

PUBLIC DISCLOSURE

March 11, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**MidSouth Bank
One East College Street
Murfreesboro, Tennessee 37130**

RSSD ID NUMBER: 3208049

**FEDERAL RESERVE BANK OF ATLANTA
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

Major factors supporting the institution's rating include:

- The bank's loan-to-deposit ratio is reasonable.
- The majority of loans were made in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The bank has not received any CRA-related complaints.

SCOPE OF EXAMINATION

The CRA performance evaluation assesses the bank's record of meeting the credit needs of its community, including low- and moderate- income neighborhoods, within the context of information such as asset size and financial condition of the institution, competitive factors, and the economic and demographic characteristics of its defined assessment area. This CRA performance review was based on the bank's lending performance in its assessment area using the Interagency Small Institution Examination Procedures. The rating was assessed using the following core criteria developed for evaluating CRA lending performance for small banks:

- Net Loan-to-Deposit Ratio
- Lending Inside the Assessment Area
- Lending to Individuals of Different Income Levels and Businesses of Different Sizes
- Geographic Distribution of Loans
- Response to Substantiated Complaints

Given the bank's asset size and location of five branch offices in a metropolitan statistical area (MSA), the bank submits annual reports about its residential real estate loan originations and applications, pursuant to the Home Mortgage Disclosure Act (HMDA). These loans are referred to as "HMDA" loans in this evaluation. HMDA loans include home purchase, refinance, home improvement, and multi-family loans.

The evaluation included an analysis of HMDA loans and a sample of commercial loans originated from January 1, 2010 to December 31, 2011; these loan types represent the bank's major product lines.

As part of the evaluation, two community contacts were made with local housing and small business development representatives who are familiar with the economic and demographic characteristics in the bank's assessment area. Specific information obtained from the community contacts is included in the applicable section of the report. One contact indicated that stronger relationships between banks and small business development organizations are necessary, and need to improve to meet the diverse and growing credit needs of the small business community; the other contact indicated that the biggest challenge is helping first time homebuyers or low-income homebuyers find affordable housing.

DESCRIPTION OF INSTITUTION

MidSouth Bank is a full-service community bank headquartered in Murfreesboro, Tennessee. The bank was formed without a holding company. The bank is currently the only locally-owned bank in Rutherford County, Tennessee. MidSouth Bank offers various consumer and business banking products including money market accounts, checking accounts, savings accounts, and certificates of deposit. The bank also maintains a website (www.midsouthbanking.com) and offers online banking with a bill payment option.

Branch Offices

MidSouth Bank’s branch network has changed since the previous examination. The bank closed one branch and currently operates five branch offices in Rutherford County. The main office is located in a moderate-income census tract, and the other four branch offices are located in middle-income census tracts. All five branch offices offer full-service ATMs that accept deposits.

Loan Portfolio

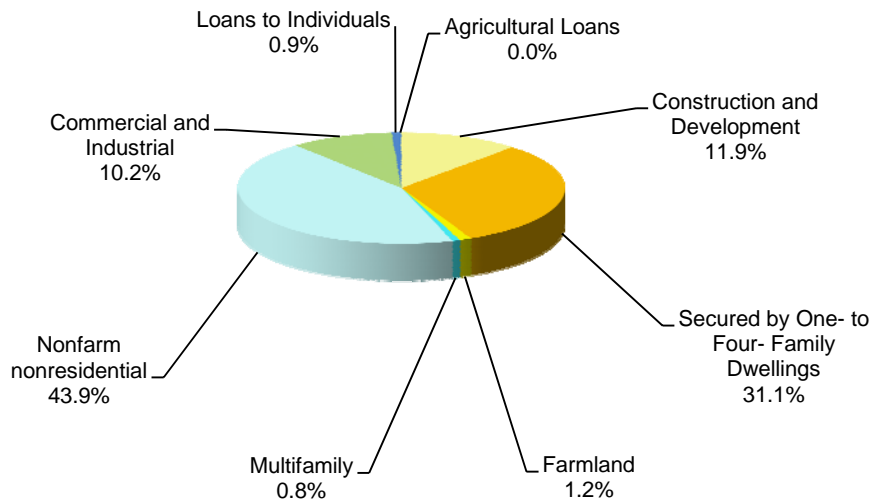
According to the December 31, 2012 Report of Condition (ROC), the bank’s assets decreased 5.2 percent from \$266.4 million as of March 31, 2009 to \$252.5 million as of December 31, 2012. During the same time period, total loans decreased 36.1 percent, from \$224.7 million to \$143.7, and total deposits increased slightly, from \$221.1 million to \$221.9 million.

The following table shows the composition of the bank’s loan portfolio according to the bank’s Consolidated Reports of Condition and Income.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	12/31/2012		12/31/2011		12/31/2010	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	16,571	11.9%	14,366	10.6%	18,193	11.8%
Secured by One- to Four- Family Dwellings	43,408	31.1%	39,887	29.3%	43,302	28.1%
Other Real Estate: Farmland	1,646	1.2%	2,209	1.6%	2,842	1.8%
Multifamily	1,088	0.8%	1,180	0.9%	2,714	1.8%
Nonfarm nonresidential	61,322	43.9%	59,695	43.9%	58,152	37.7%
Commercial and Industrial	14,254	10.2%	17,219	12.7%	26,628	17.3%
Loans to Individuals	1,301	0.9%	1,493	1.1%	2,468	1.6%
Agricultural Loans	0	0.0%	12	0.0%	24	0.0%
Total	\$139,590	100.00%	\$136,061	100.00%	\$154,323	100.00%

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

**Loan Portfolio
 as of
 12/31/2012**



As illustrated in the chart and table on the previous page, the bank focused on loans secured by one-to four-family dwellings and commercial real estate. Nonfarm nonresidential loans (43.9 percent) make up the largest percentage of the loan portfolio, followed by loans secured one-to-four family dwellings (31.1 percent). During the review period, the total portfolio decreased 9.6 percent from \$154.3 million to \$139.5 million. The loan types representing the highest decreases by percentage were multifamily loans (59.9 percent), commercial and industrial loans (46.5 percent), farmland (41.1 percent), and loans to individuals (38.3 percent).

Credit Products

MidSouth Bank is primarily a commercial lender and offers various commercial credit products including real estate, construction, and land development loans; secured and unsecured loans; lines of credit; and letters of credit. The bank also offers various consumer credit products including residential mortgage, bridge, and construction loans; personal lines of credit; home equity lines of credit; automobile loans; and personal secured and unsecured loans.

MidSouth Bank complies with the requirements of the CRA. No known legal impediments exist that would restrict the bank from meeting the credit needs of its assessment area. The bank received a “Satisfactory” rating at its previous evaluation conducted by the Federal Reserve Bank of Atlanta dated March 16, 2009, using the Small Institution Examination Procedures.

DESCRIPTION OF ASSESSMENT AREA

Overview

MidSouth Bank has defined its assessment area as Rutherford County, Tennessee, which is part of the Nashville-Davidson-Murfreesboro-Franklin Metropolitan Statistical Area (MSA). The assessment area has not changed since the previous CRA evaluation.

Rutherford County is located about 30 miles southeast of Nashville, Tennessee. The county includes the cities of Murfreesboro, Smyrna, LaVergne, and Eagleville. The county seat for Rutherford County is the city of Murfreesboro, which is where the bank's main office is located.

Population Information

According to the 2000 census, the bank's assessment area population was 182,023, which represents approximately 3.2 percent of the state of Tennessee population of 5,689,283 persons. Estimated census data for 2011 indicates that the total population of the bank's assessment area increased 47.7 percent to 268,921 since the 2000 census, as compared to the state of Tennessee with an increase of 12.6 percent. This significant increase ranks Rutherford County 5th highest in the state of Tennessee for total increase in population.

Income Characteristics

For purposes of classifying borrower income, this evaluation uses the Department of Housing and Urban Development's (HUD) estimated median family income for the relevant area. The following table sets forth the estimated median family income for 2010 and 2011 for the Nashville-Davidson-Murfreesboro-Franklin, Tennessee, MSA. It also provides a breakdown of the estimated annual income based on income-level.

Borrower Income Levels
Nashville-Davidson-Murfreesboro-Franklin, TN MSA

HUD Estimated Median Family Income		Low		Moderate		Middle		Upper	
		0	- 49.99%	50%	- 79.99%	80%	- 119.99%	120%	- & above
2010	\$65,200	0	- \$32,599	\$32,600	- \$52,159	\$52,160	- \$78,239	\$78,240	- & above
2011	\$66,200	0	- \$33,099	\$33,100	- \$52,959	\$52,960	- \$79,439	\$79,440	- & above

The HUD estimated median family income for the Nashville-Davidson-Murfreesboro-Franklin MSA in 2010 was \$65,200 and \$66,200 in 2011. Demographic data from the 2000 census indicates that there were 47,740 families in the assessment area. Of those families, 15.7 percent were low-income, 17.7 percent were moderate-income, 26.5 percent were middle-income, and 40.1 percent were upper-income. Of the total families, 5.8 percent had incomes below the poverty level.

Housing Characteristics

According to the 2000 census, there were 70,616 housing units in the assessment area; 65.7 percent were owner-occupied, 28.4 percent were rental units, and 5.9 percent were vacant units. The median age of housing stock in the assessment area was 15 years compared to the state of Tennessee at 25 years. The assessment area’s affordability ratio is 41.4 compared to the state of Tennessee at 41.2, indicating that housing is slightly more affordable in the assessment area than in the state of Tennessee. The affordability ratio is defined as the median household income divided by the median housing value. A higher ratio means the housing is considered more affordable while a lower ratio means the housing is considered less affordable.

The Rutherford County assessment area has seen significant population growth from 2000 to 2011 and housing growth has been increasing as evidenced by the reported building permits for the assessment area for 2010 and 2011. New building permits for all types of family units increased 9.3 percent from 787 in 2010 to 860 in 2011. Although there has been an increase in the new building permits, the assessment area has also been impacted by a high number of foreclosures. According to the Tennessee Housing Development Agency (THDA), the total number of properties with foreclosure filings in 2010 in Rutherford County was 1,962, which ranked as the 5th highest in the state.¹ In 2011, Rutherford County experienced a 29.7 percent decline in foreclosure filings, but was still ranked 7th highest in the state.²

Employment Statistics

The 2011 Regional Economic Information Systems (REIS) data indicates the leading employment sectors in Rutherford County are manufacturing; state and local government; retail trade; administrative and waste management services; and health care and social assistance. Manufacturing and state and local government alone account for nearly 25.6 percent of all employment in the county.

The following table shows the county’s unemployment rate percentages for the bank’s assessment area and the state of Tennessee.

¹ Tennessee Housing Development Agency. Tennessee Foreclosure Trends: 2010. Available at <http://tn-tennesseehda.civicplus.com/DocumentCenter/Home/View/671>.

² Tennessee Housing Development Agency. Tennessee Foreclosure Trends: 2011. Available at <http://www.thda.org/DocumentCenter/Home/View/1844>.

Unemployment Rates

Assessment Area: Rutherford County

Area	Years - Annualized		
	2009	2010	2011
Rutherford Co.	9.7	8.7	8.0
Nashville MSA	9.3	8.7	8.0
Tennessee	10.5	9.8	9.2

Not Seasonally Adjusted

The unemployment rates in the assessment area, MSA, and the state show a steadily declining trend from 2009 to 2011.

The five largest employers in Rutherford County are Nissan North America with 6,350 employees; Rutherford County Government with 6,073 employees; Middle Tennessee State University with 2,205 employees; National Healthcare Corporation with 2,071 employees; and State Farm Insurance with 1,662 employees.³

Competition

The assessment area is highly competitive due to the presence of many banks in the assessment area. According to the June 30, 2012 FDIC Summary of Deposit Market Share Report, there were 18 other financial institutions operating 73 branch offices in the assessment area. MidSouth Bank operates five branch offices in the assessment area and is ranked 6th among the competing financial institutions with \$195 million in deposits, representing 6.7 percent of the deposit market share. The number of branch offices operated by a single financial institution ranged from one to 11. The institutions with the largest market share in the assessment area include Pinnacle National Bank with 8 branch offices at 24.1 percent; Regions Bank with 11 branch offices at 14.2 percent; SunTrust Bank with 9 branch offices at 13.7 percent; First Tennessee State Bank, N.A. with 10 branch offices at 11.2 percent; and Bank of America, N.A with 5 branch offices at 8.4 percent. As reflected by the percentage of the market share and number of branch offices of other institutions listed, there is strong competition from national, regional, and local banks.

Community Contacts

As part of the CRA examination, information was obtained from a local small business development organization and a local community development organization. According to one of the contacts, the demand for small business credit is growing, but restrictive underwriting guidelines makes it difficult for applicants to qualify. Furthermore, the contact stated that stronger relationships between banks and small business development organizations are necessary and need to improve to meet the diverse and growing credit needs of the small business community.

According to the other contact familiar with the affordable housing needs of the community, Rutherford County continues to experience growth at a slightly faster pace than the rest of the country, and the biggest challenge is helping first time homebuyers or low-income homebuyers find affordable housing. The contact stated that over the last 18 months, 42 percent of his organization's budget has been for housing rehabilitation projects.

³ Rutherford County Chamber of Commerce, Rutherford County, Tennessee Largest Employers. Available at: <http://www.rutherfordchamber.org/external/wcpages/wcmedia/documents/Economic%20Development/Rutherford%20County%20Largest%20Employers%2011-12.pdf>.

General Economic and Business Characteristics

According to bank management and community contacts, economic conditions in the assessment area are slowly improving. Decreasing levels of unemployment combined with stabilizing housing prices continue to positively impact the local economy. Low- and moderate- income areas have been particularly adversely impacted. The need for small business working capital loans is up; however, strict loan underwriting guidelines at large regional banks has made it difficult for many small businesses to obtain financing. Consequently, one apparent credit need of the assessment area is access to commercial credit for small businesses. Both community contacts noted that the county's decrease in unemployment can be attributed in part to the impact of existing companies located within Rutherford County such as Amazon, Nissan North America, State Farm, Bridgestone Tires, and a new hospital in Smyrna, Tennessee.

Also noted as a positive economic influence in Rutherford County are the four-year postgraduate institutions, community colleges, and technical schools, which offer residents a variety of higher education options. Middle Tennessee State University (MTSU) is over 100 years old and is the largest undergraduate university in the state of Tennessee, with an enrollment of more than 26,000 students. Other institutions located in Rutherford County include Motlow State Community College, Tennessee Technology Center, Daymar Institute, and University of Phoenix.⁴

Assessment Area Demographics

The bank's assessment area is comprised of 26 census tracts, which includes one low-income tract (3.8 percent), four moderate-income tracts (15.4 percent), 19 middle-income tracts (73.1 percent), and two upper-income tracts (7.7 percent).

The following table provides demographic characteristics of the bank's assessment area based on 2000 U.S. Census data used to analyze the bank's CRA performance. Certain components of the data in the table are discussed in this evaluation as they apply to specific parts of the analysis.

⁴ Rutherford County Chamber of Commerce. Higher Education. Available at: http://www.rutherfordchamber.org/economic-development/higher_education.aspx.

Combined Demographics Report

Assessment Area: Rutherford County

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	3.8	895	1.9	254	28.4	7,488	15.7
Moderate-income	4	15.4	4,612	9.7	601	13.0	8,449	17.7
Middle-income	19	73.1	39,170	82.0	1,854	4.7	12,638	26.5
Upper-income	2	7.7	3,063	6.4	51	1.7	19,165	40.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	26	100.0	47,740	100.0	2,760	5.8	47,740	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	2,005	417	0.9	20.8	1,425	71.1	163	8.1
Moderate-income	9,848	3,437	7.4	34.9	5,606	56.9	805	8.2
Middle-income	55,102	39,279	84.6	71.3	12,689	23.0	3,134	5.7
Upper-income	3,661	3,275	7.1	89.5	315	8.6	71	1.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	70,616	46,408	100.0	65.7	20,035	28.4	4,173	5.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	174	1.2	159	1.2	7	1.3	8	1.5
Moderate-income	2,307	16.5	2,048	15.9	150	28.9	109	20.0
Middle-income	10,761	77.1	10,024	77.7	333	64.2	404	74.3
Upper-income	724	5.2	672	5.2	29	5.6	23	4.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	13,966	100.0	12,903	100.0	519	100.0	544	100.0
Percentage of Total Businesses:				92.4		3.7		3.9
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1	0.5	1	0.5	0	0.0	0	0.0
Moderate-income	13	7.0	13	7.1	0	0.0	0	0.0
Middle-income	166	89.7	164	89.6	1	100.0	1	100.0
Upper-income	5	2.7	5	2.7	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	185	100.0	183	100.0	1	100.0	1	100.0
Percentage of Total Farms:				98.9		.5		.5

Based on 2011 D&B information according to 2000 Census Boundaries.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Overview

MidSouth Bank's overall performance rating is satisfactory. The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. A majority of loans were originated inside the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Performance context information, such as competition, demographics, and the economic climate, was also considered in the evaluation of the bank's lending performance.

Loan-to-Deposit Ratio

The net loan-to-deposit (LTD) ratio reflects reasonable responsiveness to meeting the overall assessment area's credit needs given the institution's size, financial condition, competition, and assessment area credit needs. The bank's average LTD ratio for the 16 quarters ending December 31, 2012, was 76.8 percent. The average LTD ratio ranged from a high of 98.3 percent as of March 31, 2009, to a low of 63.4 percent as of December 31, 2012.

MidSouth Bank's LTD ratio was compared to the ratios of three other financial institutions of similar asset size with branch offices in the assessment area. The average LTD ratio for these three financial institutions ranged from 22.4 percent to 74.8 percent. Overall, the bank's average LTD ratio compares favorably to the three banks of similar asset size located in its assessment area.

Assessment Area Concentration

The bank originated a majority of the total loans sampled to borrowers and businesses residing in or located within the bank's assessment area. As indicated in the table below, 84.9 percent of the total number of loans and 87.1 percent of the total loan dollars were extended to borrowers and businesses inside the assessment area, which is an indicator of the bank's willingness to originate loans that are responsive to assessment area credit needs. The table below shows, by product type, the number and percentage of loans reviewed that were located inside and outside of the bank's assessment areas.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	24	82.8	\$975	80.9	5	17.2	\$230	19.1
Home Purchase - Conventional	71	89.9	\$6,735	88	8	10.1	\$921	12
Multi-Family Housing	1	100	\$200	100	0	0	\$0	0
Refinancing	66	83.5	\$11,432	85.5	13	16.5	\$1,943	14.5
Total HMDA	162	86.2	\$19,342	86.2	26	13.8	\$3,094	13.8
Total Commercial	92	82.9	\$10,275	88.9	19	17.1	\$1,279	11.1
TOTAL LOANS	254	84.9	\$29,617	87.1	45	15.1	\$4,373	12.9

Note: Affiliate loans not included

Geographic Distribution of Loans

Based on the following analysis, the overall geographic distribution of the bank's HMDA and commercial loans reflects reasonable dispersion throughout the bank's assessment area. This conclusion was based on a review of the geographic distribution of HMDA and commercial lending compared to available demographic information; the distribution of HMDA lending was also compared to aggregate lending data. Performance context issues including the bank's business strategy, competition, and economic climate were also taken into consideration.

Residential Real Estate (HMDA) Lending

The geographic distribution of HMDA loans reflects excellent penetration throughout the assessment area. The following table shows the geographic distribution of the bank's HMDA loans for 2010 and 2011 within the assessment area and also includes a comparison of the bank's HMDA lending to the 2010 and 2011 aggregate HMDA lenders within the assessment area. The HMDA aggregate lenders' data are the combined total of lending activity reported by all lenders subject to HMDA data reporting requirements in the assessment area.

Geographic Distribution of HMDA Loans
Assessment Area: Rutherford County

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data Comparison 2010, 2011					Bank & Aggregate Lending Comparison											
		Bank				Owner Occupied Units %	2010			2011			2010			2011		
		Count #	Dollar		%		Count #	Agg %	Dollar		Count #	Agg %	Dollar		Count #	Agg %	Dollar	
			\$ (000s)	\$ %		\$ (000s)			\$ %	\$ (000s)			\$ %	\$ (000s)			\$ %	
HOME PURCHASE	Low	4	5.6%	\$270	4.0%	0.9%	3	7.3%	0.3%	\$218	5.1%	0.3%	1	3.3%	0.4%	\$52	2.1%	0.2%
	Moderate	9	12.7%	\$872	12.9%	7.4%	7	17.1%	3.9%	\$758	17.8%	2.9%	2	6.7%	3.5%	\$114	4.6%	2.4%
	Middle	54	76.1%	\$5,307	78.8%	84.6%	28	68.3%	92.2%	\$3,105	72.8%	92.6%	26	86.7%	92.6%	\$2,202	89.3%	93.1%
	Upper	4	5.6%	\$286	4.2%	7.1%	3	7.3%	3.6%	\$187	4.4%	4.2%	1	3.3%	3.5%	\$99	4.0%	4.4%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Total	71	100.0%	\$6,735	100.0%	100.0%	41	100.0%	100.0%	\$4,268	100.0%	100.0%	30	100.0%	100.0%	\$2,467	100.0%	100.0%
REFINANCE	Low	1	1.5%	\$160	1.4%	0.9%	1	6.7%	0.2%	\$160	6.8%	0.1%	0	0.0%	0.2%	\$0	0.0%	0.1%
	Moderate	15	22.7%	\$1,983	17.3%	7.4%	3	20.0%	3.5%	\$234	10.0%	2.8%	12	23.5%	3.5%	\$1,749	19.3%	2.8%
	Middle	47	71.2%	\$8,744	76.5%	84.6%	11	73.3%	90.2%	\$1,956	83.2%	90.3%	36	70.6%	90.5%	\$6,788	74.7%	90.5%
	Upper	3	4.5%	\$545	4.8%	7.1%	0	0.0%	6.1%	\$0	0.0%	6.8%	3	5.9%	5.8%	\$545	6.0%	6.6%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Total	66	100.0%	\$11,432	100.0%	100.0%	15	100.0%	100.0%	\$2,350	100.0%	100.0%	51	100.0%	100.0%	\$9,082	100.0%	100.0%
HOME IMPROVEMENT	Low	1	4.2%	\$50	5.1%	0.9%	1	7.7%	0.5%	\$50	16.7%	0.3%	0	0.0%	0.8%	\$0	0.0%	0.8%
	Moderate	3	12.5%	\$181	18.6%	7.4%	0	0.0%	5.4%	\$0	0.0%	4.7%	3	27.3%	4.0%	\$181	26.8%	3.2%
	Middle	15	62.5%	\$434	44.5%	84.6%	11	84.6%	88.2%	\$185	61.9%	86.2%	4	36.4%	89.7%	\$249	36.8%	89.5%
	Upper	5	20.8%	\$310	31.8%	7.1%	1	7.7%	5.9%	\$64	21.4%	8.8%	4	36.4%	5.6%	\$246	36.4%	6.4%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Total	24	100.0%	\$975	100.0%	100.0%	13	100.0%	100.0%	\$299	100.0%	100.0%	11	100.0%	100.0%	\$676	100.0%	100.0%
MULTI FAMILY	Multi-Family Units						0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Low	0	0.0%	\$0	0.0%	8.5%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	1	100.0%	\$200	100.0%	27.2%	1	100.0%	41.7%	\$200	100.0%	24.2%	0	0.0%	20.0%	\$0	0.0%	1.7%
	Middle	0	0.0%	\$0	0.0%	63.7%	0	0.0%	58.3%	\$0	0.0%	75.8%	0	0.0%	80.0%	\$0	0.0%	98.3%
	Upper	0	0.0%	\$0	0.0%	0.7%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
Total	1	100.0%	\$200	100.0%	100.0%	1	100.0%	100.0%	\$200	100.0%	100.0%	0	0.0%	100.0%	\$0	0.0%	100.0%	
HMDA TOTALS	Low	6	3.7%	\$480	2.5%	0.9%	5	7.1%	0.3%	\$428	6.0%	0.2%	1	1.1%	0.3%	\$52	0.4%	0.1%
	Moderate	28	17.3%	\$3,236	16.7%	7.4%	11	15.7%	3.7%	\$1,192	16.7%	3.2%	17	18.5%	3.6%	\$2,044	16.7%	2.6%
	Middle	116	71.6%	\$14,485	74.9%	84.6%	50	71.4%	91.0%	\$5,246	73.7%	90.9%	66	71.7%	91.4%	\$9,239	75.6%	91.8%
	Upper	12	7.4%	\$1,141	5.9%	7.1%	4	5.7%	5.1%	\$251	3.5%	5.6%	8	8.7%	4.8%	\$890	7.3%	5.5%
	Unknown	0	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Total	162	100.0%	\$19,342	100.0%	100.0%	70	100.0%	100.0%	\$7,117	100.0%	100.0%	92	100.0%	100.0%	\$12,225	100.0%	100.0%

Originations & Purchases

The bank's HMDA lending in low-income tracts at 3.7 percent was significantly higher than the percentage of owner-occupied units in these tracts at 0.9 percent. HMDA lending in moderate-income tracts at 17.3 percent was also significantly higher than the percentage of owner-occupied units in these tracts at 7.4 percent. When compared to the 2010 and 2011 aggregate data, the bank's HMDA lending in low-income tracts at 7.1 percent and 1.1 percent, respectively, was greater than the aggregate performance at 0.3 percent for each year. Additionally, the bank's lending in moderate-income tracts at 15.7 percent and 18.5 percent, respectively, outperformed the aggregate in 2010 and 2011 at 3.7 percent and 3.6 percent, respectively. Considering that there is only one low-income tract and four moderate-income tracts in the assessment area, and the bank's performance compared to demographic and aggregate lending data, MidSouth Bank's geographic distribution of HMDA lending reflects excellent dispersion throughout the assessment area.

Commercial Lending

The following table shows the geographic distribution of commercial loans compared to the distribution of small businesses in the assessment area.

Geographic Distribution of Commercial Loans

Assessment Area: Rutherford County

Tract Income Levels	Bank Lending & Demographic Data Comparison 2010, 2011				
	Count		Bank Dollar		Small Businesses
	#	%	\$ (000s)	\$ %	%
Low	1	1.1%	\$100	1.0%	1.2%
Moderate	12	13.0%	\$1,901	18.5%	15.9%
Middle	74	80.4%	\$7,351	71.5%	77.7%
Upper	5	5.4%	\$922	9.0%	5.2%
Unknown	0	0.0%	\$0	0.0%	0.0%
Tr Unknown	0	0.0%	\$0	0.0%	0.0%
<i>Total</i>	<i>92</i>	<i>100.0%</i>	<i>\$10,275</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Based on 2011 D&B information according to 2000 Census Boundaries.

Of the 92 commercial loans sampled in the assessment area, 1.1 percent were extended to businesses in low-income tracts, which is slightly less than the percentage of small businesses located in these tracts, at 1.2 percent. In addition, 13.0 percent of the commercial loans were extended to businesses in moderate-income tracts, which is also less than the percentage of small businesses located in these tracts at 15.9 percent. Based on the bank’s lending performance and competition, the bank’s geographic distribution of commercial lending reflects reasonable penetration throughout the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Based on the following analysis, the overall distribution of the bank’s HMDA and commercial loans by borrower income and business revenue reflects reasonable penetration among borrowers with different incomes and businesses of different sizes. For this analysis, the distribution of HMDA lending across borrower income levels and commercial lending across revenue sizes was compared to available demographic information; the distribution of HMDA lending was also compared to aggregate lending data. Performance context issues including the bank’s business strategy, competition, and economic climate were also taken into consideration.

Residential Real Estate (HMDA) Lending

The distribution of HMDA lending by borrower income is considered poor when compared to the demographic characteristics of the community, as well as to performance of the aggregate lenders within the assessment area. The following table shows the distribution of the bank’s HMDA-reportable loans by the income level of the borrowers.

Borrower Distribution of HMDA Loans
Assessment Area: Rutherford County

PRODUCT TYPE	Borrower Income Levels	Bank Lending & Demographic Data Comparison 2010, 2011					Bank & Aggregate Lending Comparison											
		Bank				Families by Family Income %	2010			2011								
		Count		Dollar			Count		Dollar			Count		Dollar				
		#	%	\$ (000s)	\$ %		Bank #	Agg %	Bank \$ (000s)	Agg \$ %	Bank #	Agg %	Bank \$ (000s)	Agg \$ %				
HOME PURCHASE	Low	2	2.8%	\$124	1.8%	15.7%	0	0.0%	17.7%	\$0	0.0%	12.2%	2	6.7%	16.8%	\$124	5.0%	11.4%
	Moderate	2	2.8%	\$183	2.7%	17.7%	2	4.9%	31.9%	\$183	4.3%	28.0%	0	0.0%	28.5%	\$0	0.0%	25.7%
	Middle	14	19.7%	\$1,415	21.0%	26.5%	8	19.5%	22.7%	\$818	19.2%	24.8%	6	20.0%	20.9%	\$597	24.2%	22.9%
	Upper	46	64.8%	\$4,300	63.8%	40.1%	27	65.9%	20.9%	\$2,875	67.4%	28.0%	19	63.3%	21.1%	\$1,425	57.8%	28.2%
	Unknown	7	9.9%	\$713	10.6%	0.0%	4	9.8%	6.9%	\$392	9.2%	7.1%	3	10.0%	12.6%	\$321	13.0%	11.9%
	Total	71	100.0%	\$6,735	100.0%	100.0%	41	100.0%	100.0%	\$4,268	100.0%	100.0%	30	100.0%	100.0%	\$2,467	100.0%	100.0%
REFINANCE	Low	3	4.5%	\$308	2.7%	15.7%	0	0.0%	6.9%	\$0	0.0%	4.3%	3	5.9%	7.5%	\$308	3.4%	4.7%
	Moderate	5	7.6%	\$477	4.2%	17.7%	3	20.0%	20.0%	\$180	7.7%	15.8%	2	3.9%	19.3%	\$297	3.3%	15.4%
	Middle	6	9.1%	\$671	5.9%	26.5%	1	6.7%	22.5%	\$226	9.6%	21.2%	5	9.8%	21.7%	\$445	4.9%	20.6%
	Upper	32	48.5%	\$3,905	34.2%	40.1%	4	26.7%	30.1%	\$675	28.7%	37.7%	28	54.9%	29.3%	\$3,230	35.6%	36.3%
	Unknown	20	30.3%	\$6,071	53.1%	0.0%	7	46.7%	20.5%	\$1,269	54.0%	20.9%	13	25.5%	22.2%	\$4,802	52.9%	22.9%
	Total	66	100.0%	\$11,432	100.0%	100.0%	15	100.0%	100.0%	\$2,350	100.0%	100.0%	51	100.0%	100.0%	\$9,082	100.0%	100.0%
HOME IMPROVEMENT	Low	2	8.3%	\$30	3.1%	15.7%	2	15.4%	12.2%	\$30	10.0%	6.1%	0	0.0%	16.7%	\$0	0.0%	10.2%
	Moderate	3	12.5%	\$152	15.6%	17.7%	1	7.7%	24.0%	\$5	1.7%	20.4%	2	18.2%	22.2%	\$147	21.7%	24.6%
	Middle	3	12.5%	\$18	1.8%	26.5%	2	15.4%	31.2%	\$14	4.7%	21.8%	1	9.1%	23.4%	\$4	0.6%	16.6%
	Upper	15	62.5%	\$771	79.1%	40.1%	7	53.8%	28.1%	\$246	82.3%	46.6%	8	72.7%	33.3%	\$525	77.7%	43.1%
	Unknown	1	4.2%	\$4	0.4%	0.0%	1	7.7%	4.5%	\$4	1.3%	5.1%	0	0.0%	4.4%	\$0	0.0%	5.5%
	Total	24	100.0%	\$975	100.0%	100.0%	13	100.0%	100.0%	\$299	100.0%	100.0%	11	100.0%	100.0%	\$676	100.0%	100.0%
MULTI FAMILY	Low	0	0.0%	\$0	0.0%	15.7%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	0	0.0%	\$0	0.0%	17.7%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	0	0.0%	\$0	0.0%	26.5%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	0	0.0%	\$0	0.0%	40.1%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	1	100.0%	\$200	100.0%	0.0%	1	100.0%	100.0%	\$200	100.0%	100.0%	0	0.0%	100.0%	\$0	0.0%	100.0%
	Total	1	100.0%	\$200	100.0%	100.0%	1	100.0%	100.0%	\$200	100.0%	100.0%	0	0.0%	100.0%	\$0	0.0%	100.0%
HMDA TOTALS	Low	7	4.3%	\$462	2.4%	15.7%	2	2.9%	11.5%	\$30	0.4%	7.5%	5	5.4%	11.7%	\$432	3.5%	7.5%
	Moderate	10	6.2%	\$812	4.2%	17.7%	6	8.6%	25.0%	\$368	5.2%	20.6%	4	4.3%	23.4%	\$444	3.6%	19.6%
	Middle	23	14.2%	\$2,104	10.9%	26.5%	11	15.7%	22.7%	\$1,058	14.9%	22.3%	12	13.0%	21.4%	\$1,046	8.6%	21.1%
	Upper	93	57.4%	\$8,976	46.4%	40.1%	38	54.3%	26.2%	\$3,796	53.3%	33.1%	55	59.8%	25.8%	\$5,180	42.4%	32.2%
	Unknown	29	17.9%	\$6,988	36.1%	0.0%	13	18.6%	14.6%	\$1,865	26.2%	16.5%	16	17.4%	17.7%	\$5,123	41.9%	19.6%
	Total	162	100.0%	\$19,342	100.0%	100.0%	70	100.0%	100.0%	\$7,117	100.0%	100.0%	92	100.0%	100.0%	\$12,225	100.0%	100.0%

Originations & Purchases

Of the bank's total HMDA loans, 4.3 percent were originated to low-income borrowers, which is significantly less than the percentage of low-income families in the assessment area at 15.7 percent. The bank's percentage of HMDA loans to moderate-income borrowers, at 6.2 percent, was also significantly less than the percentage of moderate-income families in the assessment area, at 17.7 percent. When compared to the 2010 and 2011 aggregate data, the bank's HMDA lending to low- and moderate-income borrowers is significantly less than the aggregate performance.

As shown on the table above, 29 of the 162 loans, or 17.9 percent, reflect an income code of unknown. These loans were to businesses for investment purposes and the bank is not required to collect income information on HMDA loans originated to businesses. The majority of these loans were originated in low- and moderate-income tracts. Although there were several loans that do not reflect borrower income, the bank's lending to low- and moderate-income borrowers was less than the aggregate lending; the aggregate data indicates that lenders were able to make HMDA loans to this segment of the market, particularly to moderate-income borrowers; therefore opportunities do exist. Based on a review of demographic and peer data, the bank's distribution of HMDA lending by borrower income is considered poor.

Commercial Lending

The distribution of commercial lending by revenue size is considered reasonable when compared to assessment area demographic information. The following table shows, by loan size, the number and dollar volume of commercial loans sampled during the review period.

Commercial Loans by Business Revenue & Loan Size

Assessment Area: Rutherford County

Business Revenue & Loan Size		Bank Lending & Demographic Data Comparison 2010, 2011				
		Bank		Total Businesses		
		Count	\$ (000s)			
		#	%	\$	%	%
BUSINESS REVENUE	\$1million or Less	64	69.6%	\$6,532	63.6%	92.4%
	Over \$1 Million	28	30.4%	\$3,743	36.4%	3.7%
	<i>Total Rev. available</i>	92	100.0%	\$10,275	100.0%	96.1%
	Rev. Not Known	0	0.0%	\$0	0.0%	3.9%
	<i>Total</i>	92	100.0%	\$10,275	100.0%	100.0%
LOAN SIZE	\$100,000 or Less	58	63.0%	\$2,428	23.6%	
	\$100,001 - \$250,000	28	30.4%	\$4,322	42.1%	
	\$250,001 - \$1 Million	6	6.5%	\$3,525	34.3%	
	Over \$1 Million	0	0.0%	\$0	0.0%	
	<i>Total</i>	92	100.0%	\$10,275	100.0%	
LOAN SIZE & Rev \$1 Mill or Less	\$100,000 or Less	49	76.6%	\$1,749	26.8%	
	\$100,001 - \$250,000	9	14.1%	\$1,258	19.3%	
	\$250,001 - \$1 Million	6	9.4%	\$3,525	54.0%	
	<i>Total</i>	64	100.1%	\$6,532	100.1%	

Originations & Purchases
Based on 2011 D&B

Of the 92 commercial loans included in the analysis, 69.6 percent were extended to businesses with gross annual revenues of \$1 million or less, which is less than the percentage of small businesses in the assessment area at 92.4 percent. However, of the 92 total commercial loans, 58 (63 percent) were in loans amounts of \$100,000 or less, and another 28 (30.4 percent) were between \$100,001 and \$250,000. Thus, 93.4 percent of the bank’s commercial loans were also small loan sizes of \$250,000 or less, indicating the bank’s willingness to make loans in smaller dollar amounts to meet the needs of the small businesses in the assessment area. Considering these factors, the bank’s distribution of loans to businesses of different sizes is considered reasonable.

RESPONSE TO SUBSTANTIATED COMPLAINTS

The bank has not received any CRA-related complaints since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of prohibited discrimination or the use of other illegal credit practices was noted during the examination. The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations.

APPENDIX A – SCOPE OF EXAMINATION

TIME PERIOD REVIEWED			
January 1, 2010 to December 31, 2011			
FINANCIAL INSTITUTION		PRODUCTS REVIEWED	
MidSouth Bank, Murfreesboro, Tennessee		HMDA Loans Commercial Loans	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
N/A	N/A	N/A	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Rutherford County, Tennessee	Full-Scope Review	Sam Ridley Parkway Office	N/A

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION

Definitions

ATM -	Automated Teller Machine
CDC -	Community Development Corporation
CDFI -	Community Development Financial Institution
CRA -	Community Reinvestment Act (Regulation BB)
FDIC -	Federal Deposit Insurance Corporation
FFIEC -	Federal Financial Institutions Examination Council
HMDA -	Home Mortgage Disclosure Act (Regulation C)
HUD -	Department of Housing and Urban Development
LMI -	Low- and Moderate-Income
LTD -	Loan-to-Deposit
LTV -	Loan-to-Value Ratio
MD -	Metropolitan Division
MSA -	Metropolitan Statistical Area
OMB -	Office of Management and Budget
REIS -	Regional Economic Information System
SBA -	Small Business Administration
USDA -	United States Department of Agriculture

Rounding Convention

Because the percentages presented in tables were rounded to the nearest tenth in most cases, some columns may not total exactly 100 percent.

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION (Continued)

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of MidSouth Bank prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of **March 11, 2013**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

APPENDIX C - GLOSSARY

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

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

Community development: All Agencies have adopted the following language. Affordable housing (including multi-family 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.

Effective January 19, 2010, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation revised the definition of community development to include loans, investments, and services by financial institutions that:

- I. Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
- II. Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; and
- III. Benefit low-, moderate-, and middle- income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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.

APPENDIX C – GLOSSARY (Continued)

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

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (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 branch 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 multi-family (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, Investment, and Service 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. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

APPENDIX C – GLOSSARY (Continued)

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.

Multi-family: 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.