

PUBLIC DISCLOSURE

November 26, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Mid-Peninsula Bank
RSSD - 1156539
420 Cowper Street
Palo Alto, California 94301**

**Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105**

NOTE: 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

INSTITUTION'S CRA RATING: This institution is rated outstanding.

Mid-Peninsula Bank demonstrates an outstanding level of performance under the Community Reinvestment Act. The bank's lending activity within its assessment area reflects an overall excellent responsiveness to assessment area credit needs. There is a good level of small business lending throughout the various geographies, including low- and moderate-income areas, while direct lending to small businesses is fair. The strength of the lending record, however, is due to the outstanding level and impact of community development lending. Similarly, community development investment and service activities exhibit an excellent level of participation in community development initiatives targeted to the identified needs of the assessment area.

The following table shows the performance level of Mid-Peninsula Bank with respect to the lending, investment, and service tests.

MID-PENINSULA BANK			
PERFORMANCE LEVELS	PERFORMANCE TESTS		
	LENDING TEST*	INVESTMENT TEST	SERVICE TEST
OUTSTANDING	X	X	X
HIGH SATISFACTORY			
LOW SATISFACTORY			
NEEDS TO IMPROVE			
SUBSTANTIAL NONCOMPLIANCE			

**NOTE: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.*

PERFORMANCE CONTEXT

DESCRIPTION OF INSTITUTION

Mid-Peninsula Bank (MPB), headquartered in Palo Alto, California, is a \$1.4 billion lead bank subsidiary of Greater Bay Bancorp, a multi-bank holding company. In addition to its main office, the bank operates four full-service branch offices in the cities of Fremont, San Mateo, San Rafael, and Walnut Creek.

The bank's primary business strategy is to build banking relationships with commercial entities, professional firms and non-profit organizations. As such, it offers a variety of deposit and credit products to address the needs of a business clientele. Various consumer-purpose loans are extended, however they are generally on an accommodation basis to existing business customers. Consistent with this strategy, and illustrated below, commercial lending accounts for a majority of the bank's loan portfolio. In addition, the categories of construction lending, loans secured by residential real estate, and multi-family housing largely consist of business-purpose loans.

As of September 30, 2001, MPB had total assets of \$1.4 billion, total gross loans of \$895 million, and total deposits of \$974 million. The bank's lending portfolio is detailed in the following table.

Loan Type	Dollar Amount ('000s)	Percent of Total Loans
Commercial/Industrial & Non-Farm Non-Residential Real Estate	\$600,700	67%
Construction	\$206,568	23%
Secured by 1-4 Family Residential Real Estate	\$36,519	4%
Consumer	\$34,265	4%
Other	\$12,117	1%
Multi-Family Housing (5 or more units)	\$4,694	1%
Farmland & Agriculture	\$195	<1%
Total Gross Loans	\$895,058	100%

MPB received an outstanding CRA rating at its previous examination dated November 1, 1999. In the time period between examinations there were no legal or financial impediments that would prevent the bank from helping to meet the credit needs of its assessment area consistent with its business strategy, size, financial capacity, and local economic conditions.

DESCRIPTION OF ASSESSMENT AREA

MPB's assessment area includes portions of Santa Clara and San Mateo Counties as well as Alameda, Contra Costa and Marin Counties in their entirety. All five counties are part of the San Francisco Consolidated Metropolitan Statistical Area, with Alameda and Contra Costa comprising the Oakland Metropolitan Statistical Area (MSA).¹ These five counties essentially surround San Francisco County and are five of the nine counties that comprise the San Francisco Bay Area, one of the state's busiest urban areas.

Just south of San Francisco are the suburbs of San Mateo County, which is located in the middle of a continuous urban area stretching from Santa Clara County in the south to San Francisco County in the north. Northwestern Santa Clara County is part of the Silicon Valley region, an industrial area centered around the southern shores of the San Francisco Bay. Located on the east side of the San Francisco Bay are Alameda and Contra Costa Counties, with southern Alameda County part of the Silicon Valley region. Marin County is linked to San Francisco by the Golden Gate Bridge and to Contra Costa County by the San Rafael Bridge.

Based upon 1990 census data, there are 1,015 census tracts in the assessment area. However, 122 of these have unknown median income levels and a limited population (less than one percent of the area). Therefore, the CRA analysis is based on the remaining 893 census tracts. The following table illustrates some of the assessment area census data by income level.

Income Level	Census Tracts		Population		Families	
	Number	Percentage	Number	Percentage	Percentage	Percentage
Low	63	7%	229,622	5%	193,556	19%
Moderate	169	19%	810,311	20%	180,978	18%
Middle	390	44%	1,886,954	46%	241,519	23%
Upper	271	30%	1,199,314	29%	417,843	40%
Total	1,015	100%	4,136,366 ²	100%	1,033,896	100%

According to the 1990 census, six percent of all families in the assessment area live below the poverty level. The majority, 59 percent, reside in low- and moderate-income census tracts. The overall level of people living below the poverty line is significantly less than in the state overall where the figure is 9.3 percent.

MPB operates in a competitive banking environment where it has a relatively small market share. The bank has five full-service offices within its assessment area. The offices are located in Palo Alto, Fremont, San Mateo, San Rafael, and Walnut Creek. According to June 30, 2001 information, the bank had a one percent market share of deposits from all financial institutions operating in Alameda, Contra Costa, San Mateo, and Santa Clara Counties. This ranks 18th out of 91 financial institutions operating within this area. In Santa Clara County, where the bank's maintains its largest presence, the bank captured just shy of a two percent market share of deposits. The bank ranks 13th out of 58 financial institutions operating within this area. The top

¹ Refer to appendix for definitions.

² Includes the 10,165 persons living in tracts with unknown income levels.

three performers are large national banks or savings associations. The bank's market share in Marin County is not yet available since the bank opened its San Rafael office in April 2001.³

Housing

The lack of affordable housing continues to be one of the most critical needs in the Bay Area and is particularly serious in the Santa Clara County suburbs near the Silicon Valley. California, particularly the Bay Area, remains one of the least affordable housing markets in the U.S. As of the first quarter of 2001, San Francisco was the least affordable housing market in the country, with San Jose (Santa Clara County) the 4th least affordable and the Oakland market the 7th least affordable.⁴ One key reason for the housing affordability issue is that the entire Bay Area region has historically created new jobs at over five times the rate it has created new housing. This phenomenon results in housing shortages that drive up rental costs and housing prices.

The current recession has begun to ease the housing issue with rents and housing prices starting to decline. However, the core dynamics continue to exist, and housing will continue to be a problem in the Bay Area for the foreseeable future.

Employment and Economic Conditions

The entire Bay Area showed positive growth throughout 1999 and into 2000 with the labor force and employment growing and unemployment rates declining. Services dominated employment with the business services component responsible for the largest share of new jobs.⁵ However, by 2001 the San Francisco Bay Area was in the midst of a recession, primarily due to dot-com failures. As a result the economy is suffering from a downturn in financial services and travel-related industries. Travel has fallen as the tech slump has sharply curtailed business travel to the area. In addition, office vacancies are rising as demand slumps and office rents fall.⁶ As a result, unemployment rates also rose sharply in 2001 after continuing to decline in 2000.⁷ This recent rise in unemployment is attributable to the technology downturn, but job losses are widespread, extending from technology, manufacturing and services to financial services and trade and transportation.

Particularly hard hit during the recession is the San Jose metropolitan area in Santa Clara County, which is predominated by the Silicon Valley. Its name is derived from the dense concentration of electronics and computer companies, although its emphasis has shifted somewhat from computer manufacturing to research, development and marketing of computer products and software. Given its technology focus, this area has seen the largest decrease in employment due to dot-com failures and layoffs. According to recent statistics, since January 2000, 227 Internet companies based in California either went out of business or filed

³ Source: FDIC/OTS Summary of Deposits as of June 30, 2001.

⁴ Source: California Building Industry Association.

⁵ Source: California Employment Development Department - Labor Market Information Division - County Snapshot.

⁶ Source: Precis: METRO @ Economy.com, Inc.

⁷ Source: California Employment Development Department.

bankruptcy.⁸ Also, dot-com layoffs in 2001 are on pace to double those in 2000. As a result, the greater San Jose metropolitan area has gone from one of the nation's lowest jobless rates to one of the highest.⁹

In Alameda and Contra Costa Counties, the availability of rapid transit and close proximity to major employment hubs have combined to attract more residents and companies in the past decade, many moving from more expensive sections of the western Bay Area. Despite these similarities, the two counties have differing economic bases. Alameda County is a major port for trade and is heavily influenced by business services mainly due to the spread of high-technology employment into the southern portions of the county. The central portion of Contra Costa County, while still dominated by the services industry, is primarily residential, commercial and light industrial.¹⁰ Although these counties are not dominated by technology, the economic slowdown is having a similar impact on employment, primarily in the manufacturing and service industries, office vacancies and unemployment rates.

Similar to other Bay Area counties, Marin County has an economy dominated by small- and medium-sized businesses. It's main urbanized corridor is home to multimedia, software development, motion picture production and other high tech industries as well as being a strong base of business services. Given this economic base, Marin also is feeling the same impacts of the recession. However, not to the extent of other Bay Area counties. As of mid-2001, Marin County still had the lowest unemployment rate in the Bay Area.

Given its more residential focus, San Mateo County most closely resembles Marin County in that it is seeing the impacts of the recession primarily in the business services sector and in those areas with high concentrations of small- and medium-sized businesses. Similar to Marin, San Mateo also has a low unemployment rate in comparison to other Bay Area counties.

Business Demographics

Dun and Bradstreet data for the year 2000 shows that small businesses dominate the market, both in numbers of employees and revenue size. Approximately 85 percent of the 193,919 businesses operating in the assessment area have gross annual revenues of \$1 million or less, while 64 percent have less than five employees. This data also shows that services and retail trade make up the preponderance of business sectors. The following tables detail the business distributions within the assessment area.

⁸ Source: *"Silicon Valley.com"* article entitled "Dot-com Death Toll Doubles in 2001, Report Says."

⁹ Source: *Precis - METRO @ Economy.com, Inc.*

¹⁰ Source: *California Employment Development Department - Labor Market Information Division - County Snapshot.*

Businesses by Size and Income Category					
Tract Income Level	Number of Businesses	Percent of Total Businesses	Businesses with Gross Annual Revenues <=\$1MM	Percent of Total Businesses with Gross Annual Revenues <=\$1MM	Businesses with Gross Annual Revenues <=\$1MM as a Percent of Total Businesses in Census Tract
Low	13,989	7%	11,378	7%	81%
Moderate	34,311	18%	29,112	18%	85%
Middle	90,634	47%	77,418	47%	85%
Upper	54,280	28%	46,872	28%	86%

Businesses by Sector		
Employment Sector	Number of Businesses	Percent of Businesses
Services	90,831	47%
Retail Trade	34,836	18%
Finance, Insurance and Real Estate	17,683	9%
Manufacturing	13,689	7%
Construction	12,999	7%
Wholesale Trade	12,910	7%
Transportation, Communication	6,521	3%
Agriculture	3,206	1%
All Other	1,244	1%

Conclusions

As detailed above, the current economic slowdown is causing job losses and unemployment to rise significantly. While housing prices have declined somewhat, housing affordability remains a major issue. Also, given the preponderance of small businesses in the market, credit for small businesses remains a major need. While demand for such loans was high during much of the review period, credit standards are tightening at the same time that there is lower business investment and revenues and ultimately lower loan demand in some cases. As the above data suggests, the number of businesses to lend to has drastically decreased and the credit risk of small businesses focused on technology is high due to the percentage of bankruptcies. Nevertheless, community representatives emphasize the need for small dollar loans and technical assistance for small businesses and affordable housing programs and loans. In addition, there was an indicated need for community development services and for lending to non-profit organizations in general.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

SCOPE OF EXAMINATION

MPB's CRA examination was conducted using the large bank performance criteria. It consisted of an evaluation of the bank's performance under the lending, investment, and service tests. The sample period for the lending test was July 1, 1999, through June 30, 2001. During that time, the bank originated 384 small business loans totaling \$144 million. Activity under the investment and service tests was reviewed from the previous examination dated November 1, 1999 through October 31, 2001.

LENDING TEST

MPB's overall lending record reflects an outstanding responsiveness to assessment area credit needs. Small business lending penetrates various geographies, including low- and moderate-income census tracts. The level of lending to small businesses is somewhat low, but is balanced by an excellent level of community development lending that indirectly provides for financing to small businesses.

Assessment Area Concentration

A significant majority of small business loans were originated within the assessment area. Specifically, 83 percent by number and 87 percent by dollar amount were originated within the five county area.

Lending Distribution by Geography

The geographic distribution of lending reflects a good penetration throughout the assessment area and is consistent with local credit demand and lending opportunities. The following table details the distribution of small business loans originated within the assessment area as compared to the distribution of businesses and the performance of other lenders in the market.

Tract Level Income	Percent of Tracts	Percent of Small Businesses	MPB Small Business Loans		Aggregate Market Small Business Loans	
			#	\$	#	\$
Low	7%	7%	7%	7%	6%	9%
Moderate	19%	18%	12%	12%	16%	18%
Middle	44%	47%	45%	47%	46%	45%
Upper	30%	28%	35%	34%	32%	28%

As illustrated above, the bank's lending distributions are similar to the distribution of businesses and consistent with the aggregate small business lending activity in low- and moderate-income areas. Small business lending is concentrated around its branch offices, and there are not any conspicuous gaps in these distributions.

Lending Distribution by Business Revenue

MPB's lending record exhibited a fair penetration to small businesses (i.e., those with gross annual revenues of \$1 million or less). Dun and Bradstreet data indicates that 85 percent of all business entities operating in the assessment area have gross annual revenues of \$1 million or less. However, the bank extended only 33 percent of its small business loans to these small businesses. In addition, 33 percent of its loans to small businesses were in amounts of \$100,000 or less. Notwithstanding the number of small businesses in the area, the bank's small business lending activity is consistent with the aggregate small business lending data. Additionally, the bank further addresses small business needs through its strong participation in community development lending initiatives, which are discussed below.

Community Development Lending

MPB extended an outstanding level of community development loans within its assessment area. In addition, the majority of these community development loans addressed identified credit needs such as micro small business lending, affordable housing and loans to non-profit organizations. Since the previous evaluation, the bank made 21 community development loans totaling \$92.5 million. In addition to these 21 loans, the bank also committed \$944,000 for participation in three loan pools (\$629,000 has been funded to date). Specifically, the bank committed \$840,000 (\$525,000 funded) for affordable housing and/or community facilities through Lenders for Community Development (LCD), and \$104,000 (\$104,000 funded) for LCD's small business loan pool.

MPB's continued participation with LCD provides excellent opportunities to help meet micro-business lending and affordable housing needs. Lenders for Community Development is a multi-bank community development corporation providing financing in the form of micro loans (\$50,000 or less) to businesses owned by women, minorities, and low-income individuals. Financing for affordable housing and community resource developers also is available. In addition, LCD serves as an intermediary between local financial institutions and the community by providing outreach and educational services. All of the loans in which MPB participated directly benefited low- and moderate-income individuals or geographies.

In addition to its LCD participation, other fully-funded community development lending activity included the following:

- Funding a \$4 million loan to construct a 95-unit senior housing project in San Jose. Seventy-six units are designated for low-income individuals and 19 units are designated for moderate-income individuals.
- Funding \$2 million loan to purchase homes at a HUD auction. The homes are to be resold to low- and moderate-income individuals throughout the assessment area.

- Funding a \$9.3 million loan for the development of a 30-unit and a 48-unit live/work loft complex. Targeted occupants are small businesses and low- and moderate-income individuals. The project also is located in an enterprise zone.
- Participating in a loan for the revitalization of an industrial park located in a moderate-income census tract in the Campbell/Los Gatos area. Targeted occupants are small businesses. MPB's participation was \$26 million.
- Participating in a loan to revitalize low- and moderate-income geographies within a redevelopment zone in East Palo Alto. Funds are to be used to construct three six-story office buildings and a parking structure. The businesses will also provide employment for low- and moderate-income individuals. MPB's participation was \$20 million.
- Providing \$12.2 million to revitalize areas within the San Leandro Redevelopment Plan. Funds are to be used for three office building complexes and a parking structure. Businesses will also provide employment for area low- and moderate-income individuals.

INVESTMENT TEST

MPB's investment and grant activity is excellent, with a majority supporting two of the assessment area's leading credit and community development needs - affordable housing and micro-business development. Investments and grants totaled \$12.3 million during the review period. The majority of these investments, approximately \$10 million, are mortgage-backed securities secured by mortgages in low- and moderate-income geographies. The remaining investments, as detailed below, have had a significant impact on the community.

Invested \$1,000,000 in a growth fund that promotes economic prosperity, social equity, and environmental quality in 46 targeted neighborhoods within the Bay Area. Specifically, the fund invests in retail, office, commercial, industrial, multi-family and single-family housing opportunities with measurable benefits for community residents. Examples of such benefits include programs for hiring local residents, increasing transit, providing healthcare and childcare services, improving affordable housing and/or job opportunities, and contracting with locally-owned and minority- and/or women-owned business enterprises.

Provided over \$950,000 to LCD through operating assessments and waivers of interest payments. These support LCD's micro small business lending and affordable housing loan pools previously discussed.

Invested \$30,000 in the California Environmental Restoration Fund (CERF), which was formed in order to provide financing, to fund the clean-up of brownfields and other contaminated property in California. CERF focuses its efforts on borrowers with limited equity and/or projects located in underprivileged areas. The purpose of CERF is further detailed in the Community Development Services section below.

SERVICE TEST

The bank's provision of retail banking and community development services demonstrates an outstanding responsiveness to the identified service needs of its assessment area.

Retail Banking Services

Delivery systems are reasonably accessible throughout the assessment area. In addition to the main office, the bank operates four full-service branch offices within the area. Four of its offices are located in middle-income census tracts, and one office is located in a moderate-income census tract. Services and products available at each of the branches are identical to those offered at the main office. Hours of operation provide sufficient access to banking services and do not vary in a way that inconveniences certain portions of the assessment area.

The bank has the following alternative delivery systems targeted to its business clientele:

- Telephone banking
- Internet banking with bill pay
- Direct deposit
- Bank by mail
- Courier services for businesses
- Night depository

Community Development Services

MPB provides an outstanding level of community development services, often acting in a leadership role. As with community development lending and investments, many of these activities are targeted to the more critical area needs of small business development and affordable housing. Services were provided to 15 separate organizations, and collectively these activities totaled 47 hours per month. Community development services support organizations that target low- and moderate-income individuals, affordable housing and small business development, and the stabilization and revitalization of low- and moderate-income geographies.

Of special note is that bank officers also expended an additional 1,000 hours over a two-year period to help get CERF into operation. CERF was formed in order to provide financing, primarily in the form of loans and other investments, to fund the clean-up of brownfields and other contaminated property in California. CERF focuses its efforts on borrowers with limited equity and/or projects located in underprivileged areas. CERF aims to (1) promote economic revitalization of communities by helping businesses grow, creating and retaining jobs, providing affordable housing, and supporting other community development efforts; (2) focus its efforts on projects located in disadvantaged areas that suffer disproportionately from contamination; (3) help preserve natural resources by counteracting the damaging effects of sprawl; and (4) promote public health by reducing harmful contamination, especially in disadvantaged neighborhoods. CERF is the first collaborative private-sector response to the

issue of brownfields and environmental clean-up anywhere in the country and is becoming a national model.

In addition, bank employees expend numerous hours per month on affordable housing loan committees that provide financing for low- and moderate-income individuals and small business loan committees that provide financing to small businesses. Employees also serve in officer positions on various organizations supporting affordable housing and small business initiatives.

COMPLIANCE WITH FAIR LENDING LAWS AND REGULATIONS

The bank is in compliance with all substantive provisions of the anti-discrimination laws and regulations. No violations were identified during this examination that would indicate the bank engages in any type of illegal discrimination or discouragement of lending activities.

GLOSSARY OF FREQUENTLY USED TERMS

Area Median Income (Median Income)	The median family income for the Metropolitan Statistical Area (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 which generally consists of one or more MSAs or one or more contiguous subdivisions, such as counties, cities or towns. Assessment areas also include geographies in which the bank has its main office, its branches and its deposit taking ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans (including home mortgage loans, small business loans, small farm loans, and any other loans the bank chooses, such as those consumer loans on which the bank elects to have its performance assessed).
Community Development	<ol style="list-style-type: none">(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 business or farms, which have, gross annual revenues of \$1 million or less or that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs.(4) Activities that revitalize or stabilize low- or moderate-income geographies.
Community Development Loan	A loan that has as its primary purpose community development; and, except in the case of a wholesale or limited purpose bank: <ol style="list-style-type: none">(1) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan; and(2) Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service	A service that has as its primary purpose community development, is related to the provision of financial services, and has not been considered in the evaluation of the bank's retail banking services under CRA.
Consumer Loans	Loans 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. Examples of consumer loans are: Motor Vehicle Loans, Credit Card Loans, Home-Equity Loans, Secured Consumer Loans and Unsecured Consumer Loans.
Census Tract	Small subdivisions 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. They 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.
Family Income	Includes the income of all members of a family that are age 15 and older.
Families	Defined by the U.S. Bureau of Census as all persons occupying a housing unit related to the householder by birth, marriage or adoption. A single person living alone or two or more unrelated individuals occupying the same household are not considered to be a family.
Geographies	Census tracts or numbering area blocks delineated by the U.S. Bureau of Census in the most recent decennial census.
Household Income	Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.
Households	Defined by the U.S. Bureau of Census as all persons occupying a housing unit.
Housing Unit	Includes a house, an apartment, a mobile home, a group of homes, or a single room that is occupied as separate living quarters.

HUD Adjusted Median Income	Based initially on the area median income derived from the most recent decennial census, the Department of Housing and Urban Development adjusts the figure annually for inflation.
Income Level	Includes low-income, moderate-income, middle-income and upper-income.
Low-Income	An individual income that is less than 50 percent of the HUD- adjusted median income or a census tract or block numbering area with a median family income that is less than 50% of the area median income.
Median Income	See Area Median Income and HUD Adjusted Median Income.
Metropolitan Statistical Area (MSA)	An area qualifies as an MSA if it contains a city with a population of at least 50,000 or is defined by the Bureau of the Census as an urbanized area and has a population of 50,000 or more and a total metropolitan population of 100,000.
Middle-Income	An individual income that is at least 80 percent and less than 120 percent of the HUD-adjusted median income, or a census tract or block numbering area with a median family income that is at least 80 and less than 120 percent of the area median income.
Moderate-Income	An individual income that is at least 50 percent and less than 80 percent of the HUD-adjusted median income, or a census tract or block numbering area with a median family income that is at least 50 and less than 80 percent of the area median income.
Owner-Occupied Housing Unit	Includes housing units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.
Qualified Investment	A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Real Estate Mortgage Loan

Defined by the Home Mortgage Disclosure Act (HMDA) as a home purchase loan, home improvement loan or the refinancings for both. A home purchase loan is any loan secured by and made for the purpose of purchasing a dwelling. A home improvement loan is for the purpose, in whole or part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located and is classified by the financial institution as a home improvement loan.

Small Bank

A bank that, as of December 31 of either of the prior two calendar years, had total assets of less than \$250 million and was independent or an affiliate of a holding company that, as of December 31 of the prior two calendar years, had total banking and thrift assets of less than \$1 billion.

Small Business

Businesses with gross annual revenues of \$1 million or less as defined by the Community Reinvestment Act.

Small Business Loan

Business purpose loans with original amounts of \$1 million or less as defined by the instructions for the Consolidated Reports of Condition and Income (CALL Report) for entry on schedule RC-C, part II "Loans to Small Businesses."

Upper-Income

An individual income that is 120 percent or more of the HUD-adjusted median income, or a census tract or block numbering area with a median family income that is 120 percent or more of the area median income.