PUBLIC DISCLOSURE

May 15, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

TPNB Bank
RSSD #1007051

118 North Main Street
Paris, Missouri 65275

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

TABLE OF CONTENTS

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

TPNB Bank is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.

- A majority of the bank's loans and other lending-related activities are originated inside the AA.

- The borrower's profile analysis reveals excellent distribution among individuals of different income levels, including low- and moderate-income (LMI), and farms of different sizes.

- The geographic distribution of loans reflects a reasonable dispersion throughout the AA.

- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

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

Small farm and 1–4 family residential real estate loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Due to the greater number and dollar amount of small farm lending, this product type carried greater weight when determining the overall conclusions. The following table includes the corresponding time period for each performance category.

<table>
<tr><th>Performance Criterion</th><th>Time Period</th></tr>
<tr><td>LTD Ratio</td><td>March 31, 2018 – March 31, 2023</td></tr>
<tr><td>Assessment Area Concentration</td><td rowspan="3">March 19, 2018 – December 31, 2021</td></tr>
<tr><td>Loan Distribution by Borrower's Profile</td></tr>
<tr><td>Geographic Distribution of Loans</td></tr>
<tr><td>Response to Written CRA Complaints</td><td>March 19, 2018 – May 14, 2023</td></tr>
</table>

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2015 American Community Survey data and certain farm demographics are based on 2018–2021 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from $132.9 million to $350.5 million as of March 31, 2023.

To augment this evaluation, one community contact interview with a member of the local community was utilized to ascertain specific credit needs, opportunities, and local market conditions within the bank's AA. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

TPNB Bank is an intrastate community bank headquartered in Paris, Missouri. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Paris Bancshares, Inc., Paris, Missouri.

- The bank has total assets of $104.0 million as of March 31, 2023. That represents an increase of 30.0 percent since the last evaluation.

- In addition to its main office in Paris, Missouri (Monroe County), the bank has one office located in Shelbina, Missouri (Shelby County), which was opened on June 11, 2021. There was no other branch activity during this review period. Considering the bank's limited branch network, its primary service accessibility is in the two counties containing a bank office, with ancillary access in the surrounding five counties.

- The bank has one cash-dispensing-only ATM inside a grocery store in Paris, Missouri.

- As shown in the following table, the bank's primary business focus is small farm and 1–4 family residential real estate lending.

Composition of Loan Portfolio as of March 31, 2023		
Loan Type	**Amount $ (000s)**	**Percentage of Total Loans**
Construction and Development	$1,255	2.4%
Commercial Real Estate	$7,888	14.9%
Multifamily Residential	$0	0.0%
1–4 Family Residential	$7,612	14.4%
Farmland	$21,930	41.6%
Farm Loans	$7,360	13.9%
Commercial and Industrial	$4,048	7.7%
Loans to Individuals	$1,796	3.4%
Total Other Loans	$884	1.7%
TOTAL	**$52,773**	**100%**
Note: Percentages may not total 100.0% due to rounding.		

The bank was rated Satisfactory under the CRA at its March 19, 2018 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 Northeast Missouri AA is located in a nonmetropolitan statistical area (nonMSA) portion of the state. The bank's AA consists of the entirety of the following counties: Audrain, Macon, Marion, Monroe, Ralls, Randolph, and Shelby (see Appendix A for an AA map).

- This AA delineation has not changed since the previous evaluation.

- According to the June 30, 2022 Federal Deposit Market Share report, the bank has a market share of 2.9 percent, which ranks 11th out of 25 FDIC-insured depository institutions operating in the AA.

- According to the Bureau of Labor Statistics, the three largest nongovernmental industries in the AA, determined by number of employees, are manufacturing (20.3 percent), retail trade (15.6 percent), and accommodation and food services (7.6 percent).

- One community contact interview was conducted for this evaluation. This individual specializes in local government.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	2	26	7	0	**35**
	0.0%	5.7%	74.3%	20.0%	0.0%	**100%**
Family Population	0	1,613	21,374	6,551	0	**29,538**
	0.0%	5.5%	72.4%	22.2%	0.0%	**100%**

- Since the previous evaluation, demographic information has been updated. As of the 2018 CRA evaluation, the bank's AA had zero low-income census tracts and three moderate-income census tracts. The current assessment area still has zero low-income census tracts. However, two of the three previous moderate-income census tracts are now middle-income geographies (the remaining moderate-income census tract is unchanged), and one previously designated middle-income geography in Hannibal, Missouri (Marion County) is now a moderate-income census tract. The other moderate-income census tract is in Moberly, Missouri (Randolph County).

- Similarly, another demographic-related change since the previous examination includes a decrease in the percentage of families living in moderate-income census tracts, from 9.6 percent to 5.5 percent.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change**
Northeast Missouri AA	120,320	118,536	-1.5%
NonMSA Missouri	1,550,288	1,505,909	-2.9%
Missouri	6,045,448	6,154,193	1.8%
Source: 2020 U.S. Census Bureau: Decennial Census *2011–2015 U.S. Census Bureau: American Community Survey*			

- The community contact stated that, despite the decrease in population between 2015 and 2020 in the AA, it is likely there will be population growth soon due to many relocating to more rural areas following the increased opportunities for remote work.

Median Family Income Change			
Area	**2015 Median Family Income**	**2020 Median Family Income**	**Percent Change**
Northeast Missouri AA	$56,450	$60,929	7.9%
NonMSA Missouri	$52,816	$56,957	7.8%
Missouri	$66,438	$72,834	9.6%
Source: 2011–2015 U.S. Census Bureau: American Community Survey *2016–2020 U.S. Census Bureau: American Community Survey* *Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.*			

- The median family income in the AA has increased considerably between 2015 and 2020. While the median family income aligns favorably with the nonMSA portions of Missouri, it still trails the state of Missouri as a whole. The magnitude of the change compares similarly with nonMSA Missouri but slightly lags that of the state of Missouri. These figures agree with the community contact's sentiments that the regional economy for the AA is performing well.

Unemployment Rates					
Area	**2018**	**2019**	**2020**	**2021**	**2022**
Northeast Missouri AA	3.2%	3.4%	5.3%	3.5%	2.6%
NonMSA Missouri	3.8%	3.9%	6.2%	4.2%	2.8%
Missouri	3.2%	3.2%	6.1%	4.1%	2.5%
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics					

- The AA's unemployment rate has remained relatively steady over the previous five years, notwithstanding the spike in 2020 that occurred nationwide as a result of the COVID-19 pandemic. Furthermore, unemployment levels in the AA have consistently remained below the levels seen in nonMSA Missouri and the state of Missouri as a whole.

Housing Cost Burden						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low-Income	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Northeast Missouri AA	62.8%	19.0%	31.9%	54.3%	22.8%	15.1%
NonMSA Missouri	66.4%	26.6%	35.9%	52.7%	23.9%	16.6%
Missouri	72.8%	26.6%	39.7%	56.8%	25.6%	16.5%
Cost burden is housing cost that equals 30% or more of household income. *Source: 2015–2019 U.S. Department of Housing and Urban Development (HUD): Comprehensive Housing Affordability Strategy*						

- As illustrated in the table above, the housing cost burden for LMI renters in the AA (31.9 percent) is less than both nonMSA Missouri (35.0 percent) and the state of Missouri as a whole (39.7 percent). However, for those owning a home in the AA, housing costs (15.1 percent) are largely similar when compared to the figures for nonMSA Missouri (16.6 percent) and the state overall (16.5 percent).

- The community contact noted inflation has directly impacted the housing and rental markets in the AA. Prices for home purchases have increased significantly, with new housing construction tending to occur in larger towns within the region.

- Notwithstanding the gross rent data discussed above, the community contact noted that rental prices in the area are also increasing, as the cost to maintain the units has increased.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall performance under the Lending Test is Satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, location, and branch structure.

Comparative LTD Ratios [March 31, 2018 – March 31, 2023]			
Institution	Location	Asset Size $ (000s)	LTD Ratio (%) 21-Quarter Average
TPNB Bank	Paris, Missouri	103,974	59.0%
Similarly Situated Institutions			
Regional Banks	Kirksville, Missouri	132,886	47.4%
	Macon, Missouri	350,464	56.7%

The bank's LTD ratio is reasonable. The bank's 21-quarter average LTD ratio has remained steady and is comparable to the bank's previous evaluation average LTD ratio of 58.9 percent. This average is also within close range of average LTD ratios of the similarly situated institutions.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	# %	$ (000s)	$ %	#	# %	$ (000s)	$ %
Small Farm	52	92.9%	$5,049	90.9%	4	7.1%	$505	9.1%
1–4 Family Residential Real	41	83.7%	$3,399	85.8%	8	16.3%	$561	14.2%
TOTAL LOANS	93	88.6%	$8,448	88.8%	12	11.4%	$1,066	11.2%
Note: Percentages may not total 100.0% due to rounding.								

A majority of the bank's loans, by number and dollar, are originated inside the AA.

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to borrowers of different income/revenue levels. The bank's lending has an excellent distribution among farms of different sizes and individuals of different income levels.

Small Farm Lending

The borrower distribution of small farm lending is excellent. As displayed in the following table, the bank's lending to small farms (100.0 percent) far exceeds the aggregate (56.0 percent) and is above demographic (99.3 percent).

Distribution of 2018–2021 Small Farm Lending by Revenue Size of Farms Assessment Area: Northeast Missouri									
Farm Revenue and Loan Size			**Count**			**Dollars**			**Total Farms**
			Bank		**Aggregate**	**Bank**		**Aggregate**	
			#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Farm Revenue		$1 Million or Less	52	100.0%	56.0%	$5,050	100.0%	72.3%	99.3%
		Over $1 Million/ Unknown	0	0.0%	44.0%	$0	0.0%	27.7%	0.7%
		TOTAL	52	100.0%	100.0%	$5,050	100.0%	100.0%	100.0%
Loan Size		$100,000 or Less	33	63.5%	78.8%	$1,296	25.7%	27.0%	
		$100,001– $250,000	17	32.7%	12.1%	$2,864	56.7%	28.6%	
		$250,001– $1 Million	2	3.8%	9.1%	$890	17.6%	44.5%	
		Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
		TOTAL	52	100.0%	100.0%	$5,050	100.0%	100.0%	
Loan Size	**Revenue $1 Million or Less**	$100,000 or Less	33	63.5%		$1,296	25.7%		
		$100,001–$250,000	17	32.7%		$2,864	56.7%		
		$250,001– $1 Million	2	3.8%		$890	17.6%		
		Over $1 Million	0	0.0%		$0	0.0%		
		TOTAL	52	100.0%		$5,050	100.0%		
Source: 2021 FFIEC Census Data *2021 Dun & Bradstreet Data* *2011–2015 U.S. Census Bureau: American Community Survey* *Note: Percentages may not total 100.0% due to rounding.*									

Residential Real Estate Lending

The bank's residential real estate loan distribution is excellent to both low- and moderate-income individuals and therefore is excellent overall. While the bank's lending performance to low-income borrowers (12.2 percent) trails the demographic comparator (18.3 percent), it far exceeds the aggregate (5.2 percent), which received more weight. Alternatively, the bank's lending performance to moderate-income borrowers (22.0 percent) exceeds both the aggregate (16.5 percent) and demographic comparator (17.0 percent).

Distribution of 2018–2021 Residential Real Estate Lending by Borrower Income Level Assessment Area: Northeast Missouri							
Borrower Income Level	**Bank and Aggregate Loans**						**Families by Family Income**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**# %**	**# %**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	5	12.2%	5.2%	$385	11.3%	2.6%	18.3%
Moderate	9	22.0%	16.5%	$291	8.6%	11.4%	17.0%
Middle	7	17.1%	18.9%	$464	13.7%	16.5%	21.1%
Upper	20	48.8%	38.8%	$2,258	66.4%	48.0%	43.6%
Unknown	0	0.0%	20.6%	$0	0.0%	21.5%	0.0%
TOTAL	41	100.0%	100.0%	$3,399	100%	100.0%	100.0%

Source: 2018–2021 FFIEC Census Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0% due to rounding. Multifamily loans are not included in the borrower distribution analysis.

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. Furthermore, the bank originated loans in all census tracts for those counties containing a branch office. For the remaining five AA counties where the bank does not have a branch office, the bank had loan activity in one of the two moderate-income geographies. Consequently, this analysis did not reveal any conspicuous lending gaps, supporting the conclusion that the bank's overall geographic distribution of loans is reasonable.

<u>Small Farm Lending</u>

The geographic distribution of small farm lending is reasonable. The bank's overall distribution of small farm loans to moderate-income census tracts is comparable to the aggregate and demographic figures, notwithstanding there are very few small farm lending opportunities in the two moderate-income census tracts. Consequently, the bank made the substantial majority of small farm loans in middle-income census tracts (96.2 percent), reflecting reasonable performance compared to the aggregate lending level (81.0 percent) and the demographic estimate (83.0 percent).

Distribution of 2021 Small Farm Lending by Income Level of Geography Assessment Area: Northeast Missouri							
Tract Income Levels	**Count**			**Dollar**			**Total Farms**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.4%	$0	0.0%	0.4%	0.3%
Middle	50	96.2%	81.0%	$4,923	97.5%	78.4%	83.0%
Upper	2	3.8%	18.5%	$126	2.5%	21.3%	16.7%
Unknown	0	0.0%	0.1%	$0	0.0%	0.0%	0.0%
TOTAL	**52**	**100.0%**	**100.0%**	**$5,049**	**100.0%**	**100.0%**	**100.0%**
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011–2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.							

Residential Real Estate Lending

The geographic distribution of home mortgage lending is reasonable. While the bank's lending performance in moderate-income census tracts (2.4 percent) trails both aggregate (4.2 percent) and demographic (4.9 percent) figures, the bank's proximity relative to the two moderate-income census tracts in the AA creates geographical challenges for the bank to regularly lend in those geographies.

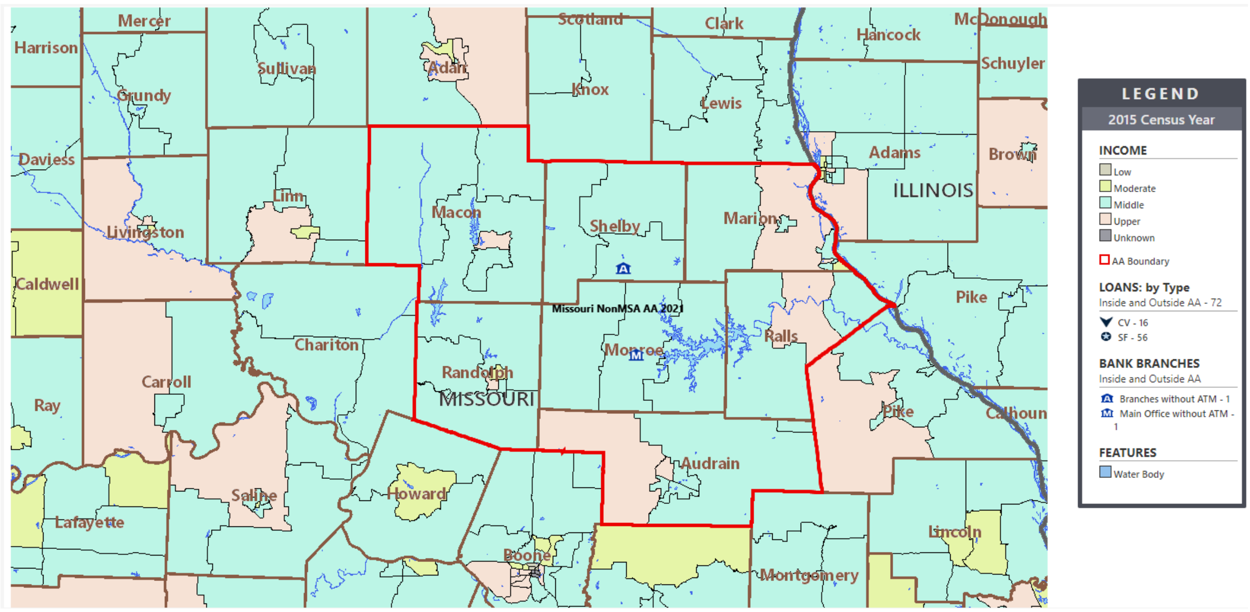
Distribution of 2018–2021 Residential Real Estate Lending by Income Level of Geography Assessment Area: Northeast Missouri							
Geographic Income Level	**Bank and Aggregate Loans**						**Owner-Occupied Units**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**# %**	**# %**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	1	2.4%	4.2%	$26	0.8%	2.8%	4.9%
Middle	38	92.7%	67.4%	$3,153	92.8%	66.5%	73.2%
Upper	2	4.9%	28.2%	$220	6.5%	30.5%	21.9%
Unknown	0	0.0%	0.2%	$0	0.0%	0.2%	0.0%
TOTAL	41	100.0%	100.0%	$3,399	100.0%	100.0%	100.0%
Source: 2018–2021 FFIEC Census Data 2011–2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.							

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Northeast Missouri AA



APPENDIX B – 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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan 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 on 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 contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) 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; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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 under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., 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 refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An 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. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an 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.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either 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): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.