PUBLIC DISCLOSURE

June 21, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Progressive Ozark Bank
RSSD #143372

904 West Scenic Rivers Boulevard
Salem, Missouri 65560

Federal Reserve Bank of St. Louis

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

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 institution.**

TABLE OF CONTENTS

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

Progressive Ozark Bank (the 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 more than reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.

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

- The borrower's profile analysis reveals reasonable 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.

One- to four-family residential real estate, motor vehicle, and small farm 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. Residential real estate was given the most weight, while small farm loans were given the least. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	March 31, 2018 – March 31, 2022
Assessment Area Concentration, Geographic Distribution of Loans, and Loan Distribution by Borrower's Profile	January 1, 2020 – December 31, 2020
Response to Written CRA Complaints	January 16, 2018 – June 20, 2022

To augment this evaluation, two community contact interviews were utilized with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's AA. One interviewee represented a social service organization, while the other represented an agricultural lending agency. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Progressive Ozark Bank is a community bank headquartered in Salem, Missouri. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Ozark Bancorp, Inc.
- The bank has total assets of $165.8 million as of March 31, 2022. This represents an increase of 46.9 percent since the last examination.
- The bank added two branches during this review period. In addition to its main office in Salem, the bank now has five additional offices located in Houston, Hartville, Mountain Grove, Licking (opened in 2020), and Mansfield (opened in 2020), Missouri; the bank did not close any branches during this review period.
- Each of the five full-service branches has an automated teller machine (ATM) on site.
- As shown in the table below, the bank's primary business focus is one- to four-family residential and farmland. While not as significant by dollar amount, automobile lending represents a substantial number of the bank's loans.

Composition of Loan Portfolio as of March 31, 2022		
Loan Type	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$8,631	6.9%
Commercial Real Estate	$6,584	5.2%
Multifamily Residential	$124	0.1%
1–4 Family Residential	$59,864	47.8%
Farmland	$29,699	23.7%
Farm Loans	$3,639	2.9%
Commercial and Industrial	$6,838	5.5%
Loans to Individuals	$9,842	7.9%
Total Other Loans	$0	0.0%
TOTAL	**$125,185**	**100%**
Note: Percentages may not total 100.0 percent due to rounding.		

The bank was rated Satisfactory under the CRA at its performance evaluation dated January 16, 2018. 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 Missouri nonMSA AA consists of the entirety of Dent, Texas, and Wright Counties (see Appendix A for an AA map).

- There have not been any changes to the AA delineation since the prior examination.

- The bank competes with 15 other FDIC-insured financial institutions in its AA. As of June 30, 2021, the bank has the second-highest market share at 12.6 percent with $147.7 million in deposits and ranks between financial institutions with 22.0 percent and 10.8 percent market shares.

- County business patterns indicate that there are 12,997 paid employees in the assessment area; of which, 31.0 percent are government employed in various industries. The two largest private sector industries by percentage of paid employees are retail trade (23.3 percent) and manufacturing (20.3 percent). Furthermore, 2020 demographics estimate that there are 218 farms in the AA, 98.6 percent of which have gross annual revenues of less than $1 million.

Assessment Area Demographics by Geography Income Level						
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	1	3	8	0	0	**12**
	8.3%	25.0%	66.7%	0.0%	0.0%	**100%**

- The AA consists of one low-, three moderate-, and eight middle-income census tracts. There are no upper-income tracts or tracts with unknown income. At the last examination, the one low-income census tract was designated as moderate-income. All eight middle-income census tracts are designated as distressed due to their high poverty levels.

Population Change Assessment Area: NonMSA Missouri			
Area	**2010 Population**	**2015 Population**	**Percent Change**
Assessment Area	60,480	59,796	-1.13%
NonMSA Missouri	1,556,057	1,550,288	-0.37%
Missouri	5,988,927	6,045,448	0.94%
Source: 2010 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

- The data indicates that the AA and the non-MSA statewide area had a gradually declining population from 2010 to 2015, while the state of Missouri as a whole had a slight increase.

Median Family Income Change Assessment Area: NonMSA Missouri			
Area	**2010 Median Family Income**	**2015 Median Family Income**	**Percent Change**
Assessment Area	$42,922	$42,977	0.13%
NonMSA Missouri	$49,277	$48,341	-1.90%
Missouri	$62,790	$60,809	-3.15%
Source: 2006–2010 U.S. Census Bureau: American Community Survey 2011–2015 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.			

- While the overall median family income of the AA did not experience a significant change from 2010 to 2015, median family income in Dent and Wright County decreased significantly (9.0 and 7.1 percent, respectively), while that of Texas County increased significantly (12.5 percent).

Housing Cost Burden Assessment Area: NonMSA Missouri						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low-Income	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Assessment Area	65%	24%	40%	52%	27%	19%
NonMSA Missouri	68%	33%	36%	56%	28%	17%
Missouri	74%	34%	40%	60%	31%	17%
Cost Burden is housing cost that equals 30 percent or more of household income. Source:2014–2018 U.S. Department of Housing and Urban Development (HUD: Comprehensive Housing Affordability Strategy)						

- The housing cost burden to both renters and owners in the AA seems to be consistent with the level of burden in all nonMSA Missouri.

- One community contact mentioned that the AA has a lack of affordable housing and an aging housing stock that is expensive to renovate.

Unemployment Rates Assessment Area: NonMSA Missouri					
Area	**2017**	**2018**	**2019**	**2020**	**2021**
Assessment Area	4.7%	3.8%	4.2%	5.9%	4.3%
NonMSA Missouri	4.4%	3.7%	3.8%	6.1%	4.4%
Missouri	3.7%	3.2%	3.1%	6.1%	4.4%
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics					

- Unemployment in the AA slightly increased in 2020 during the beginning of the pandemic but returned to pre-pandemic levels by 2021.

- According to both community contacts, the AA is heavily dependent on agriculture. Manufacturing and retail are also major industries.

- Community contacts stated that many residents have long commutes to the larger towns of Springfield and Branson for work. Many farmers have secondary jobs in these towns.

Home Mortgage Loan Trends Assessment Area: NonMSA Missouri			
Area	**2018**	**2019**	**2020**
Assessment Area	642	713	925
NonMSA Missouri	22,968	26,725	39,833
Missouri	127,919	157,864	255,673
Source: FFIEC Home Mortgage Disclosure Act Aggregate Data			

- There was a significant increase in home mortgage loans from 2019 to 2020 in the AA, which is consistent with the nationwide trend of high demand for home mortgages during the pandemic.

- However, the home mortgage loan increase from 2019 to 2020 in the AA (29.7 percent) was not as significant compared to that of all nonMSA Missouri (49.0 percent) or the overall state (62.0 percent). Dent County experienced the largest increase in home mortgage demand, with a 61.3 percent year-over-year increase.

Small Farm Loan Trends Assessment Area: NonMSA Missouri					
Area	**2016**	**2017**	**2018**	**2019**	**2020**
Assessment Area	325	362	373	372	391
NonMSA Missouri	5,761	6,820	7,170	6,951	6,840
Missouri	8,375	10,009	10,476	10,296	10,244
Source: FFIEC CRA Aggregate Data					

- A substantial majority of small farms in the AA are in Texas and Wright Counties, which is consistent with the community contacts' statement that these two counties are some of the most rural in the state of Missouri.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank meets the standards for a Satisfactory rating under the small bank procedures that evaluate bank performance under the following criteria, as applicable.

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 compared to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, market share, and proportion of agricultural lending. The bank's LTD ratio is more than reasonable. The bank maintained a significantly higher LTD ratio than its three peers throughout the 17-quarter period.

Comparative LTD Ratios
January 16, 2018 – June 20, 2022

Institution	Location	Asset Size $(000)	LTD Ratio (%) 17-Quarter Average
Progressive Ozark Bank	Salem, MO	$165,837	88.6%
Similarly Situated Institutions			
Regional Banks	Eminence, MO	$134,925	69.8%
	Salem, MO	$130,581	59.0%
	Mansfield, MO	$117,665	81.4%

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. A majority of the bank's loans, by number and dollar, are originated inside the AA.

Lending Inside and Outside the Assessment Area

Loan Type	Inside				Outside			
	#	#%	$(000)	$%	#	#%	$(000)	$%
Residential Real Estate	90	89.1	10,649	84.4	11	10.9	1,973	15.6
Small Farm-Related	45	86.5	5,359	87.5	7	13.5	764	12.5
Motor Vehicle	115	89.8	1,389	88.2	13	10.2	186	11.8
Total Loans	**250**	**89.0**	**17,397**	**85.6**	**31**	**11.0**	**2,924**	**14.4**

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

Loan Distribution by Borrower's Profile

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

Residential Real Estate Lending

The borrower distribution of residential real estate lending is reasonable. Home mortgage lending to both low- and moderate-income borrowers (8.9 and 23.3 percent, respectively) is consistent with aggregate lending performance but trails the estimated percentage of families for each income level, reflecting reasonable performance for both income categories.

Distribution of 2020 Home Mortgage Lending by Borrower Income Level
Assessment Area: NonMSA Missouri

Borrower Income Level	Bank and Aggregate Loans						Families by Family Income %
	Bank		Aggregate	Bank		Aggregate	
	#	#%	#%	$(000)	$%	$%	
Low	8	8.9%	6.7%	476	4.5%	3.1%	24.8%
Moderate	21	23.3%	16.1%	1,744	16.4%	11.0%	19.5%
Middle	18	20.0%	21.3%	1,837	17.2%	19.7%	21.9%
Upper	43	47.8%	30.3%	6,592	61.9%	37.2%	33.9%
Unknown	0	0.0%	25.6%	0	0.0%	29.0%	0.0%
Total	**90**	**100.0%**	**100.0%**	**10,649**	**100.0%**	**100.0%**	**100.0%**

Source: 2020 FFIEC Census Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.

Small Farm Lending

The borrower distribution of small farm lending is excellent. All the bank's small farm loans (100 percent) were made to farms with less than $1 million in revenue, which is significantly above the aggregate lending level to small farms and in line with the total number of small farms in the assessment area.

Distribution of 2020 Small Farm Lending by Revenue Size of Farms Assessment Area: NonMSA Missouri								
Farm Revenue and Loan Size		Count			Dollars			Total Farms
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Farm Revenue	$1 Million or Less	45	100.0%	88.5%	5,359	100.0%	93.3%	98.6%
	Over $1 Million/ Unknown	0	0.0%	11.5%	0	0.0%	6.7%	1.4%
	TOTAL	**45**	**100.0%**	**100.0%**	**5,359**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	30	66.7%	80.9%	999	18.6%	35.9%	
	$100,001–$250,000	5	11.1%	13.0%	860	16.0%	31.0%	
	$250,001–$500,000	10	22.2%	6.1%	3,500	65.3%	33.0%	
	Over $500,000	0	0.0%	0.0%	0	0.0%	0.0%	
	TOTAL	**45**	**100.0%**	**100.0%**	**5,359**	**100.0%**	**100.0%**	
Loan Size / Revenue $1 Million or Less	$100,000 or Less	30	66.7%		999	18.6%		
	$100,001–$250,000	5	11.1%		860	16.0%		
	$250,001–$1 Million	10	22.2%		3,500	65.3%		
	Over $1 Million	0	0.0%		0	0.0%		
	TOTAL	**45**	**100.0%**		**5,359**	**100.0%**		

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

<u>Motor Vehicle</u>

The borrower distribution of motor vehicle lending is reasonable. While the bank's level of lending to low-income borrowers (18.3 percent) is below the estimated percentage of low-income households used for comparison purposes, the demographic estimate includes those households with very low income and no income, which substantially reduces the bankable households eligible for a motor vehicle loan in this category. In consideration of these factors, the bank's level of lending to low-income borrowers is reasonable. Lending to moderate-income borrowers (24.3 percent) is above the estimated percentage of moderate-income households, indicating excellent performance in this income category.

Distribution of 2020 Motor Vehicle Secured Lending by Borrower Income Level Assessment Area: NonMSA Missouri					
Borrower Income Level	**Bank Loans**				**Households by Household Income %**
	#	**#%**	**$(000)**	**$%**	
Low	21	18.3%	$120	8.6%	29.2%
Moderate	28	24.3%	$211	15.2%	17.2%
Middle	28	24.3%	$481	34.6%	17.4%
Upper	38	33.0%	$577	41.5%	36.2%
Unknown	0	0.0%	$0	0.0%	0.0%
Total	**115**	**100.0%**	**$1,389**	**100.0%**	**100.0%**

Source: 2020 FFIEC Census Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

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; considering all three loan categories, the bank had loan penetration in all AA geographies. The lack of branch presence in towns with other banks in moderate-income census tracts was taken into consideration.

Residential Real Estate Lending

The geographic distribution of residential real estate lending is reasonable. The bank's overall distribution of residential real estate loans to both low- and moderate-income census tracts (5.6 and 26.7 percent, respectively) is comparable to aggregate lending performance data and the estimated percentage of owner-occupied housing units in low- and moderate-income census tracts, reflecting reasonable performance in each category.

Distribution of 2020 Home Mortgage Lending by Income Level of Geography Assessment Area: NonMSA Missouri							
Geographic Income Level	**Bank and Aggregate Loans**						**Owner-Occupied Units %**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**#%**	**#%**	**$(000)**	**$%**	**$%**	
Low	5	5.6%	2.0%	678	6.4%	1.4%	3.1%
Moderate	24	26.7%	26.6%	2,562	24.1%	25.0%	26.3%
Middle	61	67.8%	71.5%	7,410	69.6%	73.7%	70.6%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Total	**90**	**100.0%**	**100.0%**	**10,649**	**100.0%**	**100.0%**	**100.0%**

Source: 2020 FFIEC Census Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Farm Lending

The overall geographic distribution of small farm lending is reasonable. The bank made an excellent level of small farm loans in the only low-income census tract in the AA (4.4 percent), which exceeded aggregate lending performance and the estimated number of farms in the census tracts. Conversely, lending levels in the moderate-income geographies (17.8 percent) were well below both aggregate lending performance and the estimated percentage of small farms in moderate-income census tracts, representing poor performance.

Distribution of 2020 Small Farm Lending by Income Level of Geography Assessment Area: NonMSA Missouri							
Tract Income Levels	**Count**			**Dollar**			**Total Farms**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ 000s**	**$ %**	**$ %**	**%**
Low	2	4.4%	0.3%	$21	0.4%	1.9%	0.0%
Moderate	8	17.8%	35.5%	$547	10.2%	34.2%	32.6%
Middle	35	77.8%	64.3%	$4,791	89.4%	63.9%	67.4%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**45**	**100.0%**	**100.0%**	**$5,359**	**100.0%**	**100.0%**	**100.0%**

Source: 2020 FFIEC Census Data and Dun & Bradstreet Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Motor Vehicle

The geographic distribution of motor vehicle lending is reasonable. Motor vehicle lending in LMI census tracts is consistent with the proportion of households residing in those geographies.

Distribution of 2020 Motor Vehicle Lending by Income Level of Geography
Assessment Area: NonMSA Missouri

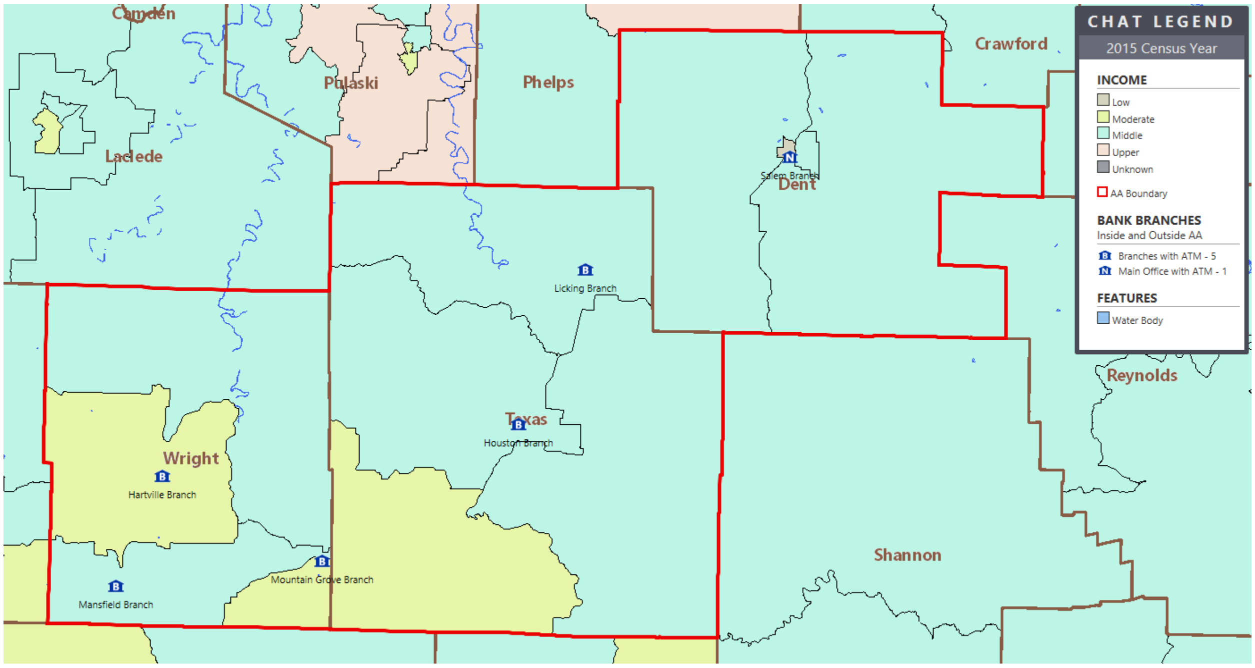
Geographic Income Level	Bank Loans				Households %
	#	#%	$(000)	$%	
Low	7	6.1%	$90	6.5%	4.5%
Moderate	38	33.0%	$363	26.1%	28.0%
Middle	70	60.9%	$936	67.4%	67.5%
Upper	0	0.0%	$0	0.0%	0.0%
Unknown	0	0.0%	$0	0.0%	0.0%
Total	**115**	**100.0%**	**$1,389**	**100.0%**	**100.0%**

Source: 2020 FFIEC Census Data
2011–2015 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

Compliance with the substantive provisions of anti-discrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA



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) <u>affordable housing</u> (including multifamily rental housing) for low- or moderate-income individuals; (2) <u>community services</u> targeted to low- or moderate-income individuals; (3) activities that promote <u>economic development</u> 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 <u>revitalize or stabilize</u> 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 either 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): 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.