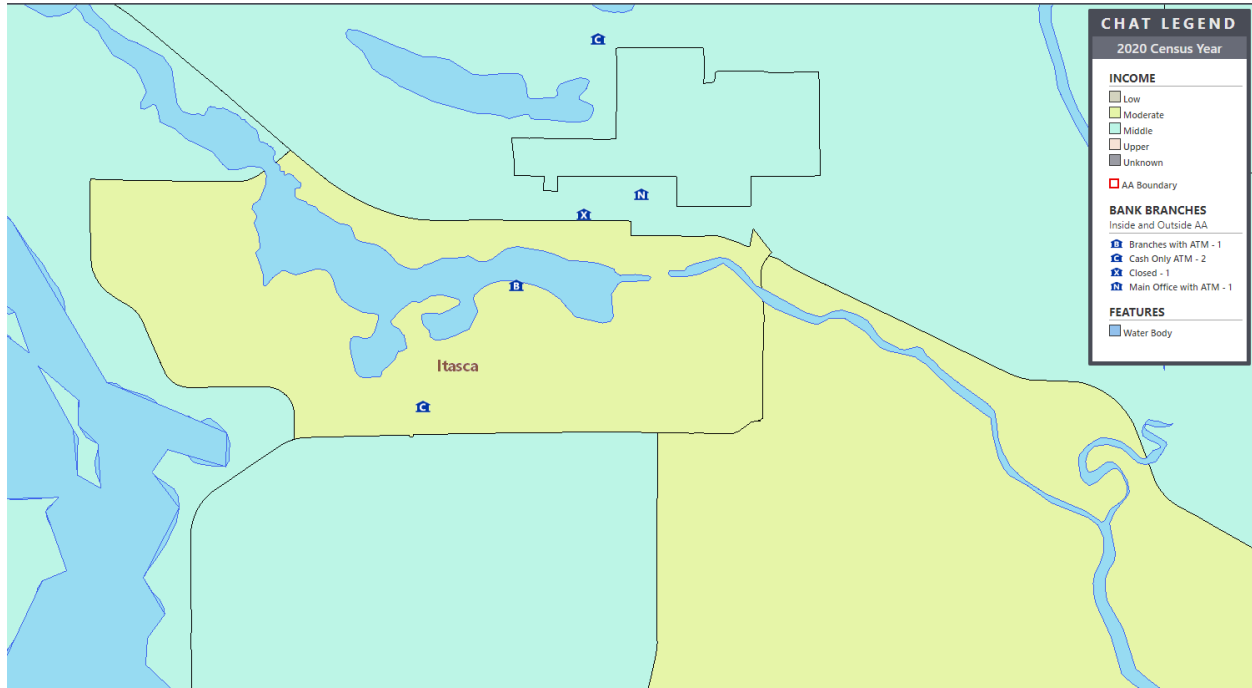
The examination did not reveal any evidence of violations of antidiscrimination laws or regulations (including Regulation B – Equal Credit Opportunity Act and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

APPENDIX A – MAP OF THE ASSESSMENT AREA

AA Boundary



Office and ATM Details



APPENDIX B – DEMOGRAPHIC INFORMATION

2023 Grand Rapids AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,624	20.7
Moderate	6	28.6	2,938	23.2	398	13.5	2,709	21.4
Middle	12	57.1	8,226	65.0	655	8.0	2,598	20.5
Upper	3	14.3	1,498	11.8	41	2.7	4,731	37.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	21	100.0	12,662	100.0	1,094	8.6	12,662	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	7,954	3,820	23.7	48.0	1,274	16.0	2,860	36.0
Middle	16,915	10,284	63.9	60.8	2,049	12.1	4,582	27.1
Upper	2,895	1,986	12.3	68.6	116	4.0	793	27.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	27,764	16,090	100.0	58.0	3,439	12.4	8,235	29.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	648	30.3	578	29.7	54	39.7	16	29.1
Middle	1,315	61.5	1,198	61.6	78	57.4	39	70.9
Upper	174	8.1	170	8.7	4	2.9	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2,137	100.0	1,946	100.0	136	100.0	55	100.0
Percentage of Total Businesses:				91.1		6.4		2.6

2023 Grand Rapids AA Demographics								
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	23	26.1	21	25.3	2	40.0	0	0.0
Middle	58	65.9	55	66.3	3	60.0	0	0.0
Upper	7	8.0	7	8.4	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	88	100.0	83	100.0	5	100.0	0	0.0
Percentage of Total Farms:				94.3		5.7		0.0
<p>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

APPENDIX C – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

Community development: Affordable housing (including multifamily rental housing) for low- or moderate individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

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

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

Limited-scope review: Performance is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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