



PUBLIC DISCLOSURE

August 31, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**BANK OF WESTERN OKLAHOMA
RSSD# 175056**

**201 EAST BROADWAY
ELK CITY, OKLAHOMA 73644**

**Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198**

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'S COMMUNITY REINVESTMENT ACT RATING

Bank of Western Oklahoma (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is more than reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable penetration among businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council'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 Western Oklahoma AA. The following data was reviewed:

- The bank's 17-quarter average NLTD ratio, and
- Statistical samples of the bank's small farm and small business loans, with each product given equal consideration.
 - The sample of small business loans consisted of 104 loans from a universe of 215 loans originated from January 1, 2019 through December 31, 2019.
 - The sample of small farm loans consisted of 129 loans from a universe of 352 loans originated from January 1, 2019 through December 31, 2019.

DESCRIPTION OF INSTITUTION

The bank is headquartered in Elk City, Oklahoma. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Western Oklahoma Bancshares, Inc.
- The bank has total assets of \$304.8 million (MM) as of December 31, 2019.
- In addition to its main office in Elk City, the bank has five offices located in Cordell, Geary, Vici, Weatherford, and Woodward, Oklahoma.
- Each bank location is equipped with a cash-only automated teller machine and drive-through services.
- The bank's primary business focus is agricultural lending.

TABLE 1 COMPOSITION OF LOAN PORTFOLIO AS OF DECEMBER 31, 2019		
Loan Type	\$(000)	%
Agricultural	144,518	57.5
Commercial	61,078	24.3
Residential Real Estate	43,157	17.2
Consumer	2,464	1.0
Other	27	0.0
Gross Loans	251,244	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its March 21, 2016 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 AA is comprised of the entirety of the following counties: Blaine, Washita, Custer, Dewey, Woodward, Beckham, Ellis, Roger Mills, Harper, and Beaver. In addition, the AA includes four census tracts in Caddo County and one census tract in Canadian County (see Appendix A for an AA map).

- The AA is composed of 2 moderate-, 25 middle-, and 12 upper-income census tracts. Two census tracts changed from upper-income to middle-income tracts since the prior CRA evaluation.
- According to the June 30, 2019 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks 6th of 60 FDIC-insured institutions in the counties in the AA, with a deposit market share of 4.2 percent.
- One community contact was conducted by the Reserve Bank to augment the CRA performance evaluation, as well as to ascertain the credit needs of the community, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. In addition, one interview previously conducted as part of the CRA evaluation of another financial institution operating in the bank’s AA was referenced for additional insight. Both contacts focused on economic development with a focus on small businesses and farms.

TABLE 2 POPULATION CHANGE			
Area	2010 Population	2015 Population	Percent Change
Beaver County	5,636	5,530	(1.9)
Beckham County	22,119	23,300	5.3
Blaine County	11,943	9,810	(17.9)
Caddo County	29,600	29,495	(0.4)
Canadian County	115,541	126,193	9.2
Custer County	27,469	28,978	5.5
Dewey County	4,810	4,863	1.1
Ellis County	4,151	4,121	(0.7)
Harper County	3,685	3,766	2.2
Roger Mills County	3,647	3,780	3.6
Washita County	11,629	11,649	0.2
Woodward County	20,081	20,986	4.5
State of Oklahoma	3,751,351	3,849,733	2.6

*Source: 2010 U.S. Census Bureau Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey*

- The AA is rural in nature, with major population centers located in the counties of Beckham, Caddo, and Custer.
- Blaine County experienced significant population decline, largely due to lack of major arterial roads, underdeveloped industry, and its significant distance from major labor marketplaces.
- Canadian County’s population growth was driven by its proximity to the Oklahoma City area, a major labor marketplace, which grew in population between 2010 and 2015.
- With the exceptions of Blaine County and Canadian County, most counties in the AA experienced mild population growth. Both community members attributed specific county and overall AA growth to increases in oil and gas production and jobs in those industries.

**TABLE 3
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Beaver County	55,694	61,875	11.1
Beckham County	52,988	64,199	21.2
Blaine County	56,681	52,250	(7.8)
Caddo County	43,365	51,109	17.9
Canadian County	67,981	72,790	7.1
Custer County	52,428	53,833	2.7
Dewey County	48,447	60,901	25.7
Ellis County	54,113	67,337	24.4
Harper County	52,891	59,786	13.0
Roger Mills County	57,738	61,774	7.0
Washita County	53,143	58,682	10.4
Woodward County	56,540	68,673	21.5
State of Oklahoma	53,607	58,029	8.2

Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey

- The bank’s AA has experienced varying levels of income growth across counties. The AA’s cumulative income growth largely outpaced the state, resulting from the strong presence of oil, gas, and mining operations in the area.

**TABLE 4
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Beaver County	66,800	89,300	33.7	551	682	23.8
Beckham County	86,100	122,400	42.2	620	702	13.2
Blaine County	67,900	77,900	14.7	493	549	11.4
Caddo County	64,100	78,400	22.3	491	545	11.0
Canadian County	131,600	144,600	9.9	758	886	16.9
Custer County	90,000	119,000	32.2	565	625	10.6
Dewey County	73,200	84,200	15.0	554	618	11.6
Ellis County	66,800	81,800	22.5	450	645	43.3
Harper County	65,700	74,100	12.8	476	569	19.5
Roger Mills County	78,900	86,100	9.1	534	515	(3.6)
Washita County	72,800	77,600	6.6	597	644	7.9
Woodward County	95,600	115,400	20.7	604	680	12.6
State of Oklahoma	104,300	117,900	13.0	633	727	14.8

Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey

- With the exception of the slight decrease in median gross rents in Roger Mills County, the AA experienced growth in median housing value and median gross rents, mirroring the growth in median family income and aligning with housing changes for the state.

**TABLE 5
UNEMPLOYMENT RATES**

Region	2016	2017	2018	2019
Beaver County	3.2	2.6	2.0	2.0
Beckham County	7.5	3.8	2.6	3.2
Blaine County	3.8	2.8	2.0	2.0
Caddo County	5.4	4.4	3.6	3.6
Canadian County	4.0	3.5	2.8	2.9
Custer County	4.7	3.2	2.4	2.5
Dewey County	4.1	2.9	1.9	2.1
Ellis County	3.9	3.2	2.2	2.5
Harper County	3.9	3.0	2.3	2.9
Roger Mills County	5.2	3.2	2.4	3.0
Washita County	7.2	4.4	3.1	3.4
Woodward County	6.2	4.1	2.7	2.9
State of Oklahoma	4.9	4.2	3.4	3.3

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Most employment opportunities are located in the counties of Custer, Beckham, and Woodward, which are the AA’s population centers.
- Significant employers in the region include Bar-S Foods Co., Southwestern Oklahoma State University, Great Plains Regional Medical, Wal-Mart, Superior Fabrication, Inc., Schlumberger Technology Corp., Koch Oil, and public school districts. While the local economy is not concentrated in any one area, there are a significant number of oil and gas extraction, education, and healthcare employers in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, and proximity to the AA. The bank’s NLTD ratio is more than reasonable, as it exceeds the NLTD ratios of the three similarly situated banks.

TABLE 6 COMPARATIVE NLTD RATIOS			
Institution	Location	Asset Size (\$000s)	NLTD Ratio (%)
			17- Quarter Average
Bank of Western Oklahoma	Elk City, OK	304,841	90.9
Oklahoma Bank and Trust Company	Clinton, OK	168,051	54.2
Security State Bank	Cheyenne, OK	167,899	73.3
Seiling State Bank	Seiling, OK	112,316	66.3

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.

TABLE 7 LENDING INSIDE AND OUTSIDE THE AA								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Small Business Loans	89	7,513	85.6	92.7	15	591	14.4	7.3
Small Farm Loans	108	6,486	83.7	82.1	21	1,414	16.3	17.9
Total Loans	197	13,999	84.5	87.5	36	2,004	15.5	12.5

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

The remaining analyses only consider small business and small farm loans originated within the bank’s AA.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts within the AA. There also are no significant gaps or lapses in lending present in the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. While the bank’s lending in moderate-income tracts was below the percentage of businesses in those tracts, the two moderate-income tracts are located in a largely rural area that contains several of the bank’s competitors, including two large FDIC-insured institutions. The dispersion of lending among census tracts of different income levels is also reasonable.

TABLE 8 DISTRIBUTION OF 2019 SMALL BUSINESS LENDING BY INCOME LEVEL OF GEOGRAPHY					
Census Tract Income Level	Bank Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	4	200	4.5	2.7	9.3
Middle	41	3,925	46.1	52.2	49.9
Upper	44	3,388	49.4	45.1	40.8
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data
2019 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. Overall, the bank’s level of lending in moderate-income census tracts was comparable to the demographic figure (i.e. the percentage of farms located in these tracts).

As mentioned previously, the bank faces strong competition in both moderate-income census tracts. This may further limit the bank’s opportunity to lend in these areas. The dispersion of lending among census tracts of different income levels is also reasonable.

TABLE 9 DISTRIBUTION OF 2019 SMALL FARM LENDING BY INCOME LEVEL OF GEOGRAPHY					
Census Tract Income Level	Bank Loans				% of Farms
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	2	379	1.9	5.8	3.4
Middle	59	3,753	54.6	57.9	65.3
Upper	47	2,355	43.5	36.3	31.3
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data
2019 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

Lending to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank's lending to businesses and farms of different revenue sizes. The bank's lending has a reasonable penetration among businesses and farms of different sizes.

As noted in the tables below, the bank extended approximately 36.0 percent of small business loans and 13.9 percent of small farm loans by number to businesses and farms with revenues unknown to the bank. Bank management indicated they no longer collect revenue information from long-term customers. As such, the size of credit extended to these businesses and farms was considered as additional context to support the bank's lending performance.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank's lending to businesses with revenues of \$1MM or less was below the demographic figure. However, considering the size of credit extended to businesses with unknown revenues, this indicates the bank is willing to lend to small entities. Analysis of the 32 loans without revenue information revealed that all loans were in amounts of \$100,000 or less, and that the average loan amount was approximately \$19,809. In addition, the majority of all loans evaluated (80.9 percent) were in amounts of \$100,000 or less, indicating the majority of the bank's small business lending was to smaller entities. Moreover, greater weight was given to the level of lending by dollar amount.

TABLE 10 DISTRIBUTION OF 2019 SMALL BUSINESS LENDING BY REVENUE SIZE OF BUSINESSES					
	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	57	6,879	64.0	91.6	87.6
Over \$1 Million	0	0	0.0	0.0	9.7
Not Known	32	634	36.0	8.4	2.7
Total	89	7,513	100.0	100.0	100.00
By Loan Size					
\$100,000 or less	72	1,713	80.9	22.8	
\$100,001 – \$250,000	10	1,669	11.2	22.2	
\$250,001 – \$1 Million	7	4,131	7.9	55.0	
Total	89	7,513	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	40	1,079	70.2	15.7	
\$100,001 – \$250,000	10	1,669	17.5	24.3	
\$250,001 – \$1 Million	7	4,131	12.3	60.1	
Total	57	6,879	100.0	100.0	
<i>Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> NOTE: Percentages may not add up to 100.0 due to rounding.					

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank’s lending to farms with revenues of \$1MM or less was below the demographic figure. Analysis of the 15 loans without revenue information revealed that the majority of loans (12 of the 15) were in amounts of \$100,000 or less, and that the average loan amount was approximately \$69,520, indicating that the majority of lending was to smaller farms. In addition, the majority of all loans evaluated (80.6 percent) were in amounts of \$100,000 or less. These factors indicate that the majority of the bank’s small farm lending was to smaller entities.

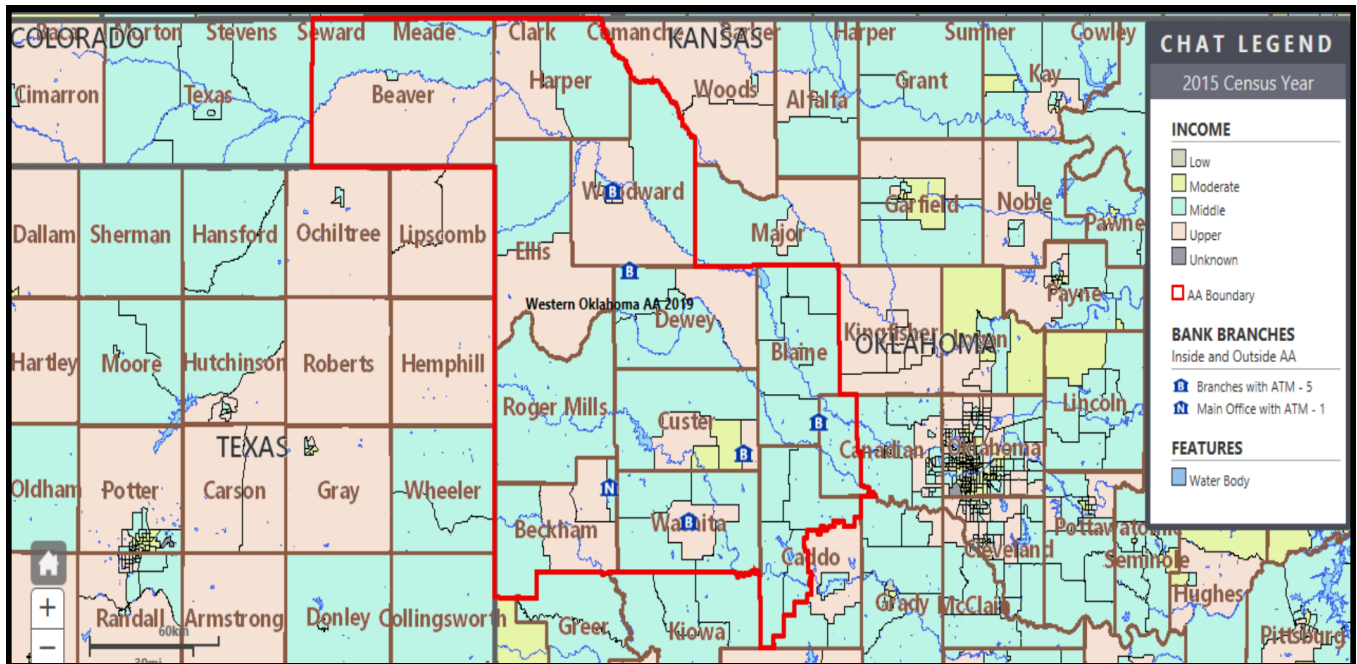
**TABLE 11
DISTRIBUTION OF 2019 SMALL FARM LENDING
BY REVENUE SIZE OF FARMS**

	Bank Loans				Total Farms
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	93	5,443	86.1	83.9	97.8
Over \$1 Million	0	0	0.0	0.0	2.0
Not Known	15	1,043	13.9	16.1	0.2
Total	108	6,486	100.0	100.0	100.00
By Loan Size					
\$100,000 or less	87	2,345	80.6	36.2	
\$100,001 – \$250,000	15	2,089	13.9	32.2	
\$250,001 – \$500,000	6	2,052	5.6	31.6	
Total	108	6,486	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	75	2,218	80.6	40.7	
\$100,001 – \$250,000	14	1,889	15.1	34.7	
\$250,001 – \$500,000	4	1,337	4.3	24.6	
Total	93	5,443	100.0	100.0	
<i>Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>NOTE: Percentages may not add up to 100.0 due to rounding.</i>					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. 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



APPENDIX B – DEMOGRAPHIC INFORMATION

TABLE B-1 WESTERN OKLAHOMA AA 2019 DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,098	18.8
Moderate	2	5.1	1,885	5.8	406	21.5	4,859	15.0
Middle	25	64.1	17,208	53.0	2,182	12.7	5,882	18.1
Upper	12	30.8	13,366	41.2	1,065	8.0	15,620	48.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	39	100.0	32,459	100.0	3,653	11.3	32,459	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	4,048	1,367	4.2	33.8	1,890	46.7	791	19.5
Middle	32,562	18,063	55.3	55.5	6,814	20.9	7,685	23.6
Upper	23,356	13,215	40.5	56.6	5,927	25.4	4,214	18.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	59,966	32,645	100.0	54.4	14,631	24.4	12,690	21.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	514	9.3	454	9.4	54	10.1	6	4.1
Middle	2,745	49.9	2,368	49.1	283	52.8	94	64.4
Upper	2,246	40.8	2,001	41.5	199	37.1	46	31.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5,505	100.0	4,823	100.0	536	100.0	146	100.0
Percentage of Total Businesses:				87.6		9.7		2.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	22	3.4	19	3.0	3	23.1	0	0.0
Middle	419	65.3	413	65.8	5	38.5	1	100.0
Upper	201	31.3	196	31.2	5	38.5	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	642	100.0	628	100.0	13	100.0	1	100.0
Percentage of Total Farms:				97.8		2.0		0.2
<p>Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey NOTE: Percentages may not add up to 100.0 due to rounding.</p>								

APPENDIX C – GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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