

PUBLIC DISCLOSURE

December 3, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Sacramento

RSSD # 2714217

**1750 Howe Avenue, Suite 100
Sacramento, California 95825**

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 the 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.

TABLE OF CONTENTS

INSTITUTION RATING	1
Institution's CRA Rating	1
INSTITUTION	2
Description of Institution.....	2
Description of Assessment Area	3
Scope of Examination	6
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS	7
Lending Test	7
LOAN-TO-DEPOSIT RATIO	7
LENDING IN ASSESSMENT AREA	7
LENDING DISTRIBUTION BY GEOGRAPHY	7
LENDING DISTRIBUTION BY BUSINESS REVENUE	8
RESPONSE TO COMPLAINTS.....	8
Community Development Test.....	8
COMMUNITY DEVELOPMENT LENDING.....	9
COMMUNITY DEVELOPMENT INVESTMENTS.....	9
COMMUNITY DEVELOPMENT SERVICES	10
Fair Lending or Other Illegal Practices Review.....	10
GLOSSARY OF TERMS	11

INSTITUTION RATING

Institution's CRA Rating

Bank of Sacramento is rated "OUTSTANDING"

The following table shows the performance ratings for the lending and community development tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS	
	LENDING TEST	COMMUNITY DEVELOPMENT TEST
OUTSTANDING		X
SATISFACTORY	X	
NEEDS TO IMPROVE		
SUBSTANTIAL NONCOMPLIANCE		

The major factors supporting the institution's rating include:

- A majority of small business loans originated within the bank's assessment area;
- An excellent geographic distribution of small business loans;
- A reasonable distribution of loans among businesses of different sizes; and
- An excellent responsiveness to the community development needs of the assessment area in the form of loans, services, and investments that primarily helped address the needs to revitalize and stabilize low- and moderate-income geographies, provide services to low- and moderate-income individuals, and provide affordable housing.

INSTITUTION

Description of Institution

Bank of Sacramento (BOS), located in Sacramento, California, is a wholly-owned subsidiary of Greater Sacramento Bancorp, with reported total assets of \$407 million as of December 31, 2011. The bank commenced operations on July 13, 1998, is headquartered in Sacramento, and operates four banking offices - three in Sacramento County and one in Placer County.

BOS provides commercial banking products and services to small- to medium-sized businesses. Commercial loan types include credit facilities for working capital, accounts receivable, equipment financing, inventory, commercial real estate, and construction. BOS offers consumer loans primarily to existing business customers on an accommodation basis.

Exhibit 1 below is the December 31, 2011 loan portfolio as reflected in the Consolidated Reports of Condition and Income, and shows the bank's commercial lending focus.

EXHIBIT 1 LOANS AND LEASES AS OF DECEMBER 31, 2011		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	195,628	85.9
Multi-Family Residential Real Estate	18,013	7.9
Secured by 1-4 Family Residential Real Estate	6,300	2.8
Construction & Land Development	4,618	2.0
Consumer Loans & Credit Cards	2,176	1.0
All Other	932	0.4
Total (Gross)	227,667	100

BOS did not face any legal or financial impediments during the review period that would have prevented it from helping to meet the credit needs of its assessment area consistent with its business strategy, financial capacity, size, and local economic conditions. The prior Community Reinvestment Act (CRA) examination, conducted as of December 6, 2010, resulted in an "outstanding" rating and was conducted by the Federal Reserve Bank of San Francisco using the Interagency Intermediate Small Institution CRA Examination Procedures.

BOS's assessment area is Sacramento and Placer Counties in their entirety and has remained unchanged since the prior examination. Sacramento and Placer Counties constitute a portion of the Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area (MSA).

Description of Assessment Area

Sacramento County is situated in the northern end of California’s Central Valley and is the capital of the state of California. Placer County is situated contiguously on the northern border of Sacramento County and is approximately 30 miles northeast of the state capitol. The 2011 estimated total population of the assessment area is 1,793,243, consisting of a population of 1,436,105 in Sacramento County and 357,138 in Placer County.¹

With only four branches, BOS has a limited presence in a highly competitive market for deposit and loan products. In particular, as of June 30, 2011, BOS accounted for 1.1 percent of the share of deposits in this market, where 44 Federal Deposit Insurance Corporation-insured institutions operated 345 offices with deposits of over \$27.6 billion.² To illustrate the competitiveness of the small business lending market, in 2010, there were 90 lenders reporting small business loans pursuant to the reporting requirements of the CRA; most of these were large regional and national institutions. These lenders, which represent only a portion of the commercial lending market, extended 33,341 small business loans totaling \$1 billion.³

Exhibit 2 below presents key demographic and business information, based on the 2000 U.S. Census and 2011 Dun and Bradstreet data, used to help develop a performance context for the assessment area.

EXHIBIT 2 ASSESSMENT AREA DEMOGRAPHICS SACRAMENTO-PLACER								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	26	7.9	22,601	6.1	6,920	30.6	76,315	20.7
Moderate-income	84	25.5	87,440	23.8	14,451	16.5	67,208	18.3
Middle-income	130	39.4	145,902	39.6	9,358	6.4	76,980	20.9
Upper-income	90	27.3	112,173	30.5	2,740	2.4	147,613	40.1
<i>Total AA</i>	<i>330</i>	<i>100.0</i>	<i>368,116</i>	<i>100.0</i>	<i>33,469</i>	<i>9.1</i>	<i>368,116</i>	<i>100.0</i>
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	40,021	12,710	3.8	31.8	24,060	60.1	3,251	8.1
Moderate-income	147,287	63,312	19.1	43.0	75,604	51.3	8,371	5.7
Middle-income	233,338	136,684	41.1	58.6	81,668	35.0	14,986	6.4
Upper-income	161,470	119,473	36.0	74.0	33,473	20.7	8,524	5.3
<i>Total AA</i>	<i>582,116</i>	<i>332,179</i>	<i>100.0</i>	<i>57.1</i>	<i>214,805</i>	<i>36.9</i>	<i>35,132</i>	<i>6.0</i>

¹ 2011 Census Demographic Profiles: Population- Sacramento Co. and Placer Co., May 12, 2011, (accessed October 29, 2012) available from <http://quickfacts.census.gov/qfd/states/06/06067.html> and <http://quickfacts.census.gov/qfd/states/06/06061.html>.

² Federal Deposit Insurance Corporation, Institution Directory, *Summary of Deposits*, June 30, 2011 (accessed October 29, 2012); available from <http://www2.fdic.gov/sod/sodMarketRpt.asp?barItem=2>.

³ Information based on 2011 aggregate data consisting of institutions required to file annual CRA data.

EXHIBIT 2 (Continued from Previous Page)								
ASSESSMENT AREA DEMOGRAPHICS								
SACRAMENTO-PLACER								
Income Categories	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	6,394	6.0	5,497	5.7	567	11	330	9.3
Moderate-income	21,592	20.4	1,9482	20.0	1,306	25.4	804	22.7
Middle-income	41,451	39.1	38,197	39.3	1,900	37.0	1,354	38.2
Upper-income	36,469	34.4	34,053	35.0	1,359	26.5	1,057	29.8
<i>Total AA</i>	<i>105,906</i>	<i>100.0</i>	<i>97,229</i>	<i>100.0</i>	<i>5,132</i>	<i>100.0</i>	<i>3,545</i>	<i>100.0</i>
Percentage of Total Businesses			91.8		4.8		3.3	
2011 Median Family Income			\$75,100	2011 Median Housing Value ⁴			Sacramento County \$155,000 Placer County \$260,000	
2011 HUD Adjusted Median Family Income			\$75,100	2011 Unemployment Rate ⁵			Sacramento County 11.0% Placer County 9.6%	

Economic Conditions

The Sacramento-Placer economic base is closely linked to the state capital’s government spending and hiring. Government is the largest employer by industry and, in 2011, provided 28.4 percent of jobs in the area.⁶ Nearly 13 percent of in the jobs in the area were in professional and business services.⁷ Education and health services comprised 12.3 percent of jobs, and retail trade accounted for approximately 11 percent of jobs.⁸ The Sacramento-Placer area has a number of large private and public employers, including Kaiser Permanente, University of California, Davis, Intel, Sacramento Municipal Utility District, Wells Fargo, and Raley’s Inc.⁹ Although these large employers exert a significant influence on the overall economy, small businesses (i.e., those with gross annual revenues of \$1 million or less) remain a substantial majority of all businesses in the assessment area. As shown in Exhibit 2, small businesses comprised 91.8 percent of businesses in the assessment area.

During the review period, the economy started off in the midst of the Great Recession with signs of recovery beginning in December 2011.¹⁰ The unemployment rates at the beginning of the review period for Sacramento and Placer Counties were 12.5 percent and 11.1 percent,¹¹ respectively, with both

⁴ California Association of Realtors®, *Trends in California Real Estate*, Volume 33, Number 1, January 2012.

⁵ U.S. Department of Labor Bureau of Labor Statistics, *2011 Unemployment Rate*, available from <http://data.bls.gov/map/MapToolServlet>, accessed November 14, 2012.

⁶ Moody’s Economy.com Inc., *Precis®METRO: Sacramento*, December 2011.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ U.S. Department of Labor Bureau of Labor Statistics, *2010 Unemployment Rate*, available from <http://data.bls.gov/map/MapToolServlet>, accessed November 14, 2012.

exceeding the national rate of 9.4 percent¹² and state rate of 12.2 percent.¹³ The state government reduced wage expenditures in 2010 by imposing three unpaid furlough days per month for state employees, amounting to a 15 percent pay cut.¹⁴ By the end of the review period payroll gains in finance, research and development, healthcare, and education were more than offsetting layoffs in temporary employment and the state government.¹⁵ Labor market improvements spurred an increase in the labor force as formerly discouraged workers resumed their job searches.¹⁶ By December 2011, unemployment rates declined to 11 percent¹⁷ and 9.6 percent¹⁸ for Sacramento and Placer Counties, respectively.

In 2010 and 2011, home prices fell steadily during the review period in both Sacramento and Placer Counties.¹⁹ Contributing to the downward pressure on home prices was the assessment area's high foreclosure rate that placed downward pressure on sales prices. Sacramento County's mortgage foreclosure rate of nearly 4 percent as of December 2010 exceeded both the state average of 3.2 percent and the national average of 3.6 percent.²⁰ Placer County's foreclosure rate reached 3.2 percent by December 2010.²¹ Although the foreclosure rate for Placer County improved throughout 2011, an estimated 5.9 percent of borrowers were still either 90+ days delinquent or in foreclosure as of December 2011.²² This translates into approximately 4,000 additional properties that remained at imminent risk of default.²³ For Sacramento County the total is a far greater at nearly 15,000 properties.²⁴

Credit Context and Needs

According to the October 2011 Federal Reserve Board's *Senior Loan Officer Opinion Survey on Bank Lending Practices*, loan officers reported easing lending standards for small businesses, while leaving standards for residential real estate loans basically unchanged.²⁵ Nonetheless, banks reported that demand for small business loans declined, while demand for residential mortgage loans increased. These reports accord with national data reported under the CRA, citing that both the number and dollar amount of small business loans reported in 2010 declined about 9 percent from their respective amounts in 2009.²⁶

¹² U.S. Department of Labor Bureau of Labor Statistics, *National Unemployment Rate 2010-2012*, available from <http://data.bls.gov/map/MapToolServlet>, accessed November 14, 2012.

¹³ U.S. Department of Labor Bureau of Labor Statistics, California Unemployment Rate, available from <http://data.bls.gov/pdq/SurveyOutputServlet>, accessed November 14, 2012.

¹⁴ Moody's Economy.com Inc., *Precis®METRO: Sacramento*, August 2010.

¹⁵ Moody's Economy.com Inc., *Precis®METRO: Sacramento*, December 2011.

¹⁶ Ibid.

¹⁷ U.S. Department of Labor Bureau of Labor Statistics, *2011 Unemployment Rate*, available from <http://data.bls.gov/map/MapToolServlet>, accessed November 14, 2012.

¹⁸ Ibid.

¹⁹ California Association of Realtors, *Trends in California Real Estate*, p. 18, Volume 33, Number 1, January 2012.

²⁰ FRBSF Calculations of December 2010 data provided by Lender Processing Services Analytics, Inc.

²¹ Ibid.

²² FRBSF Calculations of December 2011 data provided by Lender Processing Services Analytics, Inc.

²³ Ibid.

²⁴ Ibid.

²⁵ Board of Governors of the Federal Reserve System, The October 2011 Senior Loan Officer Opinion Survey on Bank Lending Practices, October 2011, page 1, available from <http://www.federalreserve.gov/boarddocs/snloansurvey/>, accessed January 26, 2012.

²⁶ FFIEC (2011), "Findings from Analysis of Nationwide Summary Statistics for 2010 Community Reinvestment Act Data Fact Sheet (August 2011)," available online at http://www.ffiec.gov/hmcpr/cra_fs11.htm. Accessed January 26, 2012.

Credit needs are similar within the assessment area. Based on this data, as well as input from community contacts, an important need in the assessment area is for small business loans in amounts less than \$250 thousand, with an emphasis placed on loans less than \$100 thousand. Also because cash is limited for smaller businesses, they would benefit if community banks modified lending terms such as easing of collateral requirements. In addition, there is a need for investments in small businesses and neighborhoods that would help to generate new employment and create jobs. Finally, housing affordability is another critical need in Sacramento and Placer Counties.

Scope of Examination

The examination of BOS was conducted using the CRA Intermediate Small Bank Examination Procedures. As such, the bank's performance was evaluated under the lending and community development tests.

LENDING TEST

The lending test portion of the evaluation was based on the following performance criteria:

- Loan volume compared to deposits (Loan-to-Deposit Ratio);
- Lending inside versus outside the assessment area (Lending in Assessment Area);
- Dispersion of lending throughout the assessment area (Lending Distribution by Geography); and
- Lending to businesses of different sizes (Lending Distribution by Business Revenue).

Responsiveness to consumer complaints was not evaluated since the bank did not receive any complaints related to its CRA performance during the review period.

The lending test evaluation was based on 115 small business loans originated between July 1, 2010, and December 31, 2011. All 115 loans were used in the evaluation of *Lending in Assessment Area*. Of that total, 94 small business loans extended within the assessment area were used in the evaluation of *Lending Distribution by Geography* and *Lending Distribution by Business Revenue*.

COMMUNITY DEVELOPMENT TEST

The community development test portion of the examination included an evaluation of the bank's level of community development activities in relation to local needs and opportunities as well as the bank's capacity to participate in such activities. The evaluation was based on qualified community development loans, investments, and services provided by the bank. The review period for the community development test is the same as the lending test.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

LOAN-TO-DEPOSIT RATIO

The loan-to-deposit ratio is reasonable. Since the previous CRA examination conducted on December 6, 2010, the average loan-to-deposit ratio is 71 percent. This number reasonably compares with the state average of 79.9 percent and the national peer average of 77.1 percent, respectively.

LENDING IN ASSESSMENT AREA

A majority of loans were originated inside the bank's assessment area. As shown in Exhibit 3, the bank extended over 80 percent of loans by number and 75 percent of loans by dollar volume within the assessment area. Given the geographic size of the assessment area in relation to the bank's size, this level of lending within the assessment area is reasonable.

EXHIBIT 3 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREA JULY 1, 2010- DECEMBER 31, 2011								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Small Business	94	81.7	32,704	77.4	21	18.3	9,579	22.7

LENDING D-ISTRIBUTION BY GEOGRAPHY

BOS's geographic distribution of small business loans is excellent. As shown in Exhibit 4, small business loans were extended in all income geographies, with no conspicuous gaps in lending patterns. Lending in low- and moderate-income census tracts exceeded aggregate lending levels. Lending in low-income census tracts also exceeded the concentration of businesses within those tracts.

EXHIBIT 4 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
2010								
Bank Lending	3	8.8	10	29.4	10	29.4	11	32.4
Aggregate Lending	1,472	5.3	4,987	18.1	9,500	34.4	11,625	42.1
Business Concentration	4,916	6.7	15,629	21.4	28,107	38.4	24,521	33.5
2011								
Bank Lending	5	8.3	12	20.0	19	31.7	24	40.0
Aggregate Lending	1,704	5.1	5,807	17.4	11,875	35.6	13,955	41.9
Business Concentration	6,394	6.0	21,592	20.4	41,451	39.1	36,469	34.4

LENDING DISTRIBUTION BY BUSINESS REVENUE

The distribution of loans among businesses of different sizes is reasonable. As shown in Exhibit 5, the lending levels were well below the concentration of small businesses, though they were reasonably consistent with the aggregate lending levels and included a notable number of loans in amounts of \$250 thousand or less. In 2011, the bank's increased lending to small businesses and in amounts of \$100 thousand or less provided more help in meeting the identified credit needs in the assessment area.

EXHIBIT 5 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2010	34	38.2	90.2	43.0	17.6	26.5	55.9
2011	60	41.7	91.8	49.3	30.0	18.3	51.7

RESPONSE TO COMPLAINTS

The bank did not receive complaints related to CRA during the review period. Accordingly, the bank's performance in responding to complaints was not considered in evaluating its overall CRA performance.

Community Development Test

BOS's overall performance under the community development test is outstanding. As shown in Exhibit 6, the bank engaged in a variety of community development activities, including the provision of nearly \$32 million in community development loans, \$10 million in community development investments, and over 900 hours for community development service. The activities demonstrated excellent responsiveness to the needs of its assessment area.

EXHIBIT 6 COMMUNITY DEVELOPMENT ACTIVITIES								
Assessment Area	Loans		Investments				Services	
			Prior Period		Current Period			
	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	Hours
Sacramento- Placer	35	31,980	5	4,631	10	5,233	21	958

COMMUNITY DEVELOPMENT LENDING

BOS originated community development loans totaling nearly \$32 million that had a significant impact on the bank's communities. Notable loans include:

- A \$4.2 million loan to a nonprofit organization that provides outreach services to children from low-income families. The organization employs 82 individuals and is headquartered in the 65th Street Redevelopment Zone.
- A \$3.3 million loan to a company headquartered in Mather Redevelopment Area and Local Agency Military Base Recovery Area which enabled the borrower to meet liquidity needs, grow operations, and create an additional 40 jobs in this low-income census tract.
- A \$1.1 million loan which provided liquidity and working capital to a business that provides day care and nutrition to low-income families throughout the Sacramento area.
- A \$2 million loan to a company located in Sacramento's Franklin Boulevard Redevelopment Area which allowed the company to hire two additional employees.
- A \$240 thousand loan to a business located in The Sacramento Downtown Redevelopment Area, a low-income census tract, which allowed the company to retain ten employees.
- A \$1.3 million loan for the construction of a retail strip mall located in a low-income census tract in the North Sacramento Redevelopment Area.

COMMUNITY DEVELOPMENT INVESTMENTS

The bank's investment activity included investments and donations totaling over \$9.8 million. Notable investments include:

- A \$2.1 million prior period investment in a mortgage-backed security pool where all borrowers are low- or moderate-income individuals.
- A \$1.1 million prior period investment to a Sacramento County Schools Education Facilities Financing Corporation to purchase Qualified Zone Academy Bonds to benefit two area high schools where more than 70 percent of students are eligible for free and reduced lunch program.
- A \$760 thousand prior period investment to fund programs within the North Sacramento School District where over 80 percent of student population receives free or reduced price lunches and eight out of ten schools in the district are located in low- or moderate-income census tracts.
- Over \$5.2 million in mortgage-backed security pools where the majority of the investment dollars are tied to low- and moderate-income affordable housing properties in the bank's assessment area.
- An \$11 thousand donation to support the goals of an organization which provides services to low- and moderate- income individuals, including meals, shelter, rehab, and daycare services.
- A \$9 thousand donation to sponsor two low- income students in a unique work-study program aimed at teaching professional and financial skills.

COMMUNITY DEVELOPMENT SERVICES

The bank provided community development services in the Sacramento area by working with a variety of non-profit organizations. During the review period, bank employees provided over 950 service hours at 21 different organizations in the Sacramento-Placer assessment area. These community development services met various community development needs and are detailed below:

- Three hundred fifty financial service hours serving on the board and finance committee of an organization that provides services to low- and moderate-income individuals, including meals, shelter, and rehabilitation services.
- Two hundred financial service hours serving as board members of a medical center that provides free health services to low- and moderate-income individuals.
- One hundred financial service hours serving on the board of an organization which sells clothing and household goods and uses the funds for employment placement of those who are low- or moderate-income disabled, disenfranchised, and disadvantaged individuals.
- Fifty financial service hours serving on the loan committee to an economic development corporation that offers financial education, credit counseling, and debt reduction services to individuals.
- Seventy financial service hours serving as board members for an organization that helps provide employment opportunities for low- and moderate-income individuals with impediments to joining the workforce, such as mental health issues and disabilities.

Fair Lending or Other Illegal Practices Review

Concurrent with this CRA evaluation, a review of the bank's compliance with consumer protection laws and regulations was conducted, and no violations of the substantive provisions of anti-discrimination, fair lending, or other illegal credit practice rules, laws or regulations were identified.

GLOSSARY OF TERMS

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: All Agencies have adopted the following language. 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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 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 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 and community development tests 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, 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 under the lending and community development tests 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) and the Thrift Financial Reporting (TFR) 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.