PUBLIC DISCLOSURE

December 12, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First State Bank of St. Peter
RSSD #426141

200 East Third Street
Saint Peter, Illinois 62880

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the 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.

First State Bank of St. Peter meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activity. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is less than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the assessment area.
- The borrower's profile analysis reveals excellent penetration among farms of different revenue sizes and individuals of different income levels, including low- and moderate-income (LMI) levels.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) Examination Procedures for Small Institutions. Small farm and consumer motor vehicle loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis on small farm lending, the small farm loan category carried the most significance toward the bank's overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	June 30, 2018 – September 30, 2022
Assessment Area Concentration	May 22, 2018 – December 31, 2021
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	May 21, 2018 – December 11, 2022

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data; certain farm demographics are based on 2021 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $49.0 million to $76.4 million as of September 30, 2022.

To augment this evaluation, one community contact interview was conducted with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment area. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

First State Bank of St. Peter is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by St. Peter Bancshares, Inc., a one-bank holding company headquartered in Saint Peter, Illinois. The bank's main office is its sole location. The office has drive-up accessibility and a cash-dispensing automated teller machine. The village of Saint Peter is in a rural part of Fayette County and is located approximately 19 miles from the city of Vandalia, the largest city in the county and the county seat. Based on the bank's single location in a rural part of the county, the bank has difficulty serving the entire assessment area; therefore, greater weight was placed on the analysis of lending to individuals of different income levels and farms of different sizes than to the geographic location of borrowers.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting assessment area credit needs based on its available resources and financial products. As of September 30, 2022, the bank reported total assets of $34.3 million. As of the same date, loans and leases outstanding were $8.4 million (24.5 percent of total assets), and deposits totaled $29.9 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of September 30, 2022		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Farmland	$3,240	38.5%
Farm Loans	$1,867	22.2%
Loans to Individuals	$1,274	15.1%
1–4 Family Residential	$1,162	13.8%
Commercial Real Estate	$696	8.3%
Total Other Loans	$102	1.2%
Commercial and Industrial	$77	0.9%
TOTAL LOANS	**$8,418**	**100%**

As indicated in the table above, a significant portion of the bank's lending resources is directed to loans secured by farmland, farm loans, loans to individuals, and loans secured by 1–4 family residential properties. Although 1–4 family residential lending is a significant product by dollar amount, origination volume during the review period was insufficient to provide a meaningful analysis under the Lending Test; therefore, the product was not analyzed during this evaluation.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on May 21, 2018, by the Federal Reserve Bank of St. Louis.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 19,051, is in a nonmetropolitan statistical area (nonMSA) portion of south central Illinois. The assessment area is composed of three partial counties and is mostly rural. Specifically, the assessment area is comprised of the eastern portion of Fayette County, the southwestern portion of Effingham County, and the northern portion of Marion County.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2022, there are 26 FDIC-insured depository institutions operating 53 offices in the full, three-county area where the bank has delineated its assessment area. First State Bank of St. Peter, operating one office in the three-county area, ranked 23rd in terms of deposit market share, with 0.8 percent of the total deposit dollars of the combined area.

Commercial lending products, particularly agricultural loans, represent a credit need in the assessment area, along with the need for a standard blend of consumer loan products. Other credit needs in the assessment area, as noted primarily from the community contact, include flexible and smaller dollar loans to new or existing small farms that lack the strong credit history and financial strength of more established farming operations in the assessment area.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	0	1	5	0	0	**6**
	0.0%	16.7%	83.3%	0.0%	0.0%	**100%**
Family Population	0	738	4,237	0	0	**4,975**
	0.0%	14.8%	85.2%	0.0%	0.0%	**100%**

As shown above, 16.7 percent of the census tracts in the assessment area are moderate-income geographies, but only 14.8 percent of the family population resides in these tracts. The moderate-income area is in the northern portion of the assessment area.

Based on 2015 ACS data, the median family income for the assessment area was $55,913. At the same time, the median family income for nonMSA Illinois was $59,323. More recently, the FFIEC estimates the 2021 median family income for nonMSA Illinois to be $66,700. The following table displays population percentages of assessment area families by income level compared to the nonMSA Illinois family population as a whole.

Family Population by Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Assessment Area	1,066	1,053	1,007	1,849	0	**4,975**
	21.4%	21.2%	20.2%	37.2%	0.0%	**100%**
NonMSA Illinois	78,116	70,252	83,510	153,709	0	**385,587**
	20.3%	18.2%	21.7%	39.9%	0.0%	**100%**

As shown in the table above, 42.6 percent of families within the assessment area were considered LMI, which is slightly higher than the LMI family percentage of 38.5 percent in nonMSA Illinois. The percentage of families living below the poverty threshold in the assessment area (12.4 percent) is higher than the level in nonMSA Illinois (10.4 percent). Considering these factors, the assessment area appears less affluent than nonMSA Illinois as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be more affordable than in nonMSA Illinois. The median housing value for the assessment area ($82,310) is below the figure for nonMSA Illinois ($93,478). Additionally, the assessment area housing affordability ratio (which measures median housing prices relative to median income in the assessment area, with a higher ratio reflecting greater affordability) of 55.6 percent is above the nonMSA Illinois figure of 49.0 percent. Finally, the median gross rent for the assessment area of $610 per month is in line with the $604 per month for nonMSA Illinois.

Rental units are less prominent in the assessment area than in nonMSA Illinois. Of all housing units in the assessment area, 14.5 percent are rental units compared to 22.6 percent of rental units found in nonMSA Illinois. The assessment area's lower percentage of rental units corresponds with the community contact stating that much of the housing in the assessment area is family farms and homes that are passed down through generations.

Industry and Employment Demographics

County business patterns indicate that there are 35,422 paid private employees and 2,092 paid government employees in the three counties that include the bank's assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (21.0 percent), followed by manufacturing (17.3 percent) and retail trade (14.1 percent). Small businesses, or businesses with gross annual revenues of $1 million or less, make up 87.9 percent of all assessment area businesses. Finally, agriculture plays a significant role in the assessment area economy, with most farms (98.9 percent) having revenues of less than $1 million.

The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to nonMSA Illinois as a whole.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	**Assessment Area**	**NonMSA Illinois**
2021	4.8%	5.0%
2020	7.9%	7.8%
2019	3.8%	4.2%

As shown in the table above, unemployment levels for the assessment area prior to the pandemic were lower than nonMSA Illinois in its entirety. Both areas were similarly affected by the pandemic, with significant spikes in unemployment in 2020, and both decreased back to near normal levels in 2021.

Community Contact Information

Information from a community contact was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. The community contact interview was with an individual specializing in farm loans. The contact categorized the economy as good, with moderate growth. Furthermore, there is demand for small farm loans. However, a lack of available land, increased land cost, and closely held family farming operations have limited new farm startups and expansion of existing farm operations. There are sufficient banking resources in the assessment area, according to the contact, allowing for adequate access to bank branches. While banks generally have good relationships with and meet the financing needs of strong, established farms, more banks offering flexible and smaller dollar loans to farmers with no or poor credit histories are needed. Opportunities exist for banks to partner with the Farm Service Agency to offer these types of more flexible farm loan products.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The chart below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 18-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of September 30, 2022**	**Average LTD Ratio**
First State Bank of St. Peter	Saint Peter, Illinois	$34,258	33.7%
Regional Banks	Brownstown, Illinois	$49,044	48.5%
	Kinmundy, Illinois	$64,149	76.1%
	Sandoval, Illinois	$76,375	83.5%

Based on data from the previous table, the bank's level of lending is well below that of other banks in the region. During the review period, the LTD ratio experienced a generally decreasing trend with an 18-quarter average of 33.7 percent. In comparison, the average LTD ratios for the regional peers were significantly higher. Therefore, compared to data from regional banks, the bank's average LTD ratio is less than reasonable given the bank's size, financial condition, and assessment area credit needs.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment area.

Lending Inside and Outside the Assessment Area May 22, 2018 – December 31, 2021								
Loan Type	**Inside**				**Outside**			
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
Small Farm	43	93.5	3,761	95.2	3	6.5	189	4.8
Consumer/Motor Vehicle	34	79.1	338	70.1	9	20.9	144	29.9
TOTAL LOANS	77	86.5	4,099	92.5	12	13.5	333	7.5
Note: Percentages may not total 100.0% due to rounding.								

A majority of loans and other lending-related activities were made in the bank's assessment area. As shown above, 86.5 percent of the total loans were made inside the assessment area, accounting for 92.5 percent of the dollar volume of total loans.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is excellent, based on performance from both loan categories reviewed, with primary weight given to small farm lending.

Small farm loans were reviewed to determine the bank's lending levels to farms of different sizes. The following table shows the distribution of small farm loans by loan amount and farm revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of Small Farm Lending by Borrower Income Level

Farm Revenue and Loan Size			May 22, 2018 – December 31, 2021						
			Count			Dollars			Farms
			Bank		Aggregate	Bank		Aggregate	
			#	%	%	$ (000s)	$ %	$ %	%
Farm Revenue		$1 Million or Less	41	95.3%	63.7%	2961	78.7%	71.6%	98.9%
		Over $1 Million/ Unknown	2	4.7%	36.3%	800	21.3%	28.4%	1.1%
		TOTAL	**43**	**100.0%**	**100.0%**	**3,761**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or Less	29	67.4%	80.6%	991	26.3%	36.0%	
		$100,001–$250,000	12	27.9%	14.2%	1970	52.4%	34.7%	
		$250,001–$500,000	2	4.7%	5.2%	800	21.3%	29.4%	
		Over $500,000	0	0.0%	0.0%	0	0.0%	0.0%	
		TOTAL	**43**	**100.0%**	**100.0%**	**3,761**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or Less	29	70.7%		991	33.5%		
		$100,001–$250,000	12	29.3%		1970	66.5%		
		$250,001–$1 Million	0	0.0%		0	0.0%		
		Over $1 Million	0	0.0%		0	0.0%		
		TOTAL	**41**	**100.0%**		**2,961**	**100.0%**		

As displayed in the preceding table, the bank's percentage of lending to farms with revenues of $1 million or less (95.3 percent) is substantially higher than the aggregate performance (63.7 percent) and similar to the percentage of small farms (98.9 percent) in the assessment area, reflecting excellent performance.

Next, consumer motor vehicle loans were reviewed to determine the bank's lending levels to LMI borrowers in the assessment area. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($59,323 for nonMSA Illinois as of 2015). The following table shows the distribution of consumer motor vehicle loans by borrower income level compared to household population income demographics for the assessment area.

Distribution of Consumer Motor Vehicle Lending by Borrower Income Level					
Borrower Income Levels	May 2, 2018 – December 31, 2021				
	Count		Dollar		Households
	#	%	$ (000s)	$ %	%
Low	15	44.1%	$114	33.7%	22.8%
Moderate	8	23.5%	$86	25.4%	17.4%
Middle	4	11.8%	$63	18.6%	17.5%
Upper	7	20.6%	$75	22.2%	42.3%
Unknown	0	0.0%	$0	0.0%	0.0%
TOTAL	**34**	**100.0%**	**$338**	**100.0%**	**100.0%**

The bank's level of lending to LMI borrowers is excellent. The bank originated a significantly higher percentage of loans to low-income borrowers (44.1 percent) than the percentage of low-income households in the assessment area (22.8 percent), reflecting excellent performance. The bank originated a higher percentage of loans to moderate-income borrowers (23.5 percent) than the percentage of moderate-income households in the assessment area (17.4 percent), also reflecting excellent performance.

Geographic Distribution of Loans

As noted previously, the assessment area includes zero low-income and one moderate-income census tract, representing 16.7 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout this LMI census tract, based on the small farm and consumer motor vehicle loan categories. As previously stated, performance in the small farm loan category carried the most significance in the overall rating.

The following table displays the distribution of small farm loans by geography income levels compared to the location of small farms throughout the bank's assessment area and aggregate performance.

Distribution of Small Farm Lending by Income Level of Geography May 22, 2018 – December 31, 2022							
Census Tract Income Level	**Bank Small Farm Loans**				**% of Farms**	**Aggregate of Peer Data**	
	#	**#%**	**$ 000s**	**$ %**		**#%**	**$ %**
Low	0	0.0%	$0	0.0%	0.0%	0.0%	0.0%
Moderate	1	2.3%	$130	3.5%	7.9%	9.6%	10.1%
Middle	42	97.7%	$3,631	96.5%	92.1%	90.4%	89.9%
Upper	0	0.0%	$0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	$0	0.0%	0.0%	0.0%	0.0%
TOTAL	**43**	**100.0%**	**$3,761**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The analysis of small farm loans revealed reasonable lending performance to small farms in the moderate-income geography. While the bank's percentage of farm loans in the moderate-income census tract (2.3 percent) is lower compared to other lenders in the assessment area (9.6 percent) and the percentage of small farms in the moderate-income census tracts (7.9 percent), the bank's performance is considered reasonable because the area is highly competitive with 26 FDIC-insured depository institutions operating 53 offices to service the needs of only 7 farms in that moderate-income tract.

Second, the bank's geographic distribution of consumer motor vehicle loans was reviewed. The following table displays consumer motor vehicle loan activity by geography income level compared to the percentage of households in that geography.

Distribution of Consumer Motor Vehicle Lending by Income Level of Geography May 22, 2018 – December 31, 2021					
Tract Income Levels	**Bank Loans**				**% of Households**
	#	**#%**	**$ (000s)**	**$ %**	
Low	0	0.0%	$0	0.0%	0.0%
Moderate	4	11.8%	$28	8.3%	15.0%
Middle	30	88.2%	$310	91.7%	85.0%
Upper	0	0.0%	$0	0.0%	0.0%
Unknown	0	0.0%	$0	0.0%	0.0%
TOTAL	**34**	**100.0%**	**$338**	**100.0%**	**100.0%**

The bank's percentage of loans in the moderate-income census tract (11.8 percent) is similar to the percentage of households in moderate-income census tracts (15.0 percent), representing reasonable performance.

Lastly, based on reviews from both loan categories, First State Bank of St. Peter had loan activity in a majority of assessment area census tracts. Additionally, there were no conspicuous lending gaps noted in LMI areas. This information supports the conclusion that the bank's overall geographic distribution of loans is reasonable.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (May 21, 2018 through December 11, 2022).

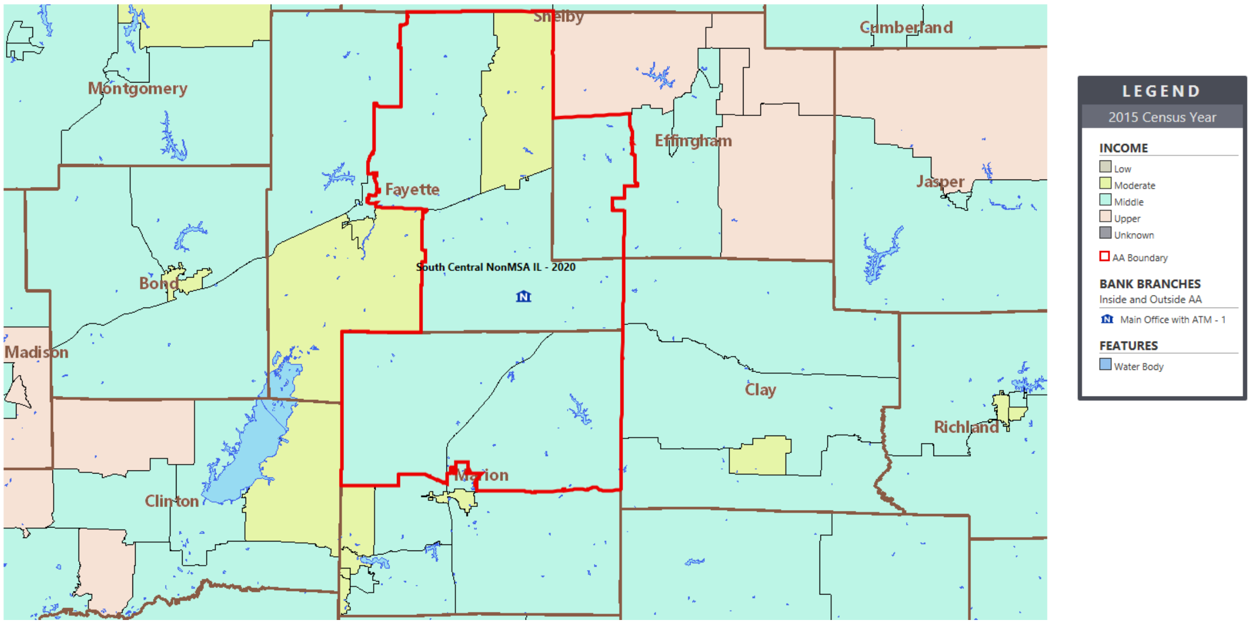
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

Appendix A

ASSESSMENT AREA DETAIL

South Central Illinois Assessment Area



Appendix B

GLOSSARY

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

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending 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 contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) 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; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and 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.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who 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 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 refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

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

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

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.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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 businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more, in the case of a geography.