



**PUBLIC DISCLOSURE**

**May 17, 2021**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**BANK OF THE JAMES**

**LYNCHBURG, VIRGINIA**

**Federal Reserve Bank of Richmond  
Richmond, Virginia**

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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PERFORMANCE EVALUATION**

Bank of the James

2787770

828 Main Street

Lynchburg, VA 24504

**Federal Reserve Bank of Richmond  
P. O. Box 27622  
Richmond, Virginia 23261**

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## **INSTITUTION RATING**

**INSTITUTION'S CRA RATING: This institution is rated: Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable given the bank's capacity and the demand for credit within the assessment areas.
- A substantial majority of the institution's Home Mortgage Disclosure Act (HMDA) and small business loans considered in the evaluation were originated within the bank's assessment areas.
- The bank's borrower distribution performance (lending to low- and moderate- income borrowers and small businesses having annual revenues of \$1 million or less) is considered reasonable overall.
- The bank's geographic distribution performance (lending in low- and moderate- income census tracts) is considered excellent overall.
- The bank's responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and services is adequate.
- There have been no complaints regarding the bank's Community Reinvestment Act (CRA) performance since the previous evaluation.

## **SCOPE OF EXAMINATION**

Bank of the James (BOTJ) was evaluated using the interagency examination procedures for intermediate small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with the procedures, all reported HMDA loans from 2018 and 2019 were reviewed. Additionally, small business loans were considered to be a primary product line, and all small business originations and purchases during calendar year 2019 were considered in the evaluation.

While the bank has reported its 2020 HMDA and CRA data, that data is not included in this analysis because the 2020 aggregate data is not yet available. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2020 is an important performance context factor needed to evaluate the bank's lending performance especially since the pandemic occurred during most of 2020.

Qualified community development loans and services are considered since the previous evaluation (May 21, 2018). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered.

To help determine the availability of community development opportunities in the assessment areas, the CRA public evaluations of other financial institutions within the assessment area were reviewed. Additionally, a member of the community was contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment area, and potential community development opportunities.

BOTJ serves five assessment areas located in the Commonwealth of Virginia. Based upon branch location, relative market size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied only to the Lynchburg, VA MSA assessment area.

The remaining assessment areas were subject to the limited review process provided by the FFIEC. For each assessment area reviewed utilizing the limited scope evaluation procedures, a determination was made as to whether performance was consistent with the assigned overall institutional rating. **Appendix B** contains the loan volume, deposit volume, and branch percentages for the institution and assisted in the determination of the scope for the evaluation.

**DESCRIPTION OF INSTITUTION**

BOTJ is headquartered in Lynchburg, Virginia, and operates 18 branches and one loan production office within the Commonwealth of Virginia. The bank is a wholly-owned subsidiary of Bank of the James Financial Group, a single-bank holding company headquartered in Lynchburg, Virginia. The bank also owns BOTJ Insurance, through which it offers insurance and annuity products. Since the previous evaluation, one additional assessment area has been delineated by BOTJ due to a branch opening in Lexington, Virginia in June 2019. The bank has also opened two additional branches, one in Charlottesville and one in Roanoke. Simultaneously, the bank consolidated a branch in Lynchburg and closed a loan production office in Charlottesville. BOTJ received a Satisfactory rating at its prior CRA evaluation dated May 21, 2018. No legal impediment exists that would prevent the bank from meeting the credit needs of its assessment areas.

As of March 31, 2021 BOTJ held assets totaling \$886.7 million, of which 68.9% were net loans and 11.7% were securities. As of the same date, deposits totaled \$805.3 million. Various deposit and loan products are available throughout the institution, including loans for residential mortgage, consumer, and small business purposes. Additionally, in April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP). This program was designed to provide direct incentive for small businesses, allow workforces to remain employed, and promote economic stability during the Coronavirus (COVID-19) pandemic. Since the PPP was established, BOTJ has originated 917 loans totaling approximately \$31.8 million. The composition of the loan portfolio using gross loans, as of March 31, 2021 is represented in the following table.

**Composition of Loan Portfolio**

Loan Type	3/31/2021	
	\$(000s)	%
Secured by 1-4 Family dwellings	152,191	24.6
Multifamily	53,916	8.7
Construction and Development	55,823	9.0
Commercial & Industrial/ NonFam NonResidential	323,923	52.4
Consumer Loans and Credit Cards	22,208	3.6
Agricultural Loans/ Farmland	9,680	1.6
All Other	0	0.0
<b>Total</b>	<b>617,741</b>	<b>100.0</b>

As indicated in the preceding table, BOTJ is an active commercial/small business and residential mortgage lender with other loan products comprising a nominal amount. As such, the volume of small business lending as well as reported HMDA loans, led to their consideration within the evaluation.

BOTJ serves five assessment areas located in central and western Virginia. As previously mentioned, the bank has expanded into Lexington, VA since the previous examination. The composition of the bank’s assessment areas is included in the following table.

<b>Assessment Area Name</b>	<b>City/County</b>	<b>State</b>	<b>Census Tracts Included</b>
Lynchburg, VA MSA	City of Lynchburg	VA	All
	Amherst County	VA	All
	Appomattox County	VA	All
	Bedford County	VA	All
	Campbell County	VA	All
Charlottesville, VA MSA	City of Charlottesville	VA	All
	Albermarle County	VA	All
Harrisonburg, VA MSA	City of Harrisonburg	VA	All
	Rockingham County	VA	All
Roanoke, VA MSA	City of Roanoke	VA	All
	City of Salem	VA	All
	Roanoke County	VA	All
Lexington, VA NonMSA*	City of Buena Vista	VA	All
	City of Lexington	VA	All
	Rockbridge County	VA	All

\* New assessment area since the previous evaluation

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:**

Reported residential mortgage data from calendar years 2018 and 2019, as well as originated small business loan data from calendar year 2019, were fully analyzed and considered in this evaluation. While American Community Survey (ACS) data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. As such, when evaluating the bank’s performance, relevant area demographic data from the 2015 ACS and Dun and Bradstreet (D&B) business data from 2019 are used.

Aggregate loan data is used as a proxy for demand when evaluating the bank’s HMDA lending and includes all activity reported by lenders, subject to reporting HMDA data, within the bank’s assessment areas. Similarly, the aggregate small business lending data includes all lenders subject to reporting small business data. Because the bank is not required to report small business loan data, BOTJ’s small business loans are not included in the aggregate data.

The geographic and borrower distribution performance of HMDA loans focused on performance for home purchase, home improvement, refinancing, and multi-family loan categories. Performance for the not applicable, other closed-end, and other line of credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

To evaluate the geographic and borrower distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated. To arrive at an overall conclusion regarding the distribution of lending performance, each loan category is then generally weighted by dollar volume of such loans made in the assessment area. During 2018 and 2019, the bank originated \$64.1 million in HMDA and \$18.1 million in small business (2019 only) in the Lynchburg, VA MSA.

While HMDA loan data from calendar years 2018 and 2019 and small business data from calendar year 2019 were fully analyzed and considered in the evaluation, only bank and aggregate data from 2019 are presented in the assessment area tables. In instances where the 2018 HMDA performance varies significantly from the performance noted during 2019, such variances and the corresponding impact on the overall performance are discussed.

Within BOTJ’s assessment area, a high level of small business lending activity was reported by specialized lenders, who often originate or purchase small business loans in the form of credit cards. The loans, however, tend to be much smaller in size than traditional small business bank loans, and a substantial majority of such loans do not have revenue data reported. The presence of these lenders is reflected in a smaller market share for traditional lenders and tends to understate the percentage of aggregate lending to businesses with annual revenues of \$1 million or less. These factors were considered as an aspect of performance context when evaluating the level and distribution of small business lending.

**Loan-To-Deposit Ratio**

The bank’s loan-to-deposit ratio as of March 31, 2021, equaled 75.8% and averaged 85.2% for the 12-quarter period ending March 31, 2021. In comparison, the quarterly average loan-to-deposit ratios of a peer group operating in similar areas to BOTJ ranged from 77% to 104.3% during the same 12-quarter period. Since the previous examination, assets, net loans, and deposits have increased by 35.2%, 15.3%, and 35%, respectively. From a CRA perspective, the bank’s loan-to-deposit is considered reasonable given the institution’s size, financial condition, and local credit needs.

**Lending in Assessment Areas**

To determine the institution’s volume of lending within its assessment areas, the geographic location of the bank’s 2018 and 2019 HMDA loans, as well as 2019 small business loans, were considered. The lending distribution inside and outside of the bank’s assessment areas is represented in the following table.

**Comparison of Credit Extended Inside and Outside of Assessment Area(s)**

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	66	89.2	13,670	89.3	8	10.8	1,631	10.7
Home Improvement	25	92.6	1,260	88.1	2	7.4	170	11.9
Refinancing	116	87.9	26,525	83.4	16	12.1	5,289	16.6
Multi-Family Housing	29	93.5	37,639	87.3	2	6.5	5,483	12.7
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	11	78.6	966	87.4	3	21.4	139	12.6
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total HMDA related</b>	<b>247</b>	<b>88.8</b>	<b>80,060</b>	<b>86.3</b>	<b>31</b>	<b>11.2</b>	<b>12,712</b>	<b>13.7</b>
Small Business	124	87.3	23,740	85.0	18	12.7	4,186	15.0
<b>TOTAL LOANS</b>	<b>371</b>	<b>88.3</b>	<b>103,800</b>	<b>86.0</b>	<b>49</b>	<b>11.7</b>	<b>16,898</b>	<b>14.0</b>

As indicated in the preceding table, a substantial majority of the total number (88.3%) and dollar amount (86%) of HMDA and small business loans were extended within the bank’s assessment areas. Overall, the institution’s level of lending within its assessment areas is considered highly responsive to community credit needs.

**Lending to Borrowers of Different Incomes and To Businesses of Different Sizes**

The bank’s distribution of lending to borrowers of different income levels (including low- and moderate-income) and businesses of different revenue sizes is considered reasonable for both HMDA and small business lending based on performance in the bank’s full-scope Lynchburg, VA MSA assessment area.

### **Geographic Distribution of Loans**

The bank's geographic distribution of lending is considered excellent for HMDA lending and reasonable for small business lending based on performance in the bank's full-scope Lynchburg, VA MSA assessment area. For this analysis, the geographic distribution of HMDA and small business lending, including both originations and purchases, was compared to available demographic data. Greater emphasis was placed on HMDA lending based on performance context factors and aggregate lending data taken into consideration. Considering these factors, the bank's geographic distribution performance is considered excellent overall.

### **Community Development Loans, Investments, and Services**

BOTJ's performance under the community development test is considered satisfactory. The bank demonstrates adequate responsiveness to local community needs through qualified community development loans, investments, and services. Overall BOTJ originated five community development loans totaling \$9.6 million during the review period. BOTJ's community development loans primarily focused on economic development through the Paycheck Protection Program (PPP) loans to low- and moderate- income individuals. In total these community development loans helped retain a minimum of 764 jobs through the PPP. Additional details about the community development loans are included within the assessment area in which the loan was originated.

### **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. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.



**METROPOLITAN AREAS**

*(For metropolitan areas with some or all assessment areas  
reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN LYNCHBURG, VA MSA  
ASSESSMENT AREA**

BOTJ's Lynchburg, VA MSA assessment area is located in central Virginia consisting of the entire MSA which includes the city of Lynchburg, Virginia, and the counties of Amherst, Appomattox, Bedford, and Campbell, Virginia. Within the assessment area, BOTJ operates 11 branches and two loan production offices.

As of June 30, 2020, BOTJ ranked 3<sup>rd</sup> out of 16 financial institutions in local deposit market share according to data compiled by the Federal Deposit Insurance Corporation and held 11.6% of the assessment area deposits (credit union deposits are not included). Additionally, according to 2019 aggregate data, the bank ranked 26<sup>th</sup> out of 319 lenders in reported mortgage lending with a 1% market share.

Based on 2019 American Community Survey (ACS) data, the assessment area served by the bank has a total population of 256,989 and a median housing value of \$162,890. Within the assessment area, the owner-occupancy rate is 61.6%, which is higher than the owner-occupancy rate for the Commonwealth of Virginia (59.2%). The percentage of families living below the poverty level in the assessment area (11%) is also higher than the rate in the Commonwealth of Virginia (8.2%). The Lynchburg, VA MSA median family income during 2018 and 2019 equaled \$63,600 and \$68,900 respectively. The following table includes pertinent demographic data for the assessment area in 2019.

**Assessment Area Demographics**

Lynchburg, VA MSA (Based on 2015 ACS Data and 2019 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	1.7	1,214	1.8	499	41.1	13,796	20.8
Moderate	14	23.3	10,458	15.8	2,019	19.3	11,626	17.5
Middle	36	60.0	41,142	62.1	4,284	10.4	14,320	21.6
Upper	9	15.0	13,472	20.3	519	3.9	26,544	40.1
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>60</b>	<b>100.0</b>	<b>66,286</b>	<b>100.0</b>	<b>7,321</b>	<b>11.0</b>	<b>66,286</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	1,046	1.5	1,992	2.0	573	28.8	24,140	24.3
Moderate	8,589	12.2	18,473	18.6	4,301	23.3	15,853	16.0
Middle	45,684	65.1	60,574	61.0	8,813	14.5	17,859	18.0
Upper	14,889	21.2	18,304	18.4	1,331	7.3	41,491	41.7
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>70,208</b>	<b>100.0</b>	<b>99,343</b>	<b>100.0</b>	<b>15,018</b>	<b>15.1</b>	<b>99,343</b>	<b>100.0</b>
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	134	1.3	117	1.3	17	2.3	0	0.0
Moderate	2,049	20.2	1,841	19.8	198	26.4	10	11.1
Middle	5,716	56.4	5,269	56.6	393	52.4	54	60.0
Upper	2,243	22.1	2,075	22.3	142	18.9	26	28.9
NA	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>10,142</b>	<b>100.0</b>	<b>9,302</b>	<b>100.0</b>	<b>750</b>	<b>100.0</b>	<b>90</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.7		7.4		0.9

\*NA-Tracts without household or family income as applicable

Local county governments and school boards, along with local colleges and universities, provide a large portion of employment opportunities for residents. Aside from the aforementioned entities, the largest employers include Babcock & Wilcox Nuclear, Centra Health, Areva NP (nuclear materials), J. Crew Outfitters, Wal Mart, GNA Corporation, BFG Industries (materials manufacturer), and Abbott Laboratories.

Recent and historical unemployment rates since the previous evaluation are included in the following table.

<b>Geographic Area</b>	<b>June 2018</b>	<b>June 2019</b>	<b>June 2020</b>	<b>Mar 2021</b>
Lynchburg City, VA	4.6%	4.1%	10.1%	6.6%
Amherst County, VA	3.6%	3.4%	7.7%	4.8%
Appomattox County, VA	4%	3.6%	7.4%	5.4%
Bedford County, VA	3.3%	2.9%	6.8%	4.6%
Campbell County, VA	3.7%	3.2%	8.2%	5%
Commonwealth of Virginia	3.1%	2.8%	8.9%	5.1%
Lynchburg, VA MSA	3.8%	3.4%	8.2%	5.4%

Prior to the COVID-19 pandemic and subsequent economic shut down, the assessment area was experiencing moderate but stable unemployment rates. Generally, with the exception of the city of Lynchburg, unemployment rates are similar when compared to respective state-wide unemployment rates. Although unemployment rates remain elevated in comparison to pre-pandemic levels, they have seen a decreasing trend since the highs in 2020.

A local community development official was contacted to assist in evaluating the bank’s CRA performance. The contact stated that the pandemic has caused economic hardship throughout the region and has negatively impacted small businesses. However, local financial institutions have remained active and engaged in lending practices to meet the credit needs of the community. The contact stated performance of local financial institutions in meeting the credit needs of the community has been reasonable.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:**

**Lending to Borrowers of Different Incomes and To Businesses of Different Sizes**

The bank’s distribution of lending reflects a reasonable penetration among individuals of different income levels (including low- and moderate- income) and business of different revenue sizes.

**Distribution of HMDA Loans by Income Level of Borrower**

<b>Lynchburg, VA MSA (2019)</b>								
<b>Income Categories</b>	<b>Bank</b>				<b>Aggregate</b>			
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>% \$</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>% \$</b>
	<b>HMDA Totals</b>							
Low	11	24.4	874	19.1	746	11.8	71,808	6.4
Moderate	4	8.9	175	3.8	1,567	24.8	208,829	18.7
Middle	8	17.8	656	14.3	1,546	24.5	251,460	22.5
Upper	22	48.9	2,867	62.8	2,450	38.9	583,050	52.4
<b>Total</b>	<b>45</b>	<b>100.0</b>	<b>4,572</b>	<b>100.0</b>	<b>6,309</b>	<b>100.0</b>	<b>1,115,147</b>	<b>100.0</b>
<i>Unknown</i>	33		11,591		1,225		403,033	

*Percentages (%) are calculated on all loans where incomes are known*

The bank’s level of lending to low-income borrowers (24.4%) exceeds the percentage of area low-income families (20.8%) and significantly exceeds aggregate lending levels to such borrowers (11.8%). Conversely, BOTJ lending to moderate-income borrowers (8.9%) lagged the percentage of moderate-income families within the assessment area (17.5%) and was significantly lower than aggregate lending levels (24.8%). Overall, the bank’s performance during 2019 is considered reasonable, and its 2018 lending is similar.

**Distribution of Lending by Loan Amount and Size of Business**

Lynchburg, VA MSA (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	64	66.7	10,539	58.3	2,049	50.2	67,372	42.2
Over \$1 Million	32	33.3	7,535	41.7	NA	NA	NA	NA
Unknown	0	0.0	0	0.0	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	52	54.2	2,556	14.1	3,782	92.6	58,036	36.3
\$100,001-\$250,000	21	23.9	3,379	18.7	155	3.8	26,612	16.7
\$250,001-\$1 Million	23	21.9	12,139	67.2	146	3.6	75,119	47.0
<b>Total</b>	<b>96</b>	<b>100.0</b>	<b>18,074</b>	<b>100.0</b>	<b>4,083</b>	<b>100.0</b>	<b>159,767</b>	<b>100.0</b>

\* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

D&B data from 2019 indicates that 91.7% of all local business have revenues that do not exceed \$1 million per year. According to 2019 aggregate small business data 50.2% of reported loans were to businesses with annual revenues of \$1 million or less. After excluding large credit card lenders, 61.7% of the remaining reported small business loans were to business having revenues of \$1 million or less. Of the small business loans reported by BOTJ, originations to businesses having annual revenues of \$1 million or less equaled 66.7%. Given these contextual factors, the bank’s small business lending performance to businesses having revenues of less than \$1 million is considered reasonable.

**Geographic Distribution of Loans**

The bank’s geographic distribution of lending is considered excellent for HMDA lending and reasonable for small business lending. When considering the comparable dollar origination volumes in 2019 (\$16.2 million for HMDA and \$18.1 million for small business lending) and the relative strengths of performance for each product, the bank’s geographic distribution performance is considered excellent overall.

**Distribution of HMDA Loans by Income Level of Census Tract**

Lynchburg, VA MSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	<b>(20) Home Purchase</b>				<b>(4,444)</b>			
Low	1	5.0	37	1.0	58	1.3	4,538	0.6
Moderate	5	25.0	409	10.5	726	16.4	89,127	10.9
Middle	9	45.0	2,269	58.5	2,518	56.9	453,519	55.4
Upper	5	25.0	1,166	30.0	1,124	25.4	272,139	33.1
	<b>(41) Refinance</b>				<b>(2,661)</b>			
Low	0	0.0	0	0.0	13	0.5	1,180	0.2
Moderate	14	34.1	3,318	46.7	278	10.4	37,965	7.6
Middle	15	36.6	1,955	27.5	1,651	62.0	295,113	59.3
Upper	12	29.3	1,832	25.8	719	27.1	163,347	32.9
	<b>(11) Home Improvement</b>				<b>(367)</b>			
Low	0	0.0	0	0.0	1	0.3	15	0.1
Moderate	3	27.3	107	21.1	43	11.7	2,230	10.1
Middle	7	63.6	320	63.1	221	60.2	13,349	60.3
Upper	1	9.1	80	15.8	102	27.8	6,529	29.5
	<b>(6) Multi-Family</b>				<b>(53)</b>			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	33.3	2,083	44.6	22	41.5	40,003	22.8
Middle	4	66.7	2,587	55.4	25	47.2	120,794	68.8
Upper	0	0.0	0	0.0	6	11.3	14,773	8.4
	<b>HMDA Totals</b>							
Low	1	1.3	37	0.2	72	1.0	5,733	0.4
Moderate	24	30.8	5,917	36.6	1,069	14.2	169,325	11.2
Middle	35	44.9	7,131	44.1	4,415	58.8	882,775	58.3
Upper	18	23.0	3,078	19.1	1,951	26.0	456,788	30.1
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>78</b>	<b>100.0</b>	<b>16,163</b>	<b>100.0</b>	<b>7,507</b>	<b>100.0</b>	<b>1,514,621</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

BOTJ's primary HMDA product was refinance loans by number of loans, followed by home purchase, and home improvement lending in 2019; however, aggregate reports show home purchase lending was the leading HMDA product by number, followed by refinance and home improvement lending. Multifamily lending was not a factor in this analysis due to limited lending within the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase, refinance, and home improvement lending are each considered excellent.

BOTJ's level of lending in the low-income census tract (1.3%) is comparable to the percentage of owner-occupied housing units located in the low-income census tract (1.5%) and is similar to the aggregate level of lending in the low-income census tract (1%). The level of lending in moderate-income census tracts (30.8%) was significantly higher than both the level of aggregate lending in such tracts (14.2%) and owner-occupied units located in moderate-income tracts (12.2%). Overall, the bank's performance of lending in low- and moderate-income census tracts during 2019 is considered excellent, and 2018 lending is substantially similar.

**Distribution of Small Business Loans by Income Level of Census Tract**

Lynchburg, VA MSA (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	1	1.0	15	0.1	51	1.3	1,591	1.0
Moderate	25	26.0	6,229	34.5	848	21.3	33,508	21.2
Middle	46	47.9	5,867	32.5	2,126	53.4	82,540	52.3
Upper	24	25.1	5,962	32.9	954	24.0	40,111	25.5
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>96</b>	<b>100.0</b>	<b>18,073</b>	<b>100.0</b>	<b>3,979</b>	<b>100.0</b>	<b>157,750</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable  
Loans where the geographic location is unknown are excluded from this table.

D&B data from 2019 indicates that 1.3% and 20.2% of all businesses are located in low- and moderate-income census tracts, respectively. During 2019, aggregate lenders reported extending 1.3% and 21.3% of small business loans in low- and moderate-income census tracts, respectively. The bank’s lending performance in the low-income census tract (1%) is on par with the demand as well as the aggregate lending level, and its level of lending in moderate-income tracts (26%) exceeds both proxies for demand. On a combined basis, the bank’s level of small business lending is considered reasonable.

**Community Development Loans, Investments, and Services**

BOTJ’s performance under the community development test is considered satisfactory. The bank demonstrates adequate responsiveness to local community needs through qualified community development loans, investments, and services. During the review period, BOTJ originated three community development loans totaling approximately \$3.8 million within the assessment area.

Similar to the last exam, BOTJ supports community development initiatives and organizations that benefit its assessment areas and larger statewide area by holding three qualified investment bonds through the Virginia Housing and Development Authority (VHDA) totaling approximately \$2 million. The VHDA is a public mortgage lender that serves the housing needs of low- and moderate-income individuals throughout the Commonwealth of Virginia, including the bank’s assessment areas. In addition to the statewide investments through the VHDA, the bank made donations to affordable housing, economic development, and community service organizations totaling \$83,825.

Since the previous examination, with the exception of a branch consolidation, the bank’s branch locations within the Lynchburg VA, MSA have remained unchanged. The bank still maintains two branches (18.2%) located within moderate-income areas and no branches in low-income areas.

Bank employees have volunteered their time and financial expertise to organizations providing community development services within the assessment area that include, but are not limited to, the following:

- A bank officer served on the loan committee for HumanKind which helps provide vehicle financing to many low- and moderate- income residents of the community with affordable interest rates.
- A bank officer served as a board member for the Business Development Centre, an organization that serves as a small business incubator, striving to achieve workforce and economic development goals for start ups.
- A bank officer served as the treasurer and finance committee member at New Vista Schools, which is a school catered to serve students with specific learning disabilities.

- A bank officer served as the United Way of Central Virginia's panel chair for allocations determining which organizations receive funding dollars helping to assist organizations that provide affordable housing and community development services.
- A bank employee served as a fundraising consultant for Jubilee Family Development Center, an organization that provides quality academic, athletic, and occupational programs to at risk youth.

**METROPOLITAN AREAS**

*(For each metropolitan area where no assessment areas were reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN METROPOLITAN AREAS**

Certain assessment areas, which are noted in the table below, were reviewed using the limited review examination procedures. Information detailing the composition of the assessment areas, including selected demographic data, is included in **APPENDIX A** of this report.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

Facts and data reviewed for each assessment area, including performance and demographic information, can be found in **APPENDIX A** of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. For each test, the conclusion conveys whether performance in an assessment area was generally below, consistent with, or exceeded the institution's overall rating.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Community Development Test</b>
Charlottesville, VA MSA	Below	Consistent
Harrisonburg, VA MSA	Consistent	Consistent
Roanoke, VA MSA	Consistent	Consistent



**NONMETROPOLITAN STATEWIDE AREA**

*(If none of the assessment areas within the nonmetropolitan statewide area were reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN STATEWIDE AREA**

Certain assessment areas, which are noted in the table below, were reviewed using the limited review examination procedures. Information detailing the composition of the assessment areas, including selected demographic data, is included in **APPENDIX A** of this report.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN STATEWIDE NONMETROPOLITAN ASSESSMENT AREA**

Facts and data reviewed for each assessment area, including performance and demographic information, can be found in **APPENDIX A** of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. The conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the institution's overall rating.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Community Development Test</b>
Lexington, VA NonMSA	Below	Consistent

**CRA APPENDIX A**  
**LIMITED REVIEW TABLES**

**Charlottesville, VA Assessment Area**

The bank operates three branches in this assessment area, which includes all of Albermarle County and Charlottesville City, Virginia.

**Performance Test Data for Charlottesville, VA Assessment Area**

**Limited Review Lending Table**

Charlottesville, VA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	(1)				(3)			
Low	0	0.0	5.0	4.1	0	0.0	2.2	4.1
Moderate	0	0.0	12.4	14.3	0	0.0	9.7	14.3
Middle	1	100.0	41.3	41.2	2	66.7	40.4	41.2
Upper	0	0.0	41.4	40.3	1	33.3	47.7	40.3
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	(3)				(0)			
Low	0	0.0	4.2	4.1	0	0.0	12.5	4.1
Moderate	0	0.0	12.5	14.3	0	0.0	37.5	14.3
Middle	2	66.7	39.5	41.2	0	0.0	25.0	41.2
Upper	1	33.3	43.8	40.3	0	0.0	25.0	40.3
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	(7)				(NA)			
Low	0	0.0	4.6	4.1	NA	NA	NA	NA
Moderate	0	0.0	12.4	14.3	NA	NA	NA	NA
Middle	5	71.4	40.5	41.2	NA	NA	NA	NA
Upper	2	28.6	42.5	40.3	NA	NA	NA	NA
<i>Borrower</i>	(4)				(NA)			
Low	0	0.0	5.4	19.5	NA	NA	NA	NA
Moderate	0	0.0	16.6	15.5	NA	NA	NA	NA
Middle	1	25.0	23.0	19.0	NA	NA	NA	NA
Upper	3	75.0	54.9	45.9	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	(9)				(NA)			
Low	0	0.0	4.9	4.2	NA	NA	NA	NA
Moderate	3	33.3	14.7	14.6	NA	NA	NA	NA
Middle	3	33.3	36.9	36.0	NA	NA	NA	NA
Upper	3	33.3	43.5	44.7	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	4	44.4	50.7	91.4	NA	NA	NA	NA

*Geographic ( ) represents the total number of bank loans for the specific Loan Purpose where geography is known*  
*Borrower ( ) represents the total number of bank loans for the specific Loan Purpose where income is known*  
*NA represents no activity in the income category*

### **Community Development Loans, Investments, and Services**

The bank's community development activities are considered consistent with those discussed in the full-scope assessment area. The statewide VHDA investments mentioned previously, apply to this assessment area. In addition, the bank made one qualified community development loan for \$1.1 million dollars and donations to community service organizations totaling \$12,500. Within this specific assessment area, a bank employee serves on the board of United Way, an organization that provides affordable housing and community development services.

**Harrisonburg, VA MSA Assessment Area**

The bank operates one branch in this assessment area, which includes all of Rockingham County and Harrisonburg City, Virginia.

**Performance Test Data for Harrisonburg, VA Assessment Area**

**Limited Review Lending Table**

Harrisonburg, VA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(0)</b>				<b>(0)</b>			
Low	0	0.0	1.1	0.4	0	0.0	0.7	0.4
Moderate	0	0.0	12.7	10.0	0	0.0	7.8	10.0
Middle	0	0.0	68.5	76.9	0	0.0	70.2	76.9
Upper	0	0.0	17.7	12.7	0	0.0	21.3	12.7
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(1)</b>				<b>(1)</b>			
Low	0	0.0	0.6	0.4	1	100.0	10.5	0.4
Moderate	0	0.0	11.4	10.0	0	0.0	26.3	10.0
Middle	1	100.0	70.0	76.9	0	0.0	57.9	76.9
Upper	0	0.0	18.1	12.7	0	0.0	5.3	12.7
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(2)</b>				<b>(NA)</b>			
Low	1	50.0	1.0	0.4	NA	NA	NA	NA
Moderate	0	0.0	12.1	10.0	NA	NA	NA	NA
Middle	1	50.0	69.0	76.9	NA	NA	NA	NA
Upper	0	0.0	17.9	12.7	NA	NA	NA	NA
<i>Borrower</i>	<b>(1)</b>				<b>(NA)</b>			
Low	0	0.0	9.9	18.6	NA	NA	NA	NA
Moderate	0	0.0	25.6	19.4	NA	NA	NA	NA
Middle	0	0.0	23.8	22.7	NA	NA	NA	NA
Upper	1	100.0	40.7	39.3	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(8)</b>				<b>(NA)</b>			
Low	0	0.0	1.8	1.9	NA	NA	NA	NA
Moderate	2	25.0	19.4	18.9	NA	NA	NA	NA
Middle	6	75.0	63.0	65.1	NA	NA	NA	NA
Upper	0	0.0	15.8	14.1	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	7	87.5	51.0	91.6	NA	NA	NA	NA

*Geographic ( ) represents the total number of bank loans for the specific Loan Purpose where geography is known*

*Borrower ( ) represents the total number of bank loans for the specific Loan Purpose where income is known*

*NA represents no activity in the income category*

**Community Development Loans, Investments, and Services**

The bank’s community development activities are considered consistent with those discussed in the full-scope assessment area. The statewide VHDA investments mentioned previously apply to this assessment area. In addition, the bank made one qualified community development loan for \$4.6 million dollars and donations to community service organizations totaling \$4,500. In addition, one bank employee serves as treasurer and board member of Skyline Literacy, which serves the adult non-English speaking or reading community.

**Roanoke, VA MSA Assessment Area**

The bank operates two branches within this assessment area, which includes all of Roanoke county and the cities of Roanoke and Salem, Virginia.

**Performance Test Data for Roanoke, VA Assessment area**

**Limited Review Lending Table**

Roanoke, VA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(6)</b>				<b>(0)</b>			
Low	1	16.7	1.2	2.1	0	0.0	1.5	2.1
Moderate	1	16.7	14.3	14.4	0	0.0	9.0	14.4
Middle	4	66.7	51.3	50.2	0	0.0	47.9	50.2
Upper	0	0.0	33.2	33.3	0	0.0	41.5	33.3
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(2)</b>				<b>(0)</b>			
Low	0	0.0	1.0	2.1	0	0.0	14.3	2.1
Moderate	1	50.0	12.4	14.4	0	0.0	14.3	14.4
Middle	1	50.0	48.6	50.2	0	0.0	55.1	50.2
Upper	0	0.0	38.0	33.3	0	0.0	16.3	33.3
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(8)</b>				<b>(NA)</b>			
Low	1	12.5	1.2	2.1	NA	NA	NA	NA
Moderate	2	25.0	13.4	14.4	NA	NA	NA	NA
Middle	5	62.5	50.3	50.2	NA	NA	NA	NA
Upper	0	0.0	35.1	33.3	NA	NA	NA	NA
<i>Borrower</i>	<b>(0)</b>				<b>(NA)</b>			
Low	0	0.0	13.0	20.0	NA	NA	NA	NA
Moderate	0	0.0	26.3	17.4	NA	NA	NA	NA
Middle	0	0.0	26.5	22.5	NA	NA	NA	NA
Upper	0	0.0	34.2	40.1	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(8)</b>				<b>(NA)</b>			
Low	0	0.0	5.2	3.8	NA	NA	NA	NA
Moderate	1	12.5	10.5	11.5	NA	NA	NA	NA
Middle	5	62.5	53.5	54.5	NA	NA	NA	NA
Upper	2	25.0	30.8	30.2	NA	NA	NA	NA
<i>Revenue</i>	<b>(0)</b>				<b>(NA)</b>			
Busn/ Farms with revenues <=\$1 M	7	87.5	47.1	90.4	NA	NA	NA	NA

*Geographic ( ) represents the total number of bank loans for the specific Loan Purpose where geography is known*

*Borrower ( ) represents the total number of bank loans for the specific Loan Purpose where income is known*

*NA represents no activity in the income category*

**Community Development Loans, Investments, and Services**

The bank’s community development activities are considered consistent with those discussed in the full-scope assessment area. The statewide VHDA investments mentioned previously apply to this assessment area. In addition the bank made qualified donations to community service organizations totaling \$5,000.

**Lexington, VA NonMSA Assessment Area**

The bank operates one branch in this assessment area, which includes all of Rockbridge County, the city of Lexington, and the city of Buena Vista, Virginia.

**Performance Test Data for Lexington, VA Assessment Area**

**Limited Review Lending Table**

Lexington, VA NonMSA (2019)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	(1)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	23.5	16.9	0	0.0	17.1	16.9
Middle	1	100.0	57.5	62.0	0	0.0	65.7	62.0
Upper	0	0.0	19.1	21.1	0	0.0	17.1	21.1
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	(2)				(0)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	7.6	16.9	0	0.0	0.0	16.9
Middle	2	100.0	69.7	62.0	0	0.0	100.0	62.0
Upper	0	0.0	22.7	21.1	0	0.0	0.0	21.1
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	(3)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	18.1	16.9	NA	NA	NA	NA
Middle	3	100.0	61.8	62.0	NA	NA	NA	NA
Upper	0	0.0	20.1	21.1	NA	NA	NA	NA
<i>Borrower</i>	(0)				(NA)			
Low	0	0.0	4.6	18.8	NA	NA	NA	NA
Moderate	0	0.0	18.4	19.8	NA	NA	NA	NA
Middle	0	0.0	26.4	19.2	NA	NA	NA	NA
Upper	0	0.0	50.6	42.1	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	(3)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	13.3	13.3	NA	NA	NA	NA
Middle	2	66.7	62.9	66.3	NA	NA	NA	NA
Upper	1	33.3	23.8	20.4	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	3	100.0	47.8	93.0	NA	NA	NA	NA

*Geographic ( ) represents the total number of bank loans for the specific Loan Purpose where geography is known*

*Borrower ( ) represents the total number of bank loans for the specific Loan Purpose where income is known*

*NA represents no activity in the income category*

**Community Development Loans, Investments, and Services**

The bank’s community development activities are considered consistent with those discussed in the full-scope assessment area. The statewide VHDA investments mentioned previously apply to this assessment area. In addition, the bank made qualified donations to community service organizations totaling \$500.

**CRA APPENDIX B**

**LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA**

The following table includes the distribution of branch offices as well as loan and deposit volume in each assessment area. Branch information is current as of the evaluation date, and loan volume includes all HMDA and small business loans considered in the evaluation. Deposit volume includes all bank deposits and is current as of June 30, 2020.

Assessment Area	Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Lynchburg, VA MSA	301	81.10%	\$82,949	79.90%	11	61.10%	\$662,372	88.50%
Charlottesville, VA MSA	25	6.70%	\$9,484	9.10%	3	16.70%	\$30,737	4.10%
Harrisonburg, VA MSA	18	4.90%	\$5,834	5.60%	1	5.60%	\$36,870	4.90%
Roanoke, VA MSA	20	5.40%	\$3,826	3.70%	2	11.10%	\$16,642	2.20%
Lexington, VA NonMSA	7	1.9	\$1,706	1.70%	1	5.60%	\$2,073	0.30%
<b>TOTAL</b>	<b>371</b>	<b>100%</b>	<b>\$103,799</b>	<b>100%</b>	<b>18</b>	<b>100%</b>	<b>\$748,694</b>	<b>100%</b>

**CRA APPENDIX C  
BRANCHING ACTIVITY**

<b>Assessment Area</b>	<b>Date</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Open/Closed</b>	<b>Tract Income Level</b>
Lynchburg, VA MSA	11/12/2019	13 Village Highway	Rustburg	VA	24588	Opened	Middle
Lynchburg, VA MSA	12/1/2019	615 Church Street	Lynchburg	VA	24504	Consolidated	Middle
Charlottesville, VA MSA	2/28/2019	1430 Rolkin Court, Suite 203	Charlottesville	VA	22911	Closed (LPO)	Middle
Charlottesville, VA MSA	6/3/2019	550 Water Street	Charlottesville	VA	22902	Opened	Upper
Roanoke, VA MSA	6/10/2019	2101 North Electric Road	Roanoke	VA	24018	Opened	Upper
Lexington, VA NonMSA	7/22/2019	158 South Main Street	Lexington	VA	24450	Opened	Middle



## CRA APPENDIX D

### 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:** 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, 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 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.