PUBLIC DISCLOSURE

November 28, 2011

COMMUNITY REINVESTMENT ACT

PERFORMANCE EVALUATION

Linn County State Bank
RSSD# 190246

203 E. Main Street
P.O. Box 139
Coggon, Iowa 52218

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604-1413

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.

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BANK'S COMMUNITY REINVESTMENT ACT (CRA) RATING: SATISFACTORY

Linn County State Bank is meeting the credit needs of its communities, based on an analysis of the bank's lending activities and local economic conditions within the assessment area. The average loan-to-deposit (LTD) ratio is reasonable given the asset size, financial conditions and credit needs of the assessment area. The majority of loans are made in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's lending reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes. No CRA- related complaints were received by the bank or this Reserve Bank regarding the CRA performance since the previous evaluation.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated in the context of information about the institution and its assessment area, such as asset size, financial condition, competition, and economic and demographic characteristics. A sample of commercial and residential mortgage loans, including home improvement loans, were reviewed to determine performance with the designated assessment area. Performance was evaluated using small bank, full-scope examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – The average LTD ratio for the fifteen-quarter period beginning December 31, 2007 through June 30, 2011 was compared to its national peer group and a sample of local competitors.

- ***Lending inside the Assessment Area*** – A sample of home mortgage loans and loans to small businesses originated from November 27, 2007 to August 31, 2011 were reviewed to determine the percentage of loans originated within the assessment area.

- ***Geographic Distribution of Lending in the Assessment Area*** – A sample of home mortgage loans and loans to small businesses originated November 27, 2007 to August 31, 2011 were reviewed to assess the dispersion of loans made within the assessment area.

- ***Lending to Borrowers of Different Incomes and to Businesses of Different Sizes*** – A sample of home mortgage loans and loans to small businesses originated November 27, 2007 to August 31, 2011 were analyzed to assess the loan distribution among borrowers of different income levels and to businesses of different revenue sizes.

- ***Response to Substantive Complaints*** – No CRA-related complaints were received by Linn County State Bank or this Reserve Bank since the previous evaluation.

DESCRIPTION OF BANK

Linn County State Bank is owned by Iowa State Financial Services Corporation, a two-bank holding company located in Fairfield, Iowa. The branch network consists of two full-service offices offering both lending and deposit products. There are full-service automated teller machines (ATMs) at each branch location. The bank also has three stand-alone, cash-only ATMs, one of which opened in February 2010. The main branch and one cash-only ATM are located in Coggon, IA and the second branch is located in Marion, IA. The newly opened cash-only ATM is located in Central City, IA and one cash-only ATM is located in Hiawatha, IA.

As of the June 30, 2011 Uniform Bank Performance Report, the bank reported total assets of $27.4 million. The bank offers standard loan and deposit products. By dollar volume, a significant portion of the bank's lending resources is directed to real estate secured loans, followed by commercial and industrial loans and loans to individuals.

Composition of Loan Portfolio as of September 30, 2011 (000's)			
Category	**Type**	**$**	**%**
Real Estate Secured	1-4 Family and Multi-Family Residential	5,193	32.2
	Farmland	1,834	11.4
	Non-farm, Non-residential	4,474	27.8
	Total Real Estate Secured	11,501	71.4
Agricultural	Agricultural	354	2.2
Commercial	Commercial and Industrial	2,467	15.3
Consumer	Loans to Individuals	1,784	11.1
	Total	16,106	100.00

Based on the FDIC deposit market share report as of June 30, 2011, the bank holds 0.39 percent of the deposits in the assessment area, and ranked 30th among 37 FDIC-insured institutions operating in the market.

There are no known legal, financial or other factors impeding the bank's ability to help meet the needs in it communities. Linn County State Bank was rated satisfactory under CRA at its previous evaluation conducted on November 26, 2007, by this Reserve Bank.

DESCRIPTION OF ASSESMENT AREA

Linn County State Bank's assessment area is comprised of 53 census tracts located in Linn, Buchanan, and Delaware Counties in Iowa. Linn County is part of the Cedar Rapids, IA Metropolitan Statistical Area (MSA 16300). Buchanan and Delaware Counties are located in non-MSA Iowa. There is one low-, six moderate-, 27 middle-, and nine upper-income census tracts in Linn County, six middle-income census tracts in Buchanan County, and four middle-income census tracts in Delaware County. The counties which comprise the assessment area are contiguous. There are no branch offices or deposit-taking ATMs in the non-MSA portion of the assessment area. All branch offices and ATMs are located in middle-income census tracts of the MSA-portion of the assessment area.

Since the previous evaluation, the bank's assessment area was re-evaluated to include Buchanan, Delaware, and Linn Counties in their entirety; the change resulted from an internal analysis. Additional information on the composition of the assessment area is included in the following table.

Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	1.9	330	0.6	81	24.5	9,178	14.9
Moderate-income	6	11.3	4,072	6.6	405	9.9	11,508	18.7
Middle-income	37	69.8	43,259	70.4	2,074	4.8	15,887	25.9
Upper-income	9	17.0	13,768	22.4	309	2.2	24,856	40.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total	**53**	**100.0**	**61,429**	**100.0**	**2,869**	**4.7**	**64,429**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
	#	#	%	%	#	%	#	%
Low-income	903	299	0.4	33.1	553	61.2	51	5.7
Moderate-income	8,578	4,246	6.3	49.5	3,784	44.1	548	6.4
Middle-income	68,411	47,392	70.4	69.3	16,942	24.7	4,077	6.0
Upper-income	19,038	15,410	22.9	80.9	2,894	15.2	734	3.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total	**96,930**	**67,347**	**100.0**	**69.5**	**24,173**	**24.9**	**5,410**	**5.6**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less than or equal to $1 Million		**Greater than $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	244	2.7	194	2.4	42	4.4	8	4.0
Moderate-income	1,148	12.6	952	12.0	172	17.9	24	12.0
Middle-income	5,846	64.1	5,166	64.9	547	57.1	133	66.5
Upper-income	1,876	20.6	1,644	20.7	197	20.6	35	17.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total	**9,114**	**100.0**	**7,956**	**100.0**	**958**	**100.0**	**200**	**100.0**
Percentage of Total Businesses:				**87.3**		**10.5**		**2.2**

Note: Information about businesses is from 2009 Dunn & Bradstreet demographic data; all other information is based on 2000 census data.

Population Characteristics

Based on the 2000 U.S. Census Bureau data, the population of the assessment area is 231,198. The majority of the population in the assessment area resides in Linn County. Estimates of population changes by assessment area, county, MSA and the state of Iowa are presented in the following table. Linn County is the only portion of the assessment area that is estimated to have experienced an increase in population since the 2000 Census.

Population Changes 2000 Census vs. 2010			
Area	**2000 Census**	**2010 Census**	**Percentage Change**
Assessment Area	231,198	N/A	N/A
Linn County	191,701	211,226	10.2
Buchanan County	21,093	20,958	-0.6
Delaware County	18,404	17,764	-3.5
State of Iowa	2,926,324	3,046,355	4.1
Cedar Rapids, IA MSA	237,230	257,940	8.7
Source: U.S. Census Bureau			

Income Characteristics

The following table compares the income levels for the assessment area to Linn County, Buchanan County, Delaware County, the Cedar Rapids MSA and the State of Iowa based on 2000 U.S. Census Bureau data. In contrast to the 2000 data, the 2011 HUD-adjusted median family (MFI) income for Linn County was $70,100, and Buchanan County and Delaware County were $58,500. As shown all counties in the assessment area as well as the State of Iowa and the Cedar Rapids MSA experienced an increase in the MFI since the 2000 Census. The increases were fairly consistent within the counties of the assessment area, the State of Iowa and the Cedar Rapids MSA, with the State of Iowa and Delaware County experiencing the largest increases.

Median Family Income Changes 2000 Census vs. Year 2011 Estimate			
Area	**2000 Census**	**2011 Census Estimate**	**Percentage Change**
Assessment Area	54,051	N/A	N/A
Linn County	56,494	70,100	24.1
Buchanan County	45,421	58,500	28.8
Delaware County	43,607	58,500	34.2
State of Iowa	48,005	64,000	33.3
Cedar Rapids, IA MSA	54,241	70,100	29.2
Source: U.S. Department of Housing and Urban Development			

The substantial growth in the assessment area may be attributed, in part, to the traditionally strong employers and employment opportunities in the areas of manufacturing (15.7 percent), healthcare and social assistance (13.4 percent), retail trade (13.0 percent), and accommodation and food service (8.1 percent). According to U.S Census data, 14.9 percent of families in the assessment area are low-income; 18.7 percent are moderate-income; 25.9 percent are middle-income; 40.5 percent are upper-income; and 4.7 percent are families below the poverty level.

Housing Characteristics and Affordability

The majority of housing in the assessment area is owner-occupied, however a fair presence of rental housing exists. Of the 96,930 housing units, 69.5 percent are owner-occupied, 24.9 percent are rental, and 5.6 are vacant. A substantial majority of the housing units are located in middle- and upper-income census tracts, and 93.3 percent of those are owner-occupied. The remaining housing units are located in low- and moderate-income census tracts, and only 6.7 percent of the units are owner-occupied.

The following table presents housing values in the assessment area. The 2010 fair market rent is established by HUD and is considered to be an affordable rent. The figures are the fair market rent for two-bedroom apartments. The affordability ratio is a measurement of relative housing affordability across geographic areas. An area with a higher ratio generally has more affordable housing than an area with a lower ratio. Overall, the affordability of housing in the assessment area is similar to the State of Iowa, and the Cedar Rapids, IA MSA with the exception of Delaware County which has a lower affordability ratio.

Housing Costs				
Location	**Median Housing Value**	**Median Gross Rent**	**2010 Fair Market Rent ***	**Affordability Ratio**
Assessment Area	$94,839	$494	N/A	47
Linn County	$97,200	$510	$668	48
Buchanan County	$76,200	$376	$555	50
Delaware County	$83,900	$370	$572	44
State of Iowa	$82,100	$470	N/A	48
Cedar Rapids, IA MSA	$95,221	$494	$668	47
*2000 United States Census Data; *Department of Housing and Urban Development*				

According to RealtyTract as of December 2011, Linn County had the most foreclosures within the assessment area. There are 96 foreclosure properties in Linn County, which represent one in every 973 housing units. Although the number of foreclosures was lower in Buchanan County, they represent one in every 334 housing units.

Employment Conditions

There are approximately 9,114 businesses operating in the assessment area. As previously mentioned, the major employment industries are manufacturing, healthcare and social assistance, retail trade, and accommodation and food services.

As shown in the following table, the overall unemployment rate has fluctuated slightly over the most recent three years. From 2009 to 2010, the unemployment rates increased slightly in Linn County, Buchanan County, the Cedar Rapids, IA MSA, and remained steady in Delaware County and the State of Iowa. The 2011 unemployment rates reflect a decrease in the assessment area, the State of Iowa, and the Cedar Rapids, IA MSA which is a sign that economic conditions are improving.

Unemployment Statistics			
Region	**2011***	**2010**	**2009**
Linn County	5.4%	6.0%	5.3%
Buchanan County	5.3%	6.4%	5.8%
Delaware County	4.4%	5.9%	5.9%
State of Iowa	5.8%	6.1%	5.6%
Cedar Rapids, IA MSA	5.4%	6.1%	5.4%
Source: United States Department of Labor – Bureau of Labor Statistics ** Preliminary*			

Community Representatives

Information obtained through two community representatives in the assessment area was considered for this evaluation. Both were city agencies providing planning and community development to the communities. The representatives indicated that local banks are generally meeting the credit needs of the community and are committed to the community. The local financial institutions have been actively involved in addressing the housing and economic development challenges the area has faced due to severe flooding in 2008. There is still some need for additional financing sources for uninhabitable housing due to the flooding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

As shown in the table below, the bank's average LTD ratio is significantly above its national peer group and within a similar range of ratios of its local competitors. The LTD ratio has fluctuated since the previous examination, but has remained above 80.0 percent and consistently exceeded peer. The LTD ratio is reasonable given the bank's asset size, financial condition, and assessment area credit needs.

Comparative Loan-to-Deposit Ratios		
Institution	Loan-to-Deposit Ratio (%)	Assets as of June 30, 2011 ($)
	Fifteen – Quarter Average	
Linn County State Bank, Coggon, IA	92.2	25,713
National Peer Group 12	68.4	N/A
Competitors		
Bank Iowa, Cedar Rapids, IA	91.7	438,267
Cedar Rapids Bank and Trust, Cedar Rapids, IA	111.7	573,535
Citizens State Bank, Monticello, IA	83.4	305,076
City State Bank, Central City, IA	77.3	122,253
Community Savings Bank, Edgewood, IA	88.6	297,062
Exchange State Bank, Springville, IA	66.1	38,561
Farmers State Bank, Marion, IA	78.2	586,783
Hills Bank and Trust, Hills, IA	110.9	1,939,306

Assessment Area Concentration

The majority of the bank's loans were made in the assessment area. The distribution of a sample of the primary loan products is presented below. Overall lending in the assessment area was 85.1 percent by number of originations and 78.5 percent by dollar volume.

Lending Inside and Outside the Assessment Areas								
Loan Type	**Inside**				**Outside**			
	#	%	$ (000s)	%	#	%	$ (000s)	%
Home Purchase Loans	3	75.0	70	70.0	1	25.0	30	30.0
Refinanced Loans	10	90.9	867	93.0	1	9.1	66	7.0
Home Improvement Loans	26	89.7	1,816	95.0	3	10.3	96	5.0
Total Home Mortgage Loans	39	88.6	2,753	93.5	5	11.4	192	6.5
Total Small Business Loans	64	83.1	6,560	73.5	13	16.9	2,361	26.5
Total Loans	103	85.1	9,313	78.5	18	14.9	2,553	21.5

Geographic Distribution of Loans

Given the demographics of the assessment area, the distribution of Linn County State Bank's loans reflects a reasonable dispersion of home mortgage and small business loans throughout the assessment area.

Residential Real Estate Loans

As shown below, the analysis of home mortgage loans reflects a reasonable dispersion throughout the assessment area. A majority of the home mortgage loans were originated in middle-income census tracts consistent with the demographics and composition of the assessment area. Lending in moderate-income census tracts represented 5.1 percent of home mortgage loans by number and 4.9 percent by dollar volume. In addition, only 6.7 percent of owner-occupied units are located in LMI census tracts, thereby limiting the bank's ability to provide home mortgage lending. While the penetration is slightly lower than the 7.1 percent of LMI families living in the assessment area, lending levels are reasonable.

Home Mortgage Loans Geographic Distribution (000's)					
Census Tract Income Level	Bank Loans				Owner-Occupied Housing
	#	%	$	%	%
Home Purchase Loans					
Low	0	0.0	0	0.0	0.4
Moderate	0	0.0	0	0.0	6.3
Middle	8	80.0	625	72.1	70.4
Upper	2	20.0	242	27.9	22.9
Unknown	0	0.0	0	0.0	0.0
Total	10	100.0	867	100.0	100.0
Refinanced Loans					
Low	0	0.0	0	0.0	0.4
Moderate	2	7.7	134	7.4	6.3
Middle	23	88.5	1,623	89.4	70.4
Upper	1	3.8	59	3.2	22.9
Unknown	0	0.0	0	0.0	0.0
Total	26	100.0	1,816	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.4
Moderate	0	0.0	0	0.0	6.3
Middle	2	66.7	50	71.4	70.4
Upper	1	33.3	20	28.6	22.9
Unknown	0	0.0	0	0.0	0.0
Total	3	100.0	70	100.0	100.0
Total Home Mortgage Loans					
Low	0	0.0	0	0.0	0.4
Moderate	2	5.1	134	4.9	6.3
Middle	33	84.6	2,298	83.5	70.4
Upper	4	10.3	321	11.6	22.9
Unknown	0	0.0	0	0.0	0.0
Total	39	100.0	2,753	100.0	100.0

Small Business Loans

The geographic distribution of small businesses loans reflects reasonable dispersion throughout the assessment area. The bank made the majority of its loans to businesses located in middle-income census tracts, but it did not originate loans, by number or dollars, in percentages consistent with the percentages of businesses located in the middle-income census tracts. The bank's lending to businesses in upper-income census tracts exceeded the percentage of businesses in upper-income census tracts by both numbers and dollars. The bank's percentage of dollars lent to businesses in moderate-income census tracts was consistent with the percentage of businesses in the moderate-income census tracts. The bank did not lend to businesses in low-income census tracts. Lending is considered reasonable taking into account delivery channels are located in middle-income census tract and the main office is over 25 miles from the nearest low-income census tracts.

Small Business Lending Geographic Distribution (000's)					
Census Tract Income Level	Bank Loans				Businesses by Census Tract Income Level
	#	%	$	%	%
Low	0	0.0	0	0.0	2.7
Moderate	5	7.8	822	12.5	12.6
Middle	37	57.8	3,213	49.0	64.1
Upper	22	34.4	2,525	38.5	20.6
Unknown	0	0.0	0	0.0	0.0
Total	64	100.0	6,560	100.0	100.0

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

Given the demographics of the assessment area, the distribution of home mortgage and small business loans reveals a reasonable penetration to borrowers of different incomes and businesses of different sizes.

Residential Real Estate Loans

As shown below, the borrower distribution of home mortgage loans reflects a reasonable penetration among low- and moderate-income individuals throughout the assessment area. Overall, the bank originated 38.4 percent of its home mortgage loans by number and 28.6 percent by dollar amount to LMI individuals. The bank's performance is slightly higher than the 33.6 percent of LMI families living within the assessment area. While the dispersion of lending to moderate-income borrowers surpasses the percent of moderate-income families, the lending to low-income borrowers is significantly lower than the 14.9% of low-income families within the assessment area.

Home Mortgage Loans Borrower Distribution (000's)					
Income Level of the Borrower	**Bank Loans**				**Families by Family Income Level**
	#	%	$	%	%
Home Purchase Loans					
Low	0	0.0	0	0.0	14.9
Moderate	3	30.0	224	25.8	18.7
Middle	5	50.0	445	51.3	25.9
Upper	2	20.0	198	22.9	40.5
Unknown	0	0.0	0	0.0	0.0
Total	10	100.0	867	100.0	100.0
Refinanced Loans					
Low	2	7.7	73	4.0	
Moderate	9	34.6	484	26.7	
Middle	6	23.1	530	29.2	
Upper	9	34.6	729	40.1	
Unknown	0	0.0	0	0.0	
Total	26	100.0	1,816	100.0	
Home Improvement Loans					
Low	0	0.0	0	0.0	
Moderate	1	33.3	7	10.0	
Middle	1	33.4	43	61.4	
Upper	1	33.3	20	28.6	
Unknown	0	0.0	0	0.0	
Total	3	100.0	70	100.0	
Total Home Mortgage Loans					
Low	2	5.1	73	2.6	
Moderate	13	33.3	715	26.0	
Middle	12	30.8	1,018	37.0	
Upper	12	30.8	947	34.4	
Unknown	0	0.0	0	0.0	
Total	39	100.0	2,753	100.0	

Small Business Loans

Loans to small businesses reflect reasonable penetration among businesses of different revenue levels. The bank originated 100.0 percent of loans to businesses with revenues of $1 million or less and 70.3 percent of loans to small businesses were in amounts of $100,000 or less, which are considered beneficial to small businesses. In comparison, 87.3 percent of businesses with revenues less than or equal to $1 million are located within the assessment area.

Small Business Loan Distribution By Revenue and Loan Size (000's)					
Category	Bank Loans				Businesses By Annual Revenues
	#	%	$	%	# %
By Revenue					
$1 Million or Less	64	100.0	6,560	100.0	87.3
Over $1 Million	0	0.0	0	0.0	10.5
Not Known	0	0.0	0	0.0	2.2
Total	64	100.0	6,560	100.0	100.0
By Loan Size					
$100,000 or less	45	70.3	1,753	26.7	
$100,000 - $250,000	15	23.4	2,480	37.8	
$250,000 - $1 Million	3	4.7	957	14.6	
Over $1 Million	1	1.6	1,370	20.9	
Total	64	100.0	6,560	100.0	
By Loan Size and Revenue $1 Million or Less					
$100,000 or less	45	70.3	1,753	26.7	
$100,000 - $250,000	15	23.4	2,480	37.8	
$250,000 - $1 Million	3	4.7	957	14.6	
Over $1 Million	1	1.6	1,370	20.9	
Total	64	100.0	6,560	100.0	

Response to Complaints

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

Fair Lending or Other Illegal Credit Practices Review

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

CRA APPENDIX

GLOSSARY

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

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.

Consumer loan: A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

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 non-relatives 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 household and no wife present) or “female householder” (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Geography: A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home mortgage loans: Include 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: 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.

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 lenders in the MSA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. In addition, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: 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. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area (**MMSA**). Performance within each MMSA is analyzed separately as a full-scope review and receives its own ratings under the Lending, Investment and Service Tests provided the financial institution has its main office, branch, or deposit-taking ATM located in each applicable state making up the MMSA.

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.

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.

Small loans to business: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: 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 thousand or less and are either secured by farmland, including farm residential and other improvements, 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.