

PUBLIC DISCLOSURE

August 6, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Western Bank of Wolf Point
111 Third Avenue South
Wolf Point, Montana 59201
RSSD 445852

**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.

TABLE OF CONTENTS

Institution’s CRA Rating 1

Scope of Evaluation 1

Description of Institution 2

Description of Assessment Area 3

Conclusions with Respect to Performance Criteria 5

Fair Lending or Other Illegal Credit Practices Review..... 8

Appendix A: Glossary of Common CRA Terms 9

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 Community Reinvestment Act (CRA) performance was evaluated using the Small Bank CRA Examination Procedures. Based on the bank’s asset size and financial condition, Western Bank of Wolf Point meets the credit needs of the small farms and consumers in its assessment area.

Several factors support the bank’s satisfactory rating:

- The bank’s lending to farms of different sizes and to borrowers of different income levels is reasonable.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The bank’s net loan-to-deposit ratio is reasonable given the bank’s size, financial condition, and credit needs of the assessment area.
- The bank originated a substantial majority of its loans inside its assessment area.
- The bank has not received any CRA-related complaints since the previous examination.

The bank received a Satisfactory rating at the previous evaluation, dated June 2, 2014.

SCOPE OF EVALUATION

The scope of the evaluation covers the bank’s major product lines. Examiners based the evaluation on statistical samples of 74 small farm loans and 66 consumer loans originated between January 1, 2017, and December 31, 2017. Small farm loans are a major product line by total dollar amount and number. Consumer loans are a major product line by number. Table 1 illustrates total loan activity from January 1, 2017, to December 31, 2017.

<i>Loan Type</i>	<i>Number of Loans</i>	<i>Percentage of Total Number</i>	<i>Total Loan Dollars</i>	<i>Percentage of Total Dollars</i>
Construction/Land Development	2	0.7	\$ 165,006	0.6
Consumer	98	34.6	1,223,218	4.6
Home Equity Lines of Credit	4	1.4	132,500	0.5
Residential Real Estate	4	1.4	322,690	1.2
Small Business (≤ \$1 million)	54	19.1	8,035,957	30.1
Commercial (> \$1 million)	1	0.4	1,002,438	3.8
Small Farm (≤ \$500,000)	117	41.3	13,617,510	51.0
Agricultural (> \$500,000)	3	1.1	2,204,081	8.2
Total	283	100.0	\$26,703,400	100.0

¹Note: Because the percentages presented in the tables are rounded to the nearest tenth, some columns or rows may not total 100.0%.

Examiners analyzed the following criteria to determine the bank's CRA rating:

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

Examiners placed the greatest weight on the lending to farms of different sizes and borrowers of different income levels and the geographic distribution of loans. They placed equal weight on the other criteria. By loan type, examiners placed more weight on small farm loans than on consumer loans, based on the dollar and number volume of loan origination activity and loan portfolio composition. The bank has not received any CRA-related complaints since the previous evaluation.

The evaluation is based in part on discussions with bank management and interviews with members of the community familiar with economic issues and demographic characteristics of the assessment area. Examiners used information from these sources to evaluate the bank's CRA performance.

DESCRIPTION OF INSTITUTION

Offices. The bank's main office is in Wolf Point, Montana, and it has no branches. The bank offers reasonable lobby and drive-up hours. In addition, the bank operates four cash-dispensing-only ATMs: one in the bank and three at other locations in Wolf Point. Since the previous evaluation, the bank has installed one new ATM and removed two.

Western Bank of Wolf Point also offers Internet banking, allowing customers to view account information, transfer funds, and make loan payments. In addition, the bank offers mobile banking, electronic statements, and bill payment services.

Loan Portfolio. According to the March 31, 2018, Report of Condition, the bank's assets total \$97.0 million. The bank's \$39.0 million loan portfolio consists of 46.3% agricultural, 38.7% commercial, 10.4% residential real estate, 4.1% consumer, and 0.5 % other loans. The composition of the loan portfolio has not changed significantly since the previous evaluation.

Credit Products. The bank offers a variety of traditional loan products to meet the credit needs of the farms, businesses, and consumers in the assessment area. The bank's credit products include open- and closed-end agricultural, commercial, consumer, and residential real estate loans. The bank also participates in Farm Service Agency and Small Business Administration loan programs.

Deposit Market Share. Of the three financial institutions with insured deposits located in Roosevelt County, Western Bank of Wolf Point ranks first, with 37.7% of the market's deposits, according to the June 30, 2017, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report. The bank ranks fourth of six FDIC-insured depository institutions operating in Daniels, McCone, Roosevelt, and Valley counties, with a 13.2% deposit market share. Two larger community banks with branch offices inside and outside the bank's assessment area hold 63.8% of the total deposits in Daniels, McCone, Roosevelt, and Valley counties. Community contacts indicated that credit unions are also major competitors in the area.

DESCRIPTION OF ASSESSMENT AREA

Bank Information and Assessment Area. The bank has defined one assessment area for CRA purposes that includes all of Daniels and McCone counties as well as portions of Roosevelt and Valley counties. The bank’s assessment area consists of five census tracts: one moderate-income and four middle-income tracts. Since the previous evaluation, the assessment area and the income classification of the bank’s census tracts have not changed. The middle-income census tracts are classified as distressed; two of the tracts are also classified as underserved. The bank’s assessment area includes a significant portion of the Fort Peck Indian Reservation; specifically, the reservation land located in Roosevelt, Valley, and Daniels counties. The moderate-income census tract includes the town of Poplar, where tribal government offices are located.

Table 2 shows the demographic characteristics of the assessment area based on the 2017 FFIEC adjusted census data² and 2017 Dun & Bradstreet data.

<i>Income Categories</i>	<i>Tract Distribution</i>		<i>Families by Tract Income</i>		<i>Families < Poverty Level as % of Families by Tract</i>		<i>Families by Family Income</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Low Income	0	0.0	0	0.0	0	0.0	982	28.4
Moderate Income	1	20.0	718	20.7	211	29.4	567	16.4
Middle Income	4	80.0	2,744	79.3	276	10.1	766	22.1
Upper Income	0	0.0	0	0.0	0	0.0	1,147	33.1
Total Assessment Area	5	100.0	3,462	100.0	487	14.1	3,462	100.0
<i>Income Categories</i>	<i>Housing Units by Tract</i>	<i>Housing Types by Tract</i>						
		<i>Owner-Occupied</i>			<i>Rental</i>		<i>Vacant</i>	
		<i>#</i>	<i>%</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Low Income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate Income	1,566	559	15.7	35.7	623	39.8	384	24.5
Middle Income	6,108	3,009	84.3	49.3	1,135	18.6	1,964	32.2
Upper Income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	7,674	3,568	100.0	46.5	1,758	22.9	2,348	30.6
<i>Income Categories</i>	<i>Total Businesses by Tract</i>		<i>Businesses by Tract and Revenue Size</i>					
			<i>≤ \$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	48	9.8	35	8.4	9	15.5	4	25.0
Middle Income	444	90.2	383	91.6	49	84.5	12	75.0
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	492	100.0	418	100.0	58	100.0	166	100.0
Percentage of Total Businesses:				85.0		11.8		3.3

²The FFIEC adjusted census data is based on decennial U.S. Census data and American Community Survey five-year estimate data, and it reflects the Office of Management and Budget’s metropolitan statistical area revisions.

TABLE 2
Assessment Area Demographics

Income Categories	Total Farms by Tract		Farms by Tract and Revenue Size					
			≤ \$1 Million		> \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	21	7.9	21	8.0	0	0.0	0	0.0
Middle Income	244	92.1	243	92.0	1	100.0	0	0.0
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	265	100.0	264	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.6		0.4		0.0

Income. For purposes of classifying borrowers by income level, this evaluation uses the FFIEC’s estimated median family income for the nonmetropolitan areas of Montana. This figure is \$60,500 for 2017. For purposes of classifying census tracts by income level, this evaluation relies on the FFIEC’s adjusted census data median family income, which was \$59, 958 in 2017 for nonmetropolitan Montana.

Population. According to 2017 FFIEC adjusted census data, the population of the bank’s assessment area is 16,043, which is a slight increase from 15,395 at the previous evaluation. The biggest towns in the assessment area are Glasgow, Wolf Point, and Scobey, which are the county seats of Valley, Roosevelt, and Daniels counties, respectively. Based on 2017 FFIEC adjusted census data, 41.4% of the population in the assessment area is American Indian.

General Economic Conditions. According to management, the economy in the assessment area is stable and improving but not robust, and it depends primarily on agriculture. Overall, the economic condition of the area has been improving since last year’s historic drought. Business in the area is steady for existing businesses, as area residents have limited mobility and shopping options. The contact mentioned that few residents in the area own vehicles. However, the tribe provides transportation throughout the reservation. According to bank management and a contact, the nearby oil boom in the Bakken area has affected the local economy and has driven up housing costs.

The tribal government is one of the major employers in the area. In addition, the federal government, through the Bureau of Indian Affairs and Indian Health Service, employs a sizable number of people in the area. The public schools, a community college, two local hospitals in Poplar and Wolf Point, and a local grocery store also employ a number of residents. There are also small businesses in the area, including three car dealerships, two hotels, and an insurance agency in Wolf Point, and other small retail stores. A community contact stated that some Glasgow and Wolf Point residents commute to the Williston, North Dakota, area to work in the oil fields. According to the contact, they work for three to four days in 12-hour shifts and spend the rest of the week at home. Some of them have bought properties in the Williston area.

As of May 2018, the unemployment rate for Roosevelt County, where the bank is located, was 3.6% according to the Bureau of Labor Statistics. This percentage is slightly higher than the unemployment rate in other counties in the bank’s assessment area. Bank management indicated that it is a challenge for businesses to find reliable employees. According to another contact, there is a high rate of unemployment in the area for certain segments of the population. The contact mentioned that people who are employed often support generations of families who are residing in the same household.

The bank operates in a highly competitive banking environment. The contacts indicated that, overall, local financial institutions are meeting credit needs.

Housing. According to 2017 FFIEC adjusted census data, the assessment area has 7,674 housing units: 46.5% are owner-occupied, 22.9% are rentals, and 30.6% are vacant units. A contact indicated that houses in the area are usually older, having been built in the 1950s and 1960s. The area has a shortage of affordable rental units, and there is limited new housing construction.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank’s lending performance in the assessment area is reasonable. Overall, the bank’s lending to farms of different sizes and to borrowers of different income levels is reasonable. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The net loan-to-deposit ratio is reasonable given the bank’s size and financial condition as well as the assessment area’s credit needs. Finally, the bank originated a substantial majority of its loans inside the assessment area.

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

Overall, the bank’s lending to farms of different sizes and to borrowers of different income levels is reasonable.

Small Farm Lending. The bank’s lending to farms of different sizes is reasonable. Table 3 shows the bank’s small farm lending. The bank originated 74.2% of its agricultural loans to small farms. The bank’s lending to small farms is below the demographics of the assessment area. Dun & Bradstreet data for 2017 shows that 99.6% of farms in the assessment area are small farms. Management stated there is strong competition in the assessment area for agricultural loans, especially from credit unions. The bank also makes the majority of its small farm loans in amounts less than \$250,000, which is responsive to the needs of smaller farming operations. Given these factors, the bank’s lending to small farms is reasonable.

TABLE 3				
Small Farm Loans in the Assessment Area				
<i>Small Farm Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$500,000</i>	<i>Total Originations</i>
Percentage of Small Farm Loans	59.1%	27.3%	13.6%	100.0%
Percentage of Loans to Farms with Revenues of \$1 Million or Less	49.0%	32.7%	18.4%	74.2%

Consumer Lending. The bank’s consumer lending to low- and moderate-income borrowers is excellent. As shown in Table 4, 28.4% of the households in the assessment area are low income, and 20.2% are moderate income. The bank originated 40.7 % of its consumer loans to low-income borrowers, which is well above the percentage of low-income households in the assessment area. The bank originated 17.0% of its consumer loans to moderate-income borrowers, which is slightly below the percentage of moderate-income households in the assessment area. Overall, the bank extended 57.6% of its loans to low- and moderate-income borrowers, which is above demographics (48.6%).

TABLE 4
Distribution of Consumer Loans in Assessment Area by Borrower Income Levels*

<i>Income Level of Borrower</i>	<i>Low Income</i>		<i>Moderate Income</i>		<i>Middle Income</i>		<i>Upper Income</i>		<i>Unknown Income</i>	
	<i>#</i>	<i>\$</i>	<i>#</i>	<i>\$</i>	<i>#</i>	<i>\$</i>	<i>#</i>	<i>\$</i>	<i>#</i>	<i>\$</i>
<i>Loan Type</i>										
Consumer	40.7%	30.7%	16.9%	16.2%	18.6%	21.5	8.5%	17.5%	15.3%	14.1%
Percentage of Households by Income Levels**	28.4%		20.2%		14.7%		36.7%		N/A	

*Median family income for the nonmetropolitan areas of Montana is \$60,500 for 2017.
 **Based on 2017 FFIEC adjusted census data.

The bank provides small-dollar consumer loans, which help serve the credit needs of low- and moderate-income borrowers. According to management, these loans are typically used for personal expenses. Of the loans in the sample, 33.9% were for amounts of \$3,000 or less. Of these small-dollar consumer loans, 65.0% were to low- and moderate-income borrowers. Management offers a variety of consumer loan products designed to meet the credit needs of consumers in a market where there is strong competition. The bank’s consumer loan products do not have a minimum loan amount, which can be beneficial to low- and moderate-income consumers.

Overall, the bank’s lending to farms of different sizes and borrowers of different income levels is reasonable.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of small farm and consumer loans reflects reasonable dispersion throughout the assessment area and does not reveal any unexplained gaps in lending. According to 2017 FFIEC adjusted census data, the assessment area includes one moderate-income census tract and four middle-income tracts. The bank’s office is located in middle-income census tract 9400.01 in Roosevelt County.

Small Farm Lending. Although the bank’s lending to small farms is below demographics, the geographic distribution and dispersion of small farm loans is reasonable. The bank originated two small farm loans in the moderate-income tract. According to demographic data, there were only 21 farms in the moderate-income census tract in 2017. In addition, another bank has an office in the moderate-income census tract. Management and community contacts stated that credit unions are very active in the assessment area and originate agricultural loans for farmers. The bank’s low level of small farm loans in this tract is reasonable, given these factors. The bank originated small farm loans in all of the census tracts in its assessment area.

Consumer Lending. The distribution of consumer loans is reasonable. The bank originated 5.1% of its consumer loans in the moderate-income tract. The bank’s performance is significantly below demographics, which indicates that 20.2% of households in the assessment area reside in the moderate-income tract, but it is explainable. The moderate-income census tract is rural and sparsely populated, and another bank has an office in the area, which may be more convenient for consumers. The bank’s level of consumer loans in this tract is reasonable, given the low credit demand noted by bank management and the factors discussed previously. The bank did not make consumer loans in two census tracts, one in Valley County and one in Daniels County; however, this is reasonable given the competition for loans and the bank’s location. The bank originated most of its consumer loans in the census tract where its office is located. While the level of consumer loans is higher in the middle-income tracts, those tracts comprise 80.0% of the bank’s assessment area.

Overall, the distribution and dispersion of consumer loans and small farm loans in the assessment area is reasonable.

LOAN-TO-DEPOSIT RATIO ANALYSIS

The bank’s net loan-to-deposit ratio is reasonable, given the bank’s size, financial condition, and the assessment area’s credit needs. As of June 30, 2018, the bank’s net loan-to-deposit ratio was 50.7%, which is below the peer group net loan-to-deposit ratio of 69.5%. The bank’s peer group includes insured commercial banks with assets between \$50 million and \$100 million, with two or fewer full-service banking offices and not located in a metropolitan statistical area.

Table 5 shows the 17-quarter average net loan-to-deposit ratios for the bank and one similarly sized institution operating in the bank’s assessment area.

<i>Bank Name and Location</i>	<i>Assets as of June 30, 2018 (in thousands)</i>	<i>Average Net Loan-to-Deposit Ratio</i>
Western Bank of Wolf Point, Wolf Point, Montana	\$99,784	50.7%
Valley Bank of Glasgow, Glasgow, Montana	\$43,842	78.2%

The bank’s average net loan-to-deposit ratio for the past 17 quarters is 50.7%. At the previous evaluation, the bank’s 17-quarter average net loan-to-deposit ratio was 49.6%. Since then, the bank’s quarterly net loan-to-deposit ratio has ranged from 45.1% to 57.7%. Quarterly fluctuation is primarily due to the seasonality of the area’s agricultural business. The bank holds public funds, which make up 7.8% of its total deposits. Management stated that the bank faces significant competition for loans. Community contacts did not know of any unmet credit needs in the assessment area.

Overall, the bank’s net loan-to-deposit ratio is reasonable, based on the bank’s asset size, financial condition, and lending activity. The bank’s net loan-to-deposit ratio demonstrates the bank’s willingness to meet the credit needs of farmers and consumers in its assessment area.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA

The bank originated a substantial majority of its loans to borrowers within the assessment area, specifically 89.3% by number and 81.3% by dollar amount. Table 6 shows the bank’s lending inside and outside its assessment area by loan type.

<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>
Small Farm	66	89.2	6,838	81.4	8	10.8	1,562	18.6
Consumer	59	89.4	443	80.4	7	10.6	108	19.6
Total	125	89.3	7,281	81.3	15	10.7	1,670	18.7

Typically, most of the small farm and consumer loans originated outside the assessment area are to customers in census tracts near the bank's assessment area or to individuals who have moved away but maintain banking relationships with the bank. As shown in Table 6, the bank does not originate many loans outside its assessment area. A majority of the loans outside the assessment area were originated in Richland County and eastern Roosevelt County, which are adjacent to the bank's assessment area.

Overall, the bank made a substantial majority of its small farm and consumer loans, by number and dollar amount, inside the assessment area. The bank's lending shows its commitment to meeting credit needs within its assessment area.

RECORD OF RESPONSE TO CRA-RELATED COMPLAINTS

Neither the bank nor the Federal Reserve Bank of Minneapolis has received any CRA-related complaints concerning the bank since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The examination 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: 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 C.F.R. 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income census tracts, designated disaster areas, or distressed or underserved nonmetropolitan middle-income census tracts; 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 census tracts.

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.

Distressed nonmetropolitan middle-income census tract: A middle-income, nonmetropolitan census tract 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 20.0% or more, or (3) a population loss of 10.0% or more between the previous and most recent decennial census or a net migration loss of 5.0% 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 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 (i.e., approved, denied, or 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 statistical 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 MSA. 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 MSA, 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 instructions for preparation of 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.

Underserved middle-income census tract: A middle-income, nonmetropolitan census tract 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 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.)