

## **PUBLIC DISCLOSURE**

April 19, 2010

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Clinton State Bank  
432 Main Street  
P.O. Box 360  
Clinton, Minnesota 56225  
RSSD 341851

**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 CRA performance was evaluated using the Small Bank CRA Evaluation Procedures. Based on the bank's asset size and financial condition, the bank effectively meets the credit needs of the residents and small farms in the assessment area. The bank's satisfactory rating is supported by several factors.

- The bank level of lending to borrowers of different income levels and to farms of different sizes is satisfactory.
- The bank's net loan-to-deposit ratio reflects a good level of lending.
- The geographic distribution of loans reflects good dispersion throughout the assessment area.
- The bank originated a majority of its loans within the assessment area.

### SCOPE OF EVALUATION

This evaluation was based on a statistical sample of 115 small farm and 71 consumer loans. These loans were originated between July 1, 2009, and December 31, 2009. Agricultural lending is the bank's major product line by total number and total dollar amount, as shown in Table 1. In addition, the bank originates a large number of consumer loans.

<i>Loan Type</i>	<i>Number of Loans</i>	<i>Percentage of Total Number</i>	<i>Total Loan Dollars</i>	<i>Percentage of Loan Dollars</i>
Consumer	200	20.9	\$ 1,298,218	3.2
Residential Real Estate	21	2.2	1,727,276	4.2
Commercial	216	22.6	8,858,833	21.9
Agricultural	520	54.3	28,640,251	70.7
<b>Total</b>	<b>957</b>	<b>100.0</b>	<b>\$40,524,578</b>	<b>100.0</b>

The following criteria were analyzed to determine the bank's CRA rating, in order of importance:

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

In assigning the rating, examiners placed equal weight on the bank's lending to consumers and to small farms.

### DESCRIPTION OF INSTITUTION

Clinton State Bank, Clinton, Minnesota, effectively meets the credit needs of its assessment area given its asset size, location, and credit products. The bank received a satisfactory rating at the previous CRA evaluation dated February 27, 2006.

*Offices.* Clinton State Bank is a full-service bank operating one office in Clinton. The bank's hours of service are reasonable and have not changed since the previous evaluation. The lobby is open from

9:00 a.m. to 3:00 p.m. Monday through Thursday and 9:00 a.m. to 5:00 p.m. Friday. The hours for the drive-up facility are 8:30 a.m. to 3:30 p.m. Monday through Thursday and 8:30 a.m. to 5:00 p.m. Friday.

*Alternative delivery methods.* The bank operates one cash-dispensing-only automated teller machine in Clinton and has Internet banking. Internet banking allows customers to review accounts, transfer funds, and make loan payments.

*Credit products.* The bank offers traditional, relatively noncomplex products, including loans and lines of credit. The bank participates in loan programs through the Small Business Administration and the Farm Service Agency.

*Loan portfolio.* According to the March 31, 2010, Report of Condition (ROC), the bank has total assets of \$62.2 million and total loans of \$41.3 million. Overall, the net loan portfolio grew by 11.5% since the previous evaluation, and total assets increased by 13.1%. The loan portfolio consists of 67.1% agricultural, 21.0% commercial, 7.4% residential real estate, and 4.5% consumer loans. The composition of the loan portfolio has remained relatively stable since the previous examination.

*Market share.* According to the June 30, 2009, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks second in deposit market share, with 29.5% of total deposits in Big Stone County. There are five FDIC-insured financial institutions operating in Big Stone County.

*Community contacts.* In addition to having discussions with bank management, examiners contacted community members familiar with economic issues and demographic characteristics of the assessment area. Information from these contacts and bank management was used in the evaluation of the bank's CRA performance.

## DESCRIPTION OF ASSESSMENT AREA

*Assessment area.* The bank defines its assessment area as Big Stone County in western Minnesota. The assessment area contains three census tracts: 9501, 9502, and 9503. Census tract 9502 is moderate income. The remaining census tracts are middle-income tracts. Both middle-income tracts are designated as distressed and underserved. The bank has not made any changes to its assessment area since the previous examination.

Table 2 illustrates the demographic characteristics of the bank's assessment area based on the 2000 U.S. Census data and Dun & Bradstreet data for 2009.

<i>Income Categories</i>	<i>Tract Distribution</i>		<i>Families by Tract Income</i>		<i>Families &lt; Poverty Level as % of Families by Tract</i>		<i>Families by Family Income</i>	
	#	%	#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	377	23.0
Moderate Income	1	33.3	518	31.6	54	10.4	407	24.8
Middle Income	2	66.7	1,123	68.4	74	6.6	462	28.2
Upper Income	0	0.0	0	0.0	0.0	0.0	395	24.1
<b>Total Assessment Area</b>	<b>3</b>	<b>100.0</b>	<b>1,641</b>	<b>100.0</b>	<b>128</b>	<b>7.8</b>	<b>1,641</b>	<b>100.0</b>

**TABLE 2**  
**Assessment Area Demographics**

<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	0	0	0.0	0.0	0	0.0	0	0.0
Moderate Income	1,206	649	32.1	53.8	107	8.9	450	37.3
Middle Income	1,965	1,375	67.9	70.0	246	12.5	344	17.5
Upper Income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>3,171</b>	<b>2,024</b>	<b>100.0</b>	<b>63.8</b>	<b>353</b>	<b>11.1</b>	<b>794</b>	<b>25.0</b>
<i>Income Categories</i>	<i>Total Businesses by Tract</i>	<i>Businesses by Tract and Revenue Size</i>						
		<i>≤ \$1 Million</i>		<i>&gt; \$1 Million</i>		<i>Revenue Not Reported</i>		
		<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	79	25.6	69	25.4	5	22.7	5	33.3
Middle Income	230	74.4	203	74.6	17	77.3	10	66.7
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>309</b>	<b>100.0</b>	<b>272</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>88.0</b>		<b>7.1</b>		<b>4.9</b>
<i>Income Categories</i>	<i>Total Farms by Tract</i>	<i>Farms by Tract and Revenue Size</i>						
		<i>≤ \$1 Million</i>		<i>&gt; \$1 Million</i>		<i>Revenue Not Reported</i>		
		<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	64	37.2	61	36.1	3	100.0	0	0.0
Middle Income	108	62.8	108	63.9	0	0.0	0	0.0
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>172</b>	<b>100.0</b>	<b>169</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>98.3</b>		<b>1.7</b>		<b>0.0</b>

*Population.* According to the 2000 U.S. Census data, the population in the assessment area was 5,820. The 2009 population estimate for the assessment area is 5,251, representing a 10.8% decrease in the population.

*Income.* For purposes of classifying borrower income, this evaluation uses the Department of Housing and Urban Development’s estimated median family income. For borrowers residing in the nonmetropolitan areas of Minnesota, this figure is \$58,500 for 2009. For purposes of classifying census tracts by income level, this evaluation uses the 2000 U.S. Census median family income of \$45,608 for the nonmetropolitan areas of Minnesota.

*Unemployment.* According to the Minnesota Department of Employment and Economic Development, the annual unemployment rate for 2009, not seasonally adjusted, for Big Stone County was 6.1%. Although an increase since the previous evaluation, this rate is lower than the Minnesota average annual unemployment rate of 8.0%, not seasonally adjusted, and the national average annual unemployment rate of 9.3%, seasonally adjusted, for same period.

*Economy.* Bank management and community contacts indicated that agriculture is a primary driver of the economy, and overall, agricultural producers have been successful. Grain prices have been at historic highs, and farmers have been able to generate good profits, expand their capital base, and increase their

net worth. The primary crops are corn, soybeans, and wheat. Some farmers in the area produce beef, pork, and dairy products. However, many dairy and pork producers have left the industry because of decreasing cash flows and negative returns as a result of the high input costs.

Bank management and community contacts indicated that farmers have received high prices for corn, soybeans, and wheat in recent years. In 2008, these crops brought \$7.50, \$16.50, and \$13.00 per bushel, respectively. Crop prices have dropped since 2008, and corn, soybeans, and wheat currently are priced at \$3.50, \$9.80, and \$4.84 per bushel, respectively. Nonetheless, grain farmers are seeking to expand due to the high commodity prices but face challenges with input costs and the availability of land. Agricultural real estate values are high and have approximately doubled in the last five years. Grain farmers have been struggling with the high cost of fertilizer, pesticides, seed, fuel, and land rent.

The main nonagricultural employers include hospitals, schools, county governments, a coal-fired power plant, an ethanol plant, and local elder care centers. Many of the jobs are located in larger towns nearby, and people commute to work. Bank management and community contacts indicated that several large employers in the area have closed or downsized significantly. A private prison in Appleton, Minnesota, closed after it lost contracts to house prisoners. A local granite monument company in Ortonville, Minnesota, and a telecommunications company in Milbank, South Dakota, reduced staff because of the poor economy.

Affordable housing in the assessment area is limited. A 2008 housing study of the Ortonville area found that housing in general is often prohibitively expensive given local wages. Low-rent facilities are often full. According to community contacts, the average worker earns between \$8 and \$9, with the majority of households earning less than \$50,000 annually. The average home sells for \$50,000 to \$60,000. While home prices have decreased slightly, they were not affected by the inflated prices seen in the national economy and more urban areas. Ortonville has experienced a significant number of foreclosures in recent months due to a local investor's anticipation of rental needs related to a planned power plant in South Dakota that was canceled.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

The bank's performance in meeting the credit needs of its assessment area is satisfactory. The bank's lending to borrowers of different income levels and farms of different sizes is good. The bank's net loan-to-deposit ratio is good. The geographic distribution of loans throughout the assessment area is reasonable. Finally, the majority of the loans in the sample were originated within the assessment area. When rating the bank, examiners placed the greatest weight on the bank's lending to borrowers of different income levels and to farms of different sizes.

### **LENDING TO BORROWERS OF DIFFERENT INCOME LEVELS AND TO FARMS OF DIFFERENT SIZES**

Overall, the bank's lending to borrowers of different income levels and to farms of different sizes is good. The bank originates loans to small farms and low- and moderate-income borrowers. Finally, the bank is willing to originate small-dollar loans.

*Small farm lending.* The bank's lending to farms of different sizes is good. According to 2009 Dun & Bradstreet data, 98.3% of the farms in the assessment area have gross annual revenues of \$1 million or less. As shown in Table 3, 81.7% of the bank's small farm loans were made to farms with gross annual revenues of \$1 million or less. Bank management noted that some farmers operating in the assessment area have increased the size of their operations, which typically results in gross annual revenues of more

than \$1 million. Further, good crop yields and prices during the past several years have contributed to higher revenues.

The bank originated 89.6% of its small farm loans to small farms for amounts of \$100,000 or less, showing the bank's willingness to extend small-dollar loans and serve the credit needs of small entities. Refer to the glossary in Appendix A for definitions corresponding to small farm lending.

<i>Small Farm Originations</i>	<i>≤\$100,000</i>	<i>&gt; \$100,000 to ≤ \$250,000</i>	<i>&gt; \$250,000 to &lt; \$500,000</i>	<i>Total Originations</i>
Percentage of Loans by Loan Amount	87.8%	8.5%	3.7%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less	89.6%	9.0%	1.5%	81.7%

*Consumer lending.* The bank's lending to low- and moderate-income individuals is excellent. As shown in Table 4, 29.0% and 19.4% of the households in the assessment area are low and moderate income, respectively. The bank's lending to low- and moderate-income individuals exceeds the demographics, as the bank originated 38.0% and 34.0% of the sampled consumer loans to low- and moderate-income individuals, respectively. In addition, the bank serves the credit needs of low- and moderate-income individuals by extending small-dollar loans. The bank originated 44.0% of the consumer loans in the assessment area for \$3,000 or less. Of the loans in this category, 72.7% were extended to low- and moderate-income individuals. The bank's commitment to offer small-dollar loans enhances its ability to serve the community, especially low- and moderate-income individuals. Further, the bank does not require a minimum loan amount.

	<i>Low Income</i>		<i>Moderate Income</i>		<i>Middle Income</i>		<i>Upper Income</i>		<i>Unknown Income</i>	
	#	\$	#	\$	#	\$	#	\$	#	\$
Consumer	38.0%	24.9%	34.0%	45.6%	26.0%	28.4%	2.0%	1.1%	0.0%	0.0%
Percentage of Households by Income Levels**	29.0%		19.4%		24.2%		27.4%		Not applicable	

\*Median family income for the nonmetropolitan areas of Minnesota is \$58,500 for 2009.  
\*\*Based on 2000 U.S. Census data.

#### LOAN-TO-DEPOSIT RATIO ANALYSIS

Given the bank's asset size and financial condition and the assessment area's credit needs, the bank's net loan-to-deposit ratio is good. Since the previous evaluation, the bank's quarterly net loan-to-deposit ratio has ranged from 72.4% to 90.5%. The average net loan-to-deposit ratio for the previous 17 quarters is 81.3%, which is higher than the average of 71.0% at the previous examination. Bank management indicated that seasonal agricultural borrowing affects the bank's net loan-to-deposit ratio.

The bank's net loans and total deposits have increased slowly since the previous examination. Bank management indicated the bank's loan volume has increased for agricultural loans. Bank management stated that input costs, such as fertilizer, have increased and farmers have received good crop yields in

recent years. As a result, the dollar amount the bank is lending to farmers has increased. Bank management also indicated that, with the downturn in the national economy, the bank has seen an increase in the number of people placing funds in deposit accounts at the bank.

The bank's net loan-to-deposit ratio compares favorably with its national peer group. The bank's 17-quarter average net loan-to-deposit ratio of 81.3% is significantly higher than the peer group ratio of 71.1%. The national peer group includes all insured commercial banks located in a nonmetropolitan area with two or fewer offices and assets between \$50 and \$100 million.

Table 5 shows the 17-quarter average net loan-to-deposit ratios for the bank and two of its competitors for deposits and loans. The bank's net loan-to-deposit ratio is comparable to its competition. Clinton State Bank is the only financial institution operating in Clinton.

<i>Name and Location</i>	<i>Assets as of March 31, 2010 (in thousands)</i>	<i>Average Net Loan-to-Deposit Ratio</i>
<b>Clinton State Bank</b> Clinton, Minnesota	\$62,220	81.3%
<b>Cenbank</b> Buffalo Lake, Minnesota	\$40,328	64.1%
<b>Buffalo Ridge Bank</b> Beardsley, Minnesota	\$36,419	76.7%

Overall, the bank is an active lender in the assessment area. The bank's net loan-to-deposit ratio compares favorably to other financial institutions in the assessment area and its national peer group.

#### GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of the bank's loans in the assessment area is reasonable and does not reveal any unexplained gaps in lending patterns. As seen in Table 6, the bank originated loans in all of the census tracts within the assessment area, including the one moderate-income tract. The bank's lending in the moderate-income tract is minimal but reasonable. The moderate-income tract is quite large and includes the communities of Beardsley and Graceville, Minnesota.

**TABLE 6**  
**Distribution of Loans Inside the Assessment Area by Census Tract Income Level\***

<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%	14.0%	24.5%	86.0%	75.5%	0.0%	0.0%
Small Farm	0.0%	0.0%	22.0%	15.4%	78.0%	84.6%	0.0%	0.0%
<b><i>Demographic Data by Income Level of Census Tract</i></b>								
Households	0		31.9%		68.1%		0	
Farms**	0		37.2%		62.8%		0	
Number of Census Tracts in Assessment Area	0		1		2		0	
Percentage of Total Number of Census Tracts	0.0		33.3		66.7		0	
*Income level is based on the 2000 estimated median family income for nonmetropolitan areas of Minnesota.								
**2009 Dun & Bradstreet Business Demographic Data.								

*Consumer lending.* The bank's consumer lending in the moderate-income census tract is reasonable. According to the 2000 census, 31.9% of the households in the assessment area live in the moderate-income census tract. However, the bank originated 7, or 14.0%, of the consumer loans in the moderate-income census tract. Bank management indicated it receives competition for consumer loans from Buffalo Ridge Bank in Beardsley. As mentioned, Beardsley is located in the moderate-income census tract. Overall, the dispersion of consumer loans throughout the assessment area is reasonable.

*Small farm lending.* The bank's lending to farms in the moderate-income census tract is reasonable. According to the 2009 Dun & Bradstreet data, 37.2% of farms in the assessment area are in the moderate-income census tract. However, the bank originated 18, or 22.0%, of the small farm loans in this census tract. Bank management indicated it competes for agricultural loans in the moderate-income tract with the Graceville branch of AgCountry Farm Credit Services, Fargo, North Dakota. Overall, the dispersion of small farm loans throughout the assessment area is reasonable.

**COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA**

The bank originated a majority of sampled loans in the assessment area. Table 7 details lending activity by loan type within the assessment area. The bank indicated that many of the consumer and farm loan customers are located just outside the assessment area, in adjacent counties. In addition, bank management indicated that many customers maintain a banking relationship with the bank after leaving the area. Overall, given this information, the bank's lending in the assessment area is good.

**TABLE 7**  
**Distribution of Loans Inside and Outside the Assessment Area**

<i>Loan Type</i>	<i>Inside</i>				<i>Outside</i>			
	<i>#</i>	<i>%</i>	<i>\$(000s)</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>\$(000s)</i>	<i>%</i>
Consumer	50	70.4	279	67.2	21	29.6	136	32.8
Small Farm	82	71.3	4,048	65.4	33	28.7	2,146	34.6
<b>Total</b>	132	71.0	4,327	65.5	54	29.0	2,282	34.9

RECORD OF RESPONSE TO CRA-RELATED COMPLAINTS

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

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The evaluation did not reveal any 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.

## 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.)