

PUBLIC DISCLOSURE

March 31, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Western Bank & Trust
100 Prairie Center Drive
Eden Prairie, Minnesota 55344
RSSD 3417319

Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, MN 55480-0291

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

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Definitions for many of the terms used in this performance evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix A at the end of this performance evaluation.

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

The bank's performance under the Community Reinvestment Act (CRA) is rated satisfactory. This is the bank's first CRA evaluation since it commenced operations on April 19, 2006, and is based on an extremely low volume of lending. Because of the low level of activity and the low deposit base, the analysis for several portions of the Lending Test was not meaningful. The bank faced many challenges that explain the lending performance.

One challenge for a *de novo* bank is to grow the loan portfolio quickly and safely. The bank entered the market in 2006, at a time when the economy slowed along with loan demand. In this environment, it takes longer to become profitable. It also is difficult to build the loan and deposit base quickly without strong customer relationships. Two factors compounding the lack of loan growth included a senior lender's noncompete contract and a trademark dispute. Although the noncompete contract is an industry standard, it was further complicated by a trademark dispute which prevented the bank from using its name in any marketing until the case was resolved a year later. The trademark dispute involved a claim made by another bank stating the name of First Western Bank was too similar and it would cause customer confusion. The 2007 economy continued at a slow pace with the housing market in a slump. Given these circumstances, the bank's very low level of lending activity is reasonable.

- The bank's net loan-to-deposit ratio is very high because of the low deposit account base.
- Of the loans originated, the bank made the majority of loans within its assessment area.
- The bank's focus when it opened was to grow the loan portfolio with an emphasis on commercial lending. It originated and purchased participation loans that exceed the dollar threshold included in the definition of a small business loan. Therefore, the bank's small business lending and its lending to small business entities is low for this evaluation. The bank operates as a full-service entity, but offers consumer loans to accommodate business customers. It also originated a small number of residential real estate loans in an effort to grow the loan portfolio. With the low level of consumer and residential real estate loans, it is difficult to draw conclusions about the bank's performance in lending to borrowers of different income levels and businesses of different sizes.
- These factors also present the same challenges for the geographic distribution of loans. In addition, although the bank's assessment area includes low- and moderate-income census tracts, the bank did not focus on the location of loans for this period in order to grow the loan portfolio.

SCOPE OF EVALUATION

The scope of the evaluation includes the bank's small business, residential real estate, and consumer loans. The small business loans represent the bank's major business line; however, because the bank is new and has very low loan volume, all loan categories were considered for this evaluation. Agricultural loans were not reviewed because the bank does not offer this loan product. Table 1 shows the lending activity by loan type since the bank opened. It does not include commercial loans that do not meet the definition of small business loans.

<i>Loan Type</i>	<i>Number of Loans</i>	<i>Percentage of Total Number</i>	<i>Total Loan Dollars</i>	<i>Percentage of Total Dollars</i>
Consumer	10	43.5	\$ 65,780	1.3
Residential Real Estate	8	34.8	\$1,228,800	24.6
Small Business	5	21.7	\$3,700,000	74.1
Total	23	100.0	\$4,994,580	100.0

The following criteria are evaluated for the lending performance:

- Net loan-to-deposit ratio
- Lending inside the assessment area
- Distribution of loans to borrowers of different income levels and to businesses of different sizes
- Geographic distribution of loans
- Record of responding to complaints about the bank's CRA performance

In assessing the bank's overall performance, the most weight was given to its lending within the assessment area.

In addition to discussions with bank management, members of the community were interviewed as part of the evaluation to obtain profiles of the community and identify lending needs. Additional information was obtained from the Minnesota Department of Economic Development, the U.S. Department of Labor, the *Minneapolis/St. Paul Business Journal*, and the Minneapolis Area Association of Realtors®. Information from these sources was used in the evaluation of the bank's CRA performance.

DESCRIPTION OF INSTITUTION

First Western Bank & Trust is a *de novo* bank that commenced operations on April 19, 2006. This is the bank's first CRA evaluation. The bank obtained permission to exercise trust powers and changed its name from First Western Bank in April 2007.

Structure. The bank is a full-service *de novo* bank located in Eden Prairie, Minnesota. It is a subsidiary of Westbrand, Inc., a multibank holding company located in Minot, North Dakota. The bank is open from 8:00 a.m. to 5:00 p.m. Monday through Friday, and its drive-up facility operates from 7:00 a.m. to 6:00 p.m. on the same days. The bank operates one on-site automated teller machine.

Loan portfolio. The December 31, 2007, Report of Condition listed total assets of \$17.3 million, total deposits of \$7.4 million, and total loans of \$13.5 million. The bank's primary business focus is commercial lending, which comprises 93.0% of the total loan portfolio. Residential real estate loans represent 6.7% of the loan portfolio and less than 0.3% consists of consumer loans.

Credit products. Although the bank's focus is serving the needs of businesses, it offers a variety of consumer loan products to accommodate the credit needs of residents in the assessment area. Loan products for business customers include construction financing, equipment financing, operating lines of credit, and commercial real estate. The bank also offers Small Business Administration (SBA) loans. The bank purchases commercial loan participations as a means to grow the loan portfolio. Residential real estate loans include mortgages for purchase, refinance, home improvement, and construction loans

and home equity lines of credit. Basic consumer loans include secured and unsecured loans for personal use and ready reserve lines of credit.

DESCRIPTION OF ASSESSMENT AREA

The bank has defined Hennepin County as its assessment area, which is a portion of the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin, MSA (Minneapolis/St. Paul MSA). The assessment area consists of 298 census tracts, of which 37 are low income and 71 are moderate income. The bank's main office is located in the city of Eden Prairie, which is approximately 15 miles southwest of the city of Minneapolis. The office is located in upper-income tract 260.07.

Population. According to 2000 U.S. Census data, the population of the assessment area is 1,116,220. The 2006 data estimates an increased population of 1,122,000. Eden Prairie is in the southwestern corner of the Twin Cities metropolitan area. According to U.S. Census data, the population of Eden Prairie is 54,901. Based on 2006 census estimates, the city's population has increased almost 11.7% to 61,325.

Income. For purposes of classifying borrower income, this evaluation uses the Department of Housing and Urban Development's estimated 2006 and 2007 median family incomes for the relevant area. For borrowers located in the Minneapolis-St. Paul MSA, this figure is \$78,500 for 2006 and \$77,600 for 2007. For purposes of classifying census tract income levels, the evaluation relies on the 2000 median family income for the assessment area, which was \$51,711.

The following table provides detailed data about the demographic characteristics of the bank's assessment area.

<i>Income Categories</i>	<i>Tract Distribution</i>		<i>Families by Tract Income</i>		<i>Families < Poverty Level as % of Families by Tract</i>		<i>Families by Family Income</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Low Income	37	12.4	16,794	6.2	4,919	29.3	48,604	18.1
Moderate Income	71	23.8	51,313	19.1	4,702	9.2	48,771	18.1
Middle Income	110	36.9	106,811	39.7	2,615	2.4	63,754	23.7
Upper Income	79	26.5	94,194	35.0	1,343	1.4	107,983	40.1
Unknown Income	1	0.3	0	0.0	0	0.0	0	0.0
Total Assessment Area	298	100.0	269,112	100.0	13,579	5.0	269,112	100.0
<i>Income Categories</i>	<i>Housing Units by Tract</i>	<i>Housing Types by Tract</i>						
		<i>Owner-Occupied</i>			<i>Rental</i>		<i>Vacant</i>	
		<i>#</i>	<i>%</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Low Income	39,174	8,761	2.9	22.4	28,364	72.4	2,049	5.2
Moderate Income	106,503	52,112	17.3	48.9	51,253	48.1	3,138	2.9
Middle Income	185,566	131,267	43.5	70.7	50,086	27.0	4,213	2.3
Upper Income	137,581	109,695	36.3	79.7	24,591	17.9	3,295	2.4
Unknown Income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	468,824	301,835	100.0	64.4	154,294	32.9	12,695	2.7

TABLE 2
Assessment Area Demographics

<i>Income Categories</i>	<i>Total Businesses by Tract</i>		<i>Businesses by Tract and Revenue Size</i>					
			<i>≤\$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Low Income	3,320	6.6	2,829	6.6	382	5.7	109	11.6
Moderate Income	8,186	16.2	6,883	16.0	1,117	16.6	196	20.8
Middle Income	22,292	44.1	18,554	43.3	3,340	49.7	398	42.3
Upper Income	16,679	33.0	14,571	34.0	1,877	27.9	231	24.5
Unknown Income	78	0.2	62	0.1	9	0.1	7	0.7
Total Assessment Area	50,565	100.0	42,899	100.0	6,725	100.0	941	100.0
Percentage of Total Businesses:				84.8		13.3		1.9
<i>Income Categories</i>	<i>Total Farms by Tract</i>		<i>Farms by Tract and Revenue Size</i>					
			<i>≤\$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Low Income	6	1.8	6	1.9	0	0.0	0	0.0
Moderate Income	30	9.2	28	8.9	1	9.1	1	100.0
Middle Income	118	36.1	112	35.6	6	54.5	0	0.0
Upper Income	172	52.6	168	53.3	4	36.4	0	0.0
Unknown Income	1	0.3	1	0.3	0	0.0	0	0.0
Total Assessment Area	327	100.0	315	100.0	11	100.0	1	100.0
Percentage of Total Farms:				96.3		3.4		0.3

General economic and housing characteristics. According to bank management and community contacts, the overall economy is stable but experiencing a slowdown. The assessment area contains an assortment of commercial businesses and the Twin Cities is a large labor market. According to the Department of Employment and Economic Department, industry in Hennepin County is diverse with trade, transportation, and utilities and professional/business services representing 19.0%. Education and health services follows at 12.7%; manufacturing, financial activities, and government rank at approximately 10.2%; and leisure and hospitality represents 8.6%. Construction, information, and other services round out the last of the mix. Wages are diverse in Eden Prairie as well as Hennepin County. Community contacts said the diverse economic profile for Twin Cities helps insulate it from any major economic fallout as experienced in Detroit, Michigan, or Silicon Valley in California.

Even with a diverse economy, the real estate market is slowing for both commercial and residential real estate. For years 2006 and 2007, home sales slowed and properties had longer market time than in previous years, according to contacts. A decline in sales and home prices has led to a softer residential real estate market. Affordable housing is an issue depending on the area, contacts said, but as prices decrease, the availability of affordable housing increases. The city of Eden Prairie is known for its higher-end homes, although it has two Section 8 housing projects. According to information published by the Minneapolis Area Association of Realtors®, the average sales price for Eden Prairie was \$415,412 in 2007.

Contacts explained the commercial market has development projects in place, but overall, it is not as robust as in previous years. Several office buildings are offering leasing options over sales options. One contact said the city of Eden Prairie has two large projects for mixed-use development. The Windsor Plaza project includes a five-story, mixed-use building with 100,000 square feet for office space and 20,000 square feet for retail. A radiology company has signed a lease to occupy approximately 81,000

square feet of the office space. The second mixed-use project, which is in the initial development stages, will include senior living, condominiums, and retail.

Eden Prairie is home to several large employers including SUPERVALU, Inc.; ADC Telecommunications, Inc.; CH Robinson Worldwide; and GE Commercial Finance Fleet Services. Neighboring cities include Minnetonka, Edina, Bloomington, and Hopkins. These are all mature, developed cities with diverse economic profiles. Since the area is generally matured and developed, land available for economic development expansion is limited. Contacts noted the city of Eden Prairie is also reaching a level of maximum capacity, but current project developments entailed rebuilding existing areas to allow for development.

According to the Department of Employment and Economic Development, the average unemployment rate for Hennepin County was 4.0% in 2007 and remains at that level as of February 2008. The 2007 annual average unemployment rate for Minnesota was 4.6% and for the MSA was 4.3%. Eden Prairie's unemployment rate for the same period was 3.3%. Minnetonka, Edina, and Bloomington have comparable unemployment rates of 3.4%, 3.4%, and 4.1%, respectively.

According to bank management and community contacts, the bank operates in a highly competitive market. In addition to numerous financial institutions located in the metropolitan area, Internet creditors present another growing source of competition. The competitiveness of the assessment area is confirmed by deposit market share information. According to the June 30, 2007, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank had deposits of \$4.9 million in this assessment area. The bank ranks 72nd out of 78 financial institutions in deposit share with 0.01% of market deposits for Hennepin County. A total of 78 FDIC-insured institutions are in Hennepin County and 185 in the MSA. FDIC deposit share information does not include credit unions or mortgage lenders.

Community contacts and bank management indicated that businesses and residents with established banking relationships are loyal and need strong incentives to change financial institutions. In addition, the evaluation did not reveal any evidence of unmet credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall performance in meeting the credit needs of its assessment area is satisfactory given the length of time the bank has been open and other mitigating factors discussed in detail subsequently. The bank has been opened for a short time period, and it operates in a highly competitive market. Its business strategy is commercial lending; however, to grow the bank, it originated and purchased loans not classified as small business loans. The bank's consumer lending mostly serves as accommodation loans which are not actively solicited. The bank's small business lending receives the most emphasis for CRA as commercial loans represent the largest sector of the loan portfolio and are the bank's primary focus.

LOAN-TO-DEPOSIT RATIO ANALYSIS

The general purpose of the CRA is to encourage banks to meet the credit needs in their assessment area while operating safely and soundly. To gain an understanding of the bank's lending activity, the net loan-to-deposit ratio is reviewed to approximate the credit demand of the area and to assess the willingness of the bank to meet the area's demand for credit.

The bank's net loan-to-deposit ratio is very high, which is reflective of a small volume of deposits rather than a high level of lending. The average net loan-to-deposit ratio for the previous seven quarters was 181.1%. This is atypical of financial institutions, but reasonable given the *de novo* status of the bank. As

a new financial institution, it relied on capital to fund its loan growth while working to grow its deposit base. In addition to the *de novo* status, the trademark dispute previously mentioned impacted the bank's ability to attract deposits due to constraints on its ability to advertise. In addition, many businesses and residents are loyal to their financial institutions, and it is difficult to change established banking relationships.

While the net loan-to-deposit ratio serves as a proxy for the bank's willingness to fulfill the credit demands of its assessment area, it is not meaningful to draw conclusions based on comparison with the bank's national peer group or competitor banks for this evaluation. The national peer group includes all insured commercial banks with assets less than \$750 million established in 2006. The evaluation did not reveal any similarly situated financial institution to compare with the bank for purpose of analyzing its net loan-to-deposit ratio. According to the ROC data, the bank's net loan-to-deposit ratio ranged from 117.4% in its first quarter of operation to 536.4% in its second quarter. During 2007, the bank's net loan-to-deposit ratio ranged between 117.6% and 181.0%. These fluctuations are reflective of the many factors affecting the bank and demonstrate why comparison to other financial institutions is not meaningful.

Overall, the bank's net loan-to-deposit ratio is reasonable given the current situation. The bank operates in a highly competitive market that includes a significant number of financial institutions. Furthermore, community contacts did not identify any unmet credit needs in the assessment area. For these reasons, the bank's net loan-to-deposit ratio is reasonable and should become more stable as the bank grows its deposit base and increases its lending activity.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA

The CRA emphasizes the importance of banks servicing the convenience and credit needs of the individuals and small businesses inside their assessment areas. By extending credit inside their assessment areas, banks fulfill a financial need of the community.

Overall, the bank's lending activity within its assessment area is adequate as the bank originated a large majority of its loans within the assessment area. Table 3 shows the percentages of loans by number and amount the bank extended within its assessment area.

<i>Loan Type</i>	<i>Total Number of Loans</i>	<i>Total Amount of Loans</i>
Consumer	70.0%	76.7%
Residential Real Estate	62.5%	29.0%
Small Business	100.0%	100.0%
Total	73.9%	83.4%

While the level of lending by volume is low, the bank extends the majority of its loans within the assessment area. The percentage of loans by dollar amount is reasonable for all loan types even though the residential real estate appears low. The bank originated five real estate loans in the assessment area and three real estate loans outside the assessment area. The three loans originated outside the assessment area were very high dollar amount loans which, according to management, explains its willingness to originate the loans despite their location outside the assessment area.

The low level of lending is attributed to the *de novo* status of the bank. Also, competition within the assessment area for lending is very strong. Nevertheless, 73.9% of the bank's lending is within the assessment area. In conclusion, the bank's level of lending in its assessment area is adequate as it originates a large majority of its loans inside the assessment area.

LENDING TO BORROWERS OF DIFFERENT INCOME LEVELS AND TO BUSINESSES OF DIFFERENT SIZES

In establishing the CRA, Congress sought to ensure that banks extend credit to low- and moderate-income individuals and to small businesses and small farms consistent with safe, and sound, banking practices. As such, the extent to which banks extends credit to low- and moderate-income individuals and to entities of different sizes, is evaluated.

Consumer and residential real estate lending. The bank originated seven consumer loans in the assessment area since it commenced operations. Of this total, four were made to low-income borrowers, two were made to moderate-income borrowers, and one to a middle-income borrower. The bank's very low level of lending prevents meaningful comparison to demographic characteristics.

Similarly, the bank originated five residential real estate loans in the same period: one to a moderate-income borrower, one to a middle-income borrower, and three to upper-income borrowers. No loans were made to low-income borrowers.

By number volume, this limited lending activity does not meet the standards for a satisfactory performance; however, it is reasonable given the *de novo* status of the bank, the highly competitive market, the trademark dispute, and the business strategy of the bank. As previously stated, the bank's focus is commercial lending, but it offers consumer and residential real estate loans to accommodate business borrowers. With the *de novo* status, the primary goal is to grow the loan portfolio. Finally, community contacts did not identify unmet credit needs.

Small business lending. The bank's small business lending activity is very low and does not meet the standards for a satisfactory performance. The bank originated five small business loans during the evaluation period. Of these five loans, three were made to entities with gross annual revenues of \$1 million or less. All small business loans were made for loan amounts ranging between \$250,000 and \$1 million. The loan total for small business lending was \$3.7 million, which represents 29.6% of the bank's commercial loan portfolio as of December 31, 2007. The remaining 70.4% of the loan portfolio consists of commercial loans with original principal amounts greater than \$1 million. Many of these loans are purchased loan participations. According to bank management, plans include changing this mix to a more equal balance of small business and large commercial loans.

As stated, the level of small business lending is very low. However, the bank is *de novo* and faced many challenges since opening. Because of the *de novo* status and limited lending activity, the bank cannot receive SBA approval for the 7(a) Express loan program that targets small businesses. The bank can offer standard SBA loans; however, a high number of approved 7(a) Express lenders are located in the Twin Cities market. This compounds the challenge bank faces in attracting small business loans. Bank management stated that most small businesses are very loyal bank customers. The trademark dispute also constrained the bank's ability to market, compounded by the senior commercial lender's noncompete contract and strong competition in the area.

As the bank grows, it needs to increase its small business lending to achieve a satisfactory performance level.

GEOGRAPHIC DISTRIBUTION OF LOANS

CRA encourages banks to extend credit in low- and moderate-income census tracts in their assessment area consistent with safe and sound banking practices.

The geographic distribution of the bank’s lending is difficult to analyze because of the low lending volume. Based on the loan volume, the bank extended consumer, residential real estate, and small business loans in the assessment area’s middle- and upper-income census tracts but did not extend any loans in the low- or moderate-income census tracts. Nonetheless, this is reasonable based on the following factors. The majority of tracts in the assessment area are middle-income tracts. The bank is located in an upper-income tract and the city of Eden Prairie consists of middle- and upper-income tracts. In general, consumer loans tend to be in close proximity to the bank’s location because people tend to select a bank with a convenient location to their homes. Residential real estate lending is more competitive and these borrowers shop for the best interest rate. In the bank’s case, the residential real estate applications were referred based on a relationship with a loan officer. The small business lending occurred within the bank’s assessment area but given the challenges the bank faced, it did not focus on the geographic location of the business. Demographic data indicate the majority of small business entities are located in middle- and upper-income tracts.

TABLE 4 Geographic Distribution of Loans								
<i>Loan Type</i>	<i>Low Income</i>		<i>Moderate Income</i>		<i>Middle Income</i>		<i>Upper Income</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Consumer	0	0	0	0	1	14.3	6	85.7
Residential Real Estate	0	0	0	0	1	20.0	4	80.0
Small Business	0	0	0	0	3	60.0	2	40.0
Total	0	0	0	0	5	29.4	12	70.6

Given the *de novo* status, the performance for this category is reasonable based on all of the factors present for this evaluation.

RECORD OF RESPONSE TO CRA-RELATED COMPLAINTS

Neither the bank nor this Reserve Bank have received any CRA-related complaints since it opened.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of violations of antidiscrimination laws or regulations, including Regulation B--Equal Credit Opportunity Act, Regulation C--Home Mortgage Disclosure Act, and the Fair Housing Act, or other illegal credit practices inconsistent with the bank helping to meet community credit needs was revealed.

Appendix A

Glossary of Common CRA Terms

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

Census tract: A small subdivision of metropolitan and other densely populated counties. 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 on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 C.F.R. 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 Federal Deposit Insurance Corporation (the Agencies) 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 Agencies 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 meet essential community needs, including the needs of low- and moderate-income individuals.

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

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

Full-scope review: Performance is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 data such as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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

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

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 statistical area (MSA): An area, defined by the Office of Management and Budget, based on the concept of a core area with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

Small loan to farm: 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 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 geography.

(For additional information, please see the Definitions sections of Regulation BB at 12 C.F.R. 228.12.)