
PUBLIC DISCLOSURE

May 21, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First State Bank
RSSD 403058

125 East Davilla
Granger, Texas 76530

Federal Reserve Bank of Dallas

2200 North Pearl Street
Dallas, Texas 75201

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

The performance of The First State Bank in originating loans to meet the credit needs of all segments of its community is rated Satisfactory for the period covered by this examination. The factors supporting this rating include:

- A majority of consumer motor vehicle, commercial/agricultural and Real Estate(HMDA) loans originated inside the bank's Assessment Areas (AAs), including 79% of the number and 68% of the dollar volume of loans in the sample;
- A reasonable penetration of loans among individuals of different income levels and businesses of different sizes, as demonstrated by 65% of consumer motor vehicle loans to low and moderate-income borrowers, as well as 59% of commercial/agricultural loans made to small business and small farms.
- An excellent dispersion of loans throughout the AAs areas, and;
- A reasonable loan-to-deposit ratio of 71% as of December 31, 2006, with a quarterly average of 72% since the previous CRA evaluation.

SCOPE OF EXAMINATION

The bank's performance was evaluated using the Community Reinvestment Act (CRA) small bank performance standards. The loans selected for this evaluation include all HMDA loans originated in 2005-2006 and a sample of consumer motor vehicle and commercial/agricultural loans originated from January through December 2006. Small Bank CRA performance standards used to evaluate the banks lending include.

- average loan-to-deposit ratio since the last CRA evaluation;
- the overall level of lending within the AAs;
- the bank's lending to borrowers of different income levels and businesses and farms of different sizes;
- the bank's geographic distribution of loans within its AAs areas; and,
- the bank's response to any written complaints since the last examination.

Each standard is viewed as part of an overall picture of the bank's performance in meeting the credit needs of its delineated AAs.

DESCRIPTION OF INSTITUTION

The First State Bank, Granger, Texas (TFSB) is a full-service retail bank operating four banking offices in the Austin-San Marcos, Texas MSA and one banking office in the Killeen-Temple-Fort Hood, Texas MSA. The main bank office is headquartered in Williamson County, the Austin-San Marcos, Texas MSA. The bank is a subsidiary of First Central Union Corporation, Temple, Texas, through its wholly owned Delaware subsidiary, FSBG, Wilmington, Delaware. Through the common ownership of outstanding stock, TFSB is affiliated with Central Community Corporation, Temple, Texas (Central) a top tier of a two-tiered holding company. Central wholly owns FSBT, Inc., Wilmington, Delaware who solely owns First State Bank Central Texas, Temple, Texas.

TFSB offers commercial, agricultural, construction, home mortgage, and consumer secured and unsecured loans. Deposits products offered include checking, certificates of deposit, money market, savings, and NOW accounts. Additionally, TFSB provides its customers, direct deposit, preauthorized withdrawals, and telephone transfers. The Taylor branch has an automated teller machine (ATM) with deposit taking capabilities. Bank locations are shown in the following table:

BRANCH	ADDRESS	CENSUS TRACT	CENSUS TRACT INCOME LEVEL	COUNTY
Granger	125 E. Davilla Granger, Texas 76530	213.00	Moderate	Williamson
Taylor	813 North Main Taylor, Texas 76574	212.03	Middle	Williamson
Hutto	120 CR 119, Suite A Hutto, TX 78634	208.01	Middle	Williamson
Elgin	207 North Main Street Elgin, Texas 78621	9502.00	Middle	Bastrop
Bartlett	200 East Clark St. Bartlett, Texas 76511	234.01	Upper	Bell

TFSB has opened two branches since the previous evaluation. The Bartlett office was opened during January 2004 in an upper-income census tract located in Bell County. The Hutto office was opened during May 2005 in a moderate-income census tract located in Williamson County.

As of December 31, 2006, TFSB reported total assets of approximately \$77 million, gross loans

\$47 million, and total equity capital of \$8 million. As noted in the table below, commercial and industrial, commercial real estate, and agricultural lending are the three most important product lines by dollar volume. The table below details the bank's loan portfolio:

PRODUCT	12/31/2006 \$(000)	% OF LOANS	12/31/2005 \$(000)	% OF LOANS
<u>Real Estate</u>				
Construction/Land Development	1,261	2.67	3,020	6.55
Agriculture	2,156	4.57	2,353	5.10
1-4 Family	5,842	12.38	4,796	10.40
Multifamily	138	0.29	0	0.00
Commercial	10,772	22.83	5,681	12.32
Total Real Estate	20,169	42.74	15,850	34.37
Agricultural	8,176	17.33	6,104	13.24
Commercial and Industrial	13,713	29.06	18,376	39.85
Consumer	3,269	6.93	4,675	10.14
State and Political	1,741	3.69	792	1.72
Other	120	0.25	313	0.68
Gross Loans	47,188	*100.00	46,110	*100.00

*Percentages may not add to 100 because of rounding.

The bank received a satisfactory rating at its last CRA performance evaluation conducted as of April 21, 2003. There are no legal or financial impediments that would inhibit the bank's ability to meet the credit needs of its community, consistent with its business strategy, size, resources, and local economic climate.

DESCRIPTION OF ASSESSMENT AREAS

The banks AAs have changed since the previous exam

- Bastrop and Williamson Counties (Austin-Round Rock, Texas MSA - 12420)
- Bell County (Killeen-Temple-Fort Hood, Texas MSA - 28660)

TFSB's AAs consist of three counties in Central Texas, Bastrop, Williamson, and Bell County. The bank's AAs have changed as a result of two new branch openings since the previous evaluation. While Williamson and Bastrop counties are contiguous, Bell County is contiguous to Williamson County. The CRA requires separate analyses of an institution's banking operations when they extend across multiple metropolitan statistical areas.

Bastrop and Williamson counties are two of five counties in the Austin-Round Rock, Texas MSA. The City of Bastrop is the county seat and commercial center of Bastrop County. Bastrop is located 30 miles southeast of Austin. Georgetown is the county seat of Williamson County and is located just north of Austin.

The Killeen-Temple-Fort Hood, Texas MSA consist of Bell, Coryell and Lampasas counties. Belton is the county seat of Bell County, while Killeen and Temple are the first and second, largest city in the county, respectively.

TFSB experiences heavy competition from 36 other FDIC-insured institutions operating in Bastrop and Williamson counties, as of June 30, 2006. Total deposits as of that date were approximately \$3.4 billion in 120 banking offices, with TFSB holding market share of 1.71%. Wells Fargo Bank N.A., JPMorgan Chase Bank N.A., and Guaranty Bank, hold the highest percentage of deposits in the market. Additionally, other large banks with branches in the area are also major competitors for TFSB. In Bell County there were 20 FDIC-insured institutions operation 60 offices. Total deposits in Bell County as of June 30, 2006, were approximately \$2.4 billion. TFSB was last in market share of deposits at 0.15%. Extraco Banks N.A., First National Bank Texas, and World Savings Bank FSB held the highest percentage of deposits.

Community contacts in the City of Belton stated that TFSB was very proactive in serving the needs of the community. The contact went on to say that the migration of residence from the Austin area is going to put stress on affordable housing in the Belton area within the next two years. A community contact in the City of Hutto also stated that TFSB is leader in the community; in fact the branch manager of Hutto Branch was recently elected to the Hutto Economic Development Board.

Demographic and economic information impacting the bank's performance context are discussed below. Information was obtained from publicly available sources including the U.S. of Commerce's Bureau of the Census, 2000; the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, Texas Workforce Commission, and Dun & Bradstreet.

The table below details demographics of the AAs areas:

THE FIRST STATE BANK, GRANGER, TEXAS Characteristics of the AAs		
Tract Summary¹		
	Bastrop and Williamson	Bell
Number of Low-Income Tracts	0	1
Number of Moderate-Income Tracts	7	11
Number of Middle-Income Tracts	33	23
Number of Upper-Income Tracts	14	12
Total Number of Tracts	54	47
Income Summary²		
Median Family Income, 2006 HUD Estimated	\$69,600	\$48,800
Total Families	82,341	62,259
Percent Low-Income Families	14.4	16.9
Percent Moderate-Income Families	17.7	19.3
Percent Middle-Income Families	26.3	23.3
Percent Upper-Income Families	41.6	40.4
Percent Below Poverty Level	4.3	9.7
Miscellaneous Information³		
Total Housing Units – 2000	112,579	92,782
Percentage Owner-Occupied Units to Total Units	71.5	51.3
Percentage Rental Units to Total Units	23.4	40.8
Percentage Vacant Units to Total Units	5.1	7.8
Total Businesses	12,770	7,198
Total Farms	303	183

Demographic Characteristics

The population for the bank’s AAs areas in the Austin-Round Rock, Texas MSA is 307,700. Bastrop had a total population of 57,733 and Williamson County was 249,967, according to the 2000 census data. The population for Bell County is 237,974, the bank’s AAs areas in the Killeen-Temple-Fort Hood, Texas MSA, according to the 2000 census data.

Bastrop and Williamson counties contain 54 census tracts. Seven census tracts are moderate-

¹ Source: U.S. Census Bureau, 2000

² Source: U.S. Dept. of Housing and Urban Development, 2006; U.S. Census Bureau, 2000

³ Source: U.S. Census Bureau, 2000; Dun & Bradstreet, 2006

income, 33 census tracts are middle-income and 14 census tracts are upper-income. Bell County contains 47 census tracts. There is only one low-income census tract, 11 moderate-income, 23 middle-income, and 12 upper-income census tracts in Bell County.

Income Characteristics

In Bastrop and Williamson counties, of the 82,341 families, 14.4% are low-income and 17.7% are moderate-income. Additionally, 4.3% have income below the poverty level. In Bell County, of the 62,259 families, 16.9% are low-income and 19.3% are moderate-income. Further, almost 10% have income below the poverty level.

Housing Characteristics

According to the 2000 census, there are 112,579 housing units in Bastrop and Williamson counties; of which 71.5% are owner occupied units. Bastrop and Williamson counties median housing value was \$86,700 and \$123,900; and median gross rent was \$549 and \$787, respectively. Bastrop and Williamson counties median housing value was substantially more than the state of Texas at \$77,800. The median age of housing stock was 17 years for Bastrop and 12 years for Williamson County.

According to the 2000 census, there are 92,782, housing units in Bell County, of which 51.3% are owner occupied units. Bell County median housing value was \$75,700 and median gross rent was \$543. The state of Texas median housing value of \$77,800 was slightly more than Bell County. The median age of housing stock was 20 years.

Employment Characteristics

The largest employers in Bastrop are the public school district, Wal-Mart, MD Anderson Cancer Center, and BioCrest Strategene. The Hyatt Regency Lost Pines Resort and Spa opened in June 2006 and has given a huge boost to employment in the area. Williamson County is busy in agribusiness, manufacturing of electric motors, structural products and electronic products that dominate the economy. Southwestern University and inner Space Caverns are located in Georgetown. Dell Computer Corporation is headquartered in Round Rock, adjacent to Bastrop County.

The largest active U.S. Army post in the United States in Fort Hood, Texas is located in Coryell County which is adjacent to Killeen. The military industry, healthcare and medical services, and public school districts are the largest employment sectors for Bell County.

Dun & Bradstreet data, reported 12,770 businesses in Bastrop and Williamson counties. Approximately 92% reported gross annual revenues less than or equal to \$1 million, of which almost 10% were in moderate-income census tracts. There were 303 farms in Bastrop and Williamson counties. All but one reported gross annual revenue less than or equal to \$1 million. Approximately 13% of the farms were located in moderate-income census tracts.

In Bell County, Dun & Bradstreet data, reported 7,198 businesses. Slightly more than 91% reported gross annual revenues less than or equal to \$1 million, of which slightly more than 5% were in low-income census tracts and almost 20% were in moderate-income census tracts. There were 183 farms in Bell County. Slightly more than 96% reported gross annual revenue less than or equal to \$1 million. One percent of the farms were located in low-income census tracts and approximately 5% of the farms were located in moderate-income census tracts.

The table below details the 2006 annual average unemployment rate, as well as the labor force for the AAs areas:

County/MSA/State	Labor Force	Unemployment Rate
Bastrop	35,021	4.6
Williamson	187,111	4.2
Bell	116,223	5.1
Austin-Round Rock	831,405	4.1
Killeen-Temple-Fort Hood	152,200	5.3
Texas	11,487,496	4.9

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO

TFSB's net loan-to-deposit (LTD) ratio is considered reasonable, given the bank's size and financial condition, the credit needs of the AAs, and the competitive local banking environment. As of December 31, 2006, TFSB's LTD ratio was approximately 71%, and the quarterly average since the previous evaluation was approximately 72%.

To better understand the bank's performance in relation to its AAs, a comparison of similarly situated banks was performed. These banks were chosen for analysis based on their proximity and similar size and structure. As indicated in the following chart, TFSB LTD ratios are higher than the competing banks in the cities where the banks branches are located. The quarterly average ratios for the peer banks range from a low of 42% to a high of 64%.

BANK	COUNTY	TOTAL ASSETS (IN \$000s) 12/31/2006	LTD RATIO 12/31/2006	*QUARTERLY AVG. LTD RATIO
The First State Bank Granger, Texas	Williamson	\$76,955	70.8%	71.8%
First Texas Bank Round Rock, Texas	Williamson	\$160,643	55.9%	52.8%
First Texas Bank Belton, Texas	Bell	\$61,651	68.3%	64.1%
Schwertner State Bank Schwertner, Texas	Williamson	\$33,860	31.4%	42.1%

*15 quarters

LENDING IN ASSESSMENT AREAS

The banks' lending performance was evaluated based upon a sample of 44 commercial/agricultural loans totaling \$7.2 million and 35 consumer loans totaling \$294 thousand originated by the bank between January and December 2006. In addition all 2005 and 2006 HMDA loans totaling \$1.5 million were reviewed.

As summarized in the chart below, a majority of the bank's lending takes place in the AAs. Approximately 79% of the number of loans and 68% of the dollar volume were originated to borrowers living or operating inside the bank's AAs areas.

ANALYSIS OF LENDING IN THE AAs								
Loan Type	Inside AAs Areas				Outside AAs Areas			
	#	%	\$000's	% of \$	#	%	\$000's	% of \$
2005-2006 HMDA	18	94.7	1214	78.2	1	5.3	338	21.8
Consumer MV	32	91.4	247	84.1	3	8.6	47	15.9
Commercial/Ag.	27	61.4	4699	65.6	17	38.6	2467	34.4
TOTAL	77	78.6	6160	68.4	21	21.4	2852	31.6

The remaining analysis is based on those loans located within the banks AAs.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

The distribution of lending based on income and revenue levels of the borrowers reflects a reasonable penetration among individuals of different income levels and businesses of different sizes. The income level of the Williamson and Bastrop county borrowers was compared to the HUD-adjusted median family income (MFI) for the Austin-Round Rock MSA, while the Bell County borrowers were compared to the Killeen-Temple-Fort Hood MSA MFI. The Austin – Round Rock MSA MFI rose from \$68,600 in 2005 to \$69,600 in 2006. The Killeen-Temple-Fort Hood MSA MFI rose from \$47,300 to \$48,800 during the same period. The following tables depict the income level ranges:

Williamson-Bastrop Counties		
Income Level	2005	2006
Median Income	\$68,600	\$69,600
Low-income	\$0 < \$34,300	\$0 < \$34,800
Moderate-income	\$34,300 < \$54,880	\$34,800 < \$55,680
Middle-income	\$54,880 < \$82,320	\$55,680 < \$83,520
Upper-income	\$82,320 and up	\$83,520 and up

Bell County		
Income Level	2005	2006
Median Income	\$47,300	\$48,800
Low-income	\$0 < \$23,650	\$0 < \$24,400
Moderate-income	\$23,650 < \$37,840	\$24,400 < \$39,040
Middle-income	\$37,840 < \$56,760	\$39,040 < \$58,560
Upper-income	\$56,760 and up	\$58,560 and up

Overall, approximately 68% of TFSB’s consumer motor vehicle loans were made to low and moderate income borrowers. In the Williamson-Bastrop AA, 43% of consumer motor vehicle were loans made to low-income borrowers and 25% to moderate-income borrowers. This level of lending exceeds the Williamson-Bastrop County demographics of 14% low-income and 18% moderate-income families. The Bell AA had a minimal number of consumer motor vehicle loans, although 2 of the 4 loans that were originated were to low-income borrowers.

The bank originated 18 HMDA loans during 2005-2006. In the Williamson-Bastrop AA, 13% of the loans were to low-income borrowers, while none of the loans were to moderate-income borrowers. This level of lending does not compare well to the Williamson-Bastrop demographics of 14% low-income and 18% moderate-income families. The Bell County AA had three loans during the same period, which none of the loans were made to low or moderate-income families. HMDA loans do not represent a significant portion of the banks portfolio; therefore, less weight was given to this product type.

The following table represents the distribution of consumer and HMDA loans made within the AAs areas:

Bastrop and Williamson Counties’ Consumer Motor Vehicle and HMDA Loans Distribution by Median Family Income Level					
Income Level	Percent of Families	Consumer Motor Vehicle		HMDA	
		#	%	#	%
Low-income	14.4	12	42.9	2	13.3
Moderate-income	17.7	7	25.0	0	0.00
Middle-income	26.3	5	17.9	3	20.0
Upper-income	41.6	4	14.3	10	66.7
TOTAL	100.0	28	100.0	15	100.0

Bell County's Consumer Motor Vehicle and HMDA Loans Distribution by Median Family Income Level					
Income Level	Percent of Families	Consumer Motor Vehicle		HMDA	
		#	%	#	%
Low-income	16.9	2	50.0	0	0.0
Moderate-income	19.3	0	0.0	0	0.0
Middle-income	23.3	1	25.0	2	66.7
Upper-income	40.4	1	25.0	1	33.3
TOTAL	100.0	4	100.0	3	100.0

The distribution of loans to businesses of different sizes is considered reasonable, with loans made to businesses of various revenue levels. Commercial/agricultural loans are the largest product in the banks portfolio, thus greater weight is placed in this area.

In the Williamson Bastrop AA approximately 67% of the commercial/agricultural loans were to small farms or small business with revenues of \$1 million or less, which is considered reasonable compared to 91% of the small business and 99% of the small farms with revenues of \$1 million or less. In the Bell County AA only 2 of the 6 loans reported had gross annual revenues, and both of those loans were for 1 million or less.

Overall, revenue was not available for 9 loans. To augment the evaluation, the dollar volume was used as a proxy to determine the loans where probably made to small businesses and farms. Although not conclusive, there may be a correlation between the size of a business and the loan amount.

The following tables reflect the distribution of the commercial loans in the AAs by gross annual revenues:

Distribution of Commercial/Ag Loans by Gross Annual Revenues Williamson Bastrop AA		
Gross Annual Revenues	Number of Loans	Percent of Loans
Less than \$ 100,000	6	28.6
\$100,001 - \$500,000	6	28.6
\$500,001- \$1 million	2	9.5
Greater than \$1 million	2	9.5
Revenues Not Available	5	23.8
TOTAL	21	100.00

Distribution of Commercial/Ag Loans by Gross Annual Revenues Bell County AA		
Gross Annual Revenues	Number of Loans	Percent of Loans
Less than \$ 100,000	1	16.7
\$100,001 - \$500,000	1	16.7
\$500,001- \$1 million	0	0.0
Greater than \$1 million	0	0.0
Revenues Not Available	4	66.7
TOTAL	6	100.00

Overall, the distribution by loan size is considered excellent, with 14 or 52% of the all loans sampled within the AAs being for \$25,000 or less. In the Williamson Bastrop AA approximately 43% of the loans were for \$25,000 or less, while in the Bell County AA approximately 84% of the loans were for less than \$25,000.

The following tables reflect the distribution of the commercial loans in the AAs by loan amount:

Distribution of Commercial/Ag Loans by Loan Amount Williamson Bastrop AA		
Loan Amount	Number of Loans	Percent of Loans
Less than \$ 25,000	9	42.9
\$25,001-\$200,000	3	14.3
\$200,001 - \$500,000	6	28.6
\$500,001- \$1 million	3	14.3
Greater than \$1 million	0	0.0
TOTAL	21	100.00

Distribution of Commercial/Ag Loans by Loan Amount Bell County AA		
Loan Amount	Number of Loans	Percent of Loans
Less than \$ 25,000	5	83.3
\$25,001-\$200,000	0	0.0
\$200,001 - \$500,000	1	16.7
\$500,001- \$1 million	0	0.0
Greater than \$1 million	0	0.0
TOTAL	6	100.00

GEOGRAPHIC DISTRIBUTION OF LOANS

The overall geographic distribution of the bank's loans reflects an excellent dispersion of loans throughout the bank's AAs given the performance context. Although TFSB did not originate any loans in the one low-income tract in its AAs, which is located in Bell County, less than 1% of the AAs population is located in that one low-income census tract.

In the Williamson-Bastrop AA, 47% of the HMDA loans were made in moderate-income tracts, which is excellent compared to 7% of the owner occupied housing in moderate-income tracts. In the Bell County AA three HMDA loans were originated, none of which were located in a moderate income tract.

The following table represents the geographic distribution of the banks HMDA loans within its AAs:

Distribution of HMDA Lending by Census Tract Income Level						
Census Tract Income Level	Bastrop and Williamson Counties		Bell County		Total	
	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0
Moderate-income	7	46.7	0	0.0	7	38.9
Middle-income	8	53.3	1	33.3	9	50.0
Upper-income	0	0	2	66.7	2	11.0
TOTAL	15	100.0	3	100.0	18	100.0

In the Williamson-Bastrop AA, 39% of the consumer motor vehicle loans were made in moderate-income tracts, which is also excellent compared to 7% of the families that live in moderate-income tracts. In the Bell County AA four consumer motor vehicle loans were originated, none of which were in moderate income tracts.

The following table represents the geographic distribution of the bank's consumer motor vehicle within its AAs:

Distribution of Consumer Motor Vehicle Lending by Census Tract Income Level						
Census Tract Income Level	Bastrop and Williamson Counties		Bell County		Total	
	#	%	#	%	#	%
Low-income	0	0	0	0.0	0	0.0
Moderate-income	11	39.3	0	0.0	11	34.4
Middle-income	16	57.1	2	50.0	18	56.3
Upper-income	1	3.6	2	50.0	3	9.4
TOTAL	28	100.0	4	100.0	32	100.0

In the Williamson-Bastrop AA, 43% of the commercial /agricultural loans were made in moderate-income tracts, which is also excellent compared to 13% of small farms and 10% of business located in moderate-income tracts . In the Bell County AA 6 commercial /agricultural loans were originated, none of which were in moderate-income tracts.

The following table represents the geographic distribution of the banks commercial /agricultural loans within its AAs:

Distribution of Commercial and Agricultural Lending by Census Tract Income Level						
Census Tract Income Level	Bastrop and Williamson Counties		Bell County		Total	
	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0
Moderate-income	9	42.9	0	0.0	9	33.3
Middle-income	10	47.6	3	50.0	13	48.1
Upper-income	2	9.5	3	50.0	5	18.5
TOTAL	21	100.0	6	100.0	27	100.0

RESPONSE TO 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 discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified during the concurrent Consumer Affairs Examination.

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/AAs area.

Census tract: A small, relatively permanent statistical subdivision of a county or statistically equivalent entity, delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with U.S. Census Bureau guidelines. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions **at the time they are established**, census tracts generally contain between 1,000 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries are delineated with the intention of being stable over many decades, so they generally follow relatively permanent visible features. However, they may follow governmental unit boundaries and other invisible features in some instances; the boundary of a state or county (or statistically equivalent entity) is always a census tract boundary.

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 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (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.

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 MA/AAs area.

Metropolitan Statistical Area (MSA): A core area, as defined by the United States Office of Management and Budget, with at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties. MSAs are defined in terms of whole counties.

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.

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.

Multifamily: Refers to a residential structure that contains five or more units.

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.

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.