

PUBLIC DISCLOSURE

July 19, 2021

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**Bank of Gueydan
111 Main Street
Gueydan, Louisiana 70542**

RSSD ID NUMBER: 603232

**FEDERAL RESERVE BANK OF ATLANTA
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470**

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 this institution. The rating assigned to the 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.

Major factors supporting the institution's rating are as follows:

- The bank's net loan-to-deposit (LTD) ratio is reasonable given its asset size, financial condition, and assessment area credit needs;
- A majority of the bank's loans are originated inside the bank's assessment area;
- The geographic distribution of loans reflects reasonable dispersion throughout the bank's assessment area;
- The distribution of borrowers reflects excellent penetration among borrowers of different income levels, including low- and moderate-income borrowers; and
- The bank has not received any CRA related complaints since the previous examination.

SCOPE OF EXAMINATION

The CRA performance evaluation assesses the bank's record of meeting the credit needs of its community, including LMI neighborhoods, within the context of information such as the asset size and financial condition of the institution, competitive factors, and the economic and demographic characteristics of its defined assessment area. This CRA performance review was based on the bank's lending performance in its assessment area using the Interagency Small Institution Examination Procedures. The rating was assessed using the following core criteria developed for evaluating CRA lending performance for small banks:

- Net LTD Ratio
- Lending inside the assessment area
- Lending to borrowers of different incomes
- Geographic distribution of loans
- The bank's responsiveness to complaints it has received regarding its CRA activities, if applicable

The evaluation included an analysis of consumer loans (including motor vehicle, other secured, and non-secured) originated from January 1, 2019 through December 31, 2020. This evaluation of the Bank of Gueydan's record of lending in its assessment area includes the use of and comparison to demographic characteristics. The primary sources for demographic data are the 2020 U.S. Census and 2020 Dun & Bradstreet data. Demographic characteristics of a particular assessment area are useful in analyzing a financial institution's record of lending since they provide a means of estimating loan demand and identifying lending opportunities. The demographic data should not be construed as defining an expected level of lending in a particular area or to a particular group of borrowers. The data, along with information about housing and economic conditions, is used to establish performance context and evaluate the bank accordingly. Loans are evaluated to determine the bank's LTD level and lending activity inside and outside the bank's assessment area. In addition, loans inside the assessment area are evaluated based on the geographic and borrower income distribution for the assessment area. The geographic distribution of the bank's consumer loans is assessed by comparing the percentage of loans made in each geography type (low, moderate, middle, and upper-income) to the percentage of households in each geography type. The distribution of consumer loans by borrower income is assessed by comparing the percentage of loans made to borrowers in each income category (low, moderate, middle, and upper-income) to the percentage of families in each income category.

As part of this evaluation, a community contact was made with a local economic development representative who is familiar with the economic and demographic characteristics as well as community development opportunities in Vermilion Parish. Information obtained from this contact was used to establish a context for the community in which the bank operates. Specific information obtained from the community contact is included in applicable sections of the evaluation.

DESCRIPTION OF INSTITUTION

Bank of Gueydan is a full-service community bank located in Gueydan, Louisiana. The bank operates one banking office with drive-up accessibility and does not operate an automated teller machine (ATM). The bank also offers online banking capabilities (via <http://bankofgueydan.com>) and is well positioned to deliver financial services to its entire assessment area.

Bank of Gueydan offers traditional deposit and loan products. The customer base is largely local farmers and many of the bank’s credit products are responsive to family-owned farm businesses and entities providing services and products to farmers. The bank also offers consumer loans and residential mortgage loans. According to the Consolidated Report of Condition and Income (Call Report), between December 31, 2017 and December 31, 2020 total deposits increased 2.6 percent from \$61,779 million to \$63,401 million.

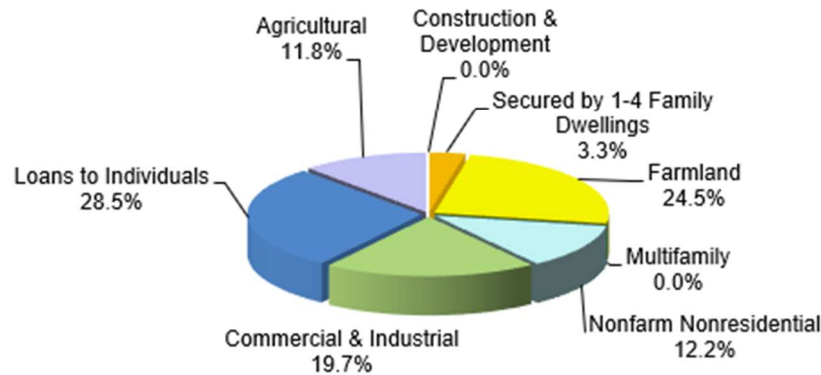
Loan Portfolio

The following table and graph show the composition of Bank of Gueydan’s loan portfolio as of December 31, 2019 and December 31, 2020. According to the Call Report, loans to individuals comprised the greatest percentage (28.5 percent) of the loan portfolio by dollar volume in both years. The next highest volume by dollar amount was loans secured by farmland (24.0 percent), followed by commercial and industrial loans (19.0 percent). The composition of the bank’s loan portfolio was relatively consistent over the review period.

COMPOSITION OF LOAN PORTFOLIO				
Loan Type	12/31/2020		12/31/2019	
	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	0	0.0%	0	0.0%
Secured by One- to Four- Family Dwellings	547	3.3%	720	3.8%
Other Real Estate: Farmland	4,033	24.5%	4,448	23.7%
Multifamily	0	0.0%	0	0.0%
Nonfarm nonresidential	2,003	12.2%	2,273	12.1%
Commercial and Industrial	3,242	19.7%	3,552	18.9%
Loans to Individuals	4,686	28.5%	5,356	28.5%
Agricultural Loans	1,945	11.8%	2,429	12.9%
Total	\$16,456	100.00%	\$18,778	100.00%

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

**Loan Portfolio
as of
12/31/2020**



Bank of Gueydan complies with the requirements of the CRA. No known legal impediments exist that would restrict the bank from meeting the credit needs of its assessment area. The bank received a “satisfactory” rating at its previous evaluation conducted by the Federal Reserve Bank of Atlanta dated February 1, 2016, under the small bank examination procedures.

DESCRIPTION OF ASSESSMENT AREA

Overview

Bank of Gueydan has defined its assessment area as census tracts 9502.00 (middle-income) and 9504.00 (moderate-income) in Vermillion Parish and census tract 9611.00 (middle-income) in Acadia Parish. The assessment area is within two parishes that are part of the Lafayette, LA MSA. The assessment area has not changed since the previous examination; however, the income level of tract 9611.00 in Acadia Parish changed from moderate-income to middle-income.

Population Information

The population of the Gueydan assessment area was 14,003 according to 2020 FFIEC census data, which represents approximately 11.5 percent of the total combined population of Acadia and Vermilion parishes of 121,273.

Income Characteristics

For purposes of classifying borrower income, this evaluation uses the FFIEC estimated median family income for the Lafayette, Louisiana MSA. The following table sets forth the estimated median family income for 2019 and 2020 for the Lafayette MSA. It also provides a breakdown of the estimated annual income based on income-level.

Borrower Income Levels
Lafayette, LA MSA

FFIEC Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
2019	\$59,600	0 - \$29,799	\$29,800 - \$47,679	\$47,680 - \$71,519	\$71,520 - & above
2020	\$62,800	0 - \$31,399	\$31,400 - \$50,239	\$50,240 - \$75,359	\$75,360 - & above

As shown in the table above, the median family income increased from \$59,600 in 2019 to \$62,800 in 2020, which represents an increase of 5.4 percent. According to the 2020 FFIEC census data, there were 3,403 families in the assessment area. Of the total families, 28.3 percent were considered low-income and 18.3 percent were considered moderate-income. Overall, 12.5 percent of families in the assessment area had incomes below the poverty level and 19.2 percent of families residing in moderate-income tracts had incomes below the poverty level. The concentration of families living below the poverty level in moderate-income tracts may create challenges to lending in these tracts.

Housing Characteristics

According to 2020 FFIEC census data, there were 6,558 housing units in the assessment area, with 61.9 percent owner-occupied units, 18.5 percent rental units, and 19.6 percent vacant. In the moderate-income census tract, 52.7 percent of housing units were owner-occupied as compared to 28.6 percent that were rental units and in the middle-income tracts, 67.5 percent were owner-occupied compared to 12.3 percent of units that are rental. Housing in the assessment area is older and the median age of the housing stock is 50 years and 55 years in moderate-income tracts as compared to 37 years in the state of Louisiana.

The estimated median value of an owner-occupied housing unit between 2015 and 2019 in Acadia and Vermillion Counties was \$118,000 and \$122,200 respectively.¹ Housing in the assessment area is considered more affordable than elsewhere in the Lafayette MSA or the state of Louisiana. The affordability ratio, defined as the median household income divided by the median housing value, is 48.2 percent for the assessment area, compared to 35.9 percent for the MSA and 31.3 percent for the state. A higher ratio means the housing is considered more affordable while a lower ratio means the housing is considered less affordable.² Another measure of affordability is the percentage of homeowners who are paying more than 30.0 percent of household income and are therefore considered housing cost burdened. In the assessment area, 13.1 percent of homeowners in Acadia County and 13.3 percent of homeowners in Vermillion County were considered cost-burdened between 2015 and 2019, compared to 16.1 percent of homeowners in the Lafayette MSA overall.²

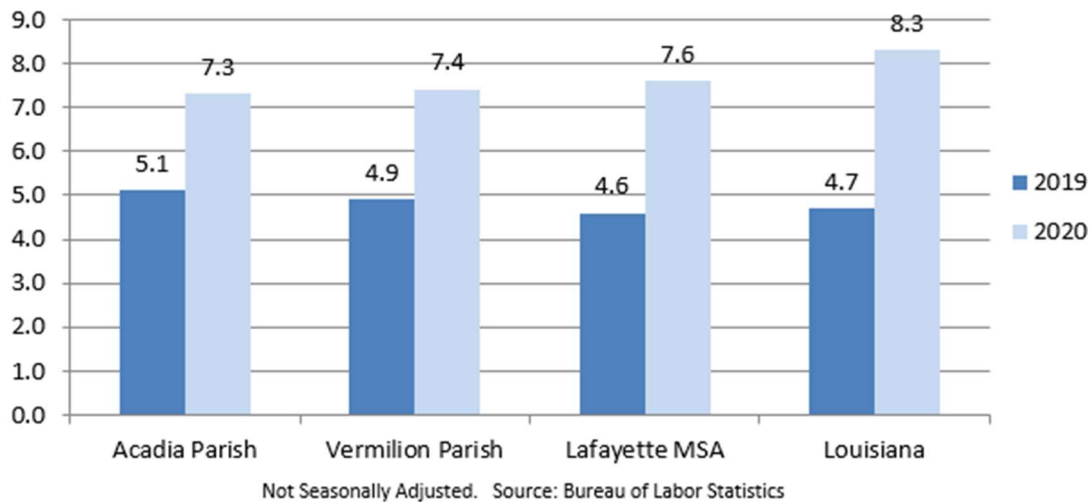
Employment Statistics

The following table shows the unemployment rates' percentages for the bank's assessment area, the Lafayette MSA, and the state of Louisiana. As shown in the table, the unemployment rates for the bank's assessment area, the MSA, and the state of Louisiana increased significantly from 2019 to 2020 due to the COVID-19 pandemic. However, unemployment rates in the two parishes that contain the assessment area were below the statewide unemployment rate in 2020 of 8.3 percent.

¹ "Acadia County and Vermillion, County, LA (U.S. Census Bureau)." *GIS Mapping and Geographic Information System Data*, The Reinvestment Fund, n.d. Web. 23 July. 2021. <http://www.policymap.com/>

² FRB Atlanta Calculations of 2019 and 2020 FFIEC Census Data

Unemployment Rates - LA Gueydan



Competition

The bank operates in a competitive market as shown by the number of depository institutions with a presence in the assessment area. According to the June 30, 2020 Federal Deposit Insurance Corporation (FDIC) Summary of Deposits Market Share Report, Bank of Gueydan ranked 15th out of 19 depository institutions operating in the assessment area with a deposit market share of 2.9 percent. The institutions with the largest market share in the area are Bank of Commerce & Trust Co. (13.9 percent), Gulf Coast Bank (12.7 percent), and Bank of Abbeville & Trust Company (7.5 percent).

Community Contacts

As part of the CRA examination, information was obtained from a local economic development organization. According to the community contact, the unemployment rate is healthy. There has been a significant uptick in people starting new businesses as well as retail services, and manufacturing. There is a need for small business financing for seasonal industries such as seafood and agriculture but only a handful of banks provide this financing due to seasonality risk. There is also an opportunity for banks to provide working capital and additional financing for farms, agriculture, and seafood distribution and to find other creative strategies to assist local businesses.

Within Vermilion Parish, the contact noted that the city of Abbeville is where most of the population resides and most of the commerce takes place. North Abbeville, which is just south of Lafayette has seen a significant increase in population and new homes are being built at a record pace. The area is considered affordable, especially for moderate and middle-income borrowers. In addition, a local chemical and manufacturing company is building a new facility that will create over 100 jobs with a base salary of \$85,000.

General Economic and Business Characteristics

According to bank management and the community contact, economic conditions in the assessment area are relatively stable. The farming community appears to be improving with better yields and due to government support payments. The oil and gas industries had major layoffs in 2020 due to lower demand and price and there have been quite a few local residents who have been laid off or had a reduction in pay. However, bank management indicates that those who have been laid off are getting back to work. Additionally, local businesses are returning to normal operations since the COVID-19 restrictions have been lifted.

Employment opportunities are limited in the Gueydan area and some local citizens have to travel 25 miles or more to work each day. For this reason, some people choose to relocate to be closer to better work opportunities and younger residents tend to leave Gueydan after graduation.

Assessment Area Demographics

The following table provides demographic characteristics of the bank’s assessment area based on the 2020 FFIEC census data along with 2020 Dun & Bradstreet (D&B) to analyze the bank’s CRA performance. Certain components of the data in the table are discussed in this evaluation as they apply to specific parts of the analysis.

Combined Demographics Report

Assessment Area: Gueydan

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	964	28.3
Moderate-income	1	33.3	1,211	35.6	233	19.2	623	18.3
Middle-income	2	66.7	2,192	64.4	194	8.9	603	17.7
Upper-income	0	0	0	0	0	0	1,213	35.6
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	3	100.0	3,403	100.0	427	12.5	3,403	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	2,503	1,319	32.5	52.7	717	28.6	467	18.7
Middle-income	4,055	2,738	67.5	67.5	498	12.3	819	20.2
Upper-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	6,558	4,057	100.0	61.9	1,215	18.5	1,286	19.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0	0	0	0	0	0	0
Moderate-income	225	51.3	212	52.2	10	52.6	3	21.4
Middle-income	214	48.7	194	47.8	9	47.4	11	78.6
Upper-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	439	100.0	406	100.0	19	100.0	14	100.0
Percentage of Total Businesses:			92.5		4.3		3.2	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0	0	0	0	0	0	0
Moderate-income	10	20.8	9	19.6	0	0	1	100
Middle-income	38	79.2	37	80.4	1	100	0	0
Upper-income	0	0	0	0	0	0	0	0
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	48	100.0	46	100.0	1	100.0	1	100.0
Percentage of Total Farms:			95.8		2.1		2.1	

2020 FFIEC Census Data and 2020 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Overview

Bank of Gueydan’s overall performance rating is satisfactory. The bank’s lending performance was evaluated by analyzing consumer loans originated between January 1, 2019 and December 31, 2020. Performance context factors such as economic conditions, competition, and demographics were considered when evaluating the bank’s lending performance. The LTD ratio is reasonable and a majority of loans were originated inside the assessment area. The distribution of loans reflects reasonable dispersion throughout the assessment area and reflects excellent penetration among individuals of different income levels.

Loan-to-Deposit Ratio

The bank’s net LTD ratio is reasonable given the bank’s size, financial condition and assessment area credit needs. The bank’s average LTD ratio for the 19-quarter period ending December 31, 2020, was 30.2 percent. The bank’s LTD ratio was compared with one comparable depository institution in the assessment area, which had an LTD ratio of 45.5 percent over the same time period. Performance context information such as competition and the bank’s business strategy were considerations in determining the reasonableness of the LTD ratio. According to bank management, loan demand in the area has historically been low and the bank has always had a relatively low LTD ratio because it does not rely heavily on borrowed funds to operate. The bank traditionally makes loans to customers near its branch, and to customers who have maintained a deposit relationship with the bank for many years.

Assessment Area Concentration

The bank originated a majority of its consumer loans inside its assessment area. As shown in the table below, 71.7 percent of the number of loans and 55.9 percent of the loan dollars were extended inside the assessment area. This indicates the bank’s willingness to originate loans that meet the credit needs of its assessment areas.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Consumer	114	71.7	\$614	55.9	45	28.3	\$485	44.1
Total Consumer related	114	71.7	\$614	55.9	45	28.3	\$485	44.1
TOTAL LOANS	114	71.7	\$614	55.9	45	28.3	\$485	44.1

Geographic Distribution of Loans

The overall geographic distribution of the bank’s consumer loans reflects reasonable dispersion throughout the bank’s assessment area and does not reveal any unexplained gaps in lending patterns. Generally, the analysis of the geographic distribution of loans places emphasis on the bank’s performance in low- and moderate-income geographies. However, the bank’s assessment area does not contain any low-income census tracts. As noted earlier in the report, the bank’s assessment area is composed of only one moderate- and two middle-income census tracts. The bank’s one branch office is in a middle-income census tract, which is where most of the bank’s lending occurs. Also, as mentioned earlier, the income level designation of census tract 9611.00 located in Acadia Parish has changed since the previous exam from a moderate-income census tract to a middle-income census tract. Management indicated that the moderate-income tract (9504.00) located in Vermilion Parish is a very rural area and has limited loan demand.

Consumer Lending

The following table shows the geographic distribution of consumer loans within the Gueydan assessment area for 2019 and 2020. The table also includes a comparison of the bank’s consumer lending to the demographic data.

Geographic Distribution of Consumer Loans

Assessment Area: Gueydan

Tract Income Levels	Bank Lending & Demographic Data Comparison												
	2019, 2020				2019				2020				Households
	Count		Dollar		Count		Dollar		Count		Dollar		
	#	%	\$ (000s)	\$ %	#	%	\$ (000s)	\$ %	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	3	2.6%	6	1.0%	1	1.7%	2	0.5%	2	3.7%	4	1.6%	38.6%
Middle	111	97.4%	608	99.0%	59	98.3%	339	99.5%	52	96.3%	270	98.4%	61.4%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	114	100.0%	614	100.0%	60	100.0%	340	100.0%	54	100.0%	274	100.0%	100.0%

Originations & Purchases

During the review period, the bank’s lending in the moderate-income tract at 2.6 percent was substantially less than the percentage of households in moderate-income tracts at 38.6 percent. Additionally, 97.4 percent of the bank’s consumer loans were originated in the middle-income tracts where 61.4 percent of households are located. Although lending volume is low in the moderate-income tract, overall performance is reasonable given the bank’s one branch location, the recent change in census tract income level, competition in the area, and low loan demand in the moderate-income tract.

Loan Distribution by Borrower’s Profile

Based on the following analysis, the overall distribution of the bank’s consumer loans by borrower income reflects excellent penetration among individuals of different income levels and does not reveal any unexplained gaps in lending patterns.

Consumer Lending

The following table shows the distribution of the bank’s consumer loans by the income level of the borrowers during the review period.

Borrower Distribution of Consumer Loans

Assessment Area: Gueydan

Tract Income Levels	Bank Lending & Demographic Data Comparison												
	2019, 2020				2019				2020				Households by Household Incomes
	Count		Dollar		Count		Dollar		Count		Dollar		
	#	%	\$ (000s)	\$ %	#	%	\$ (000s)	\$ %	#	%	\$ (000s)	\$ %	%
Low	53	46.5%	182	29.6%	29	48.3%	105	30.8%	24	44.4%	77	28.2%	32.8%
Moderate	20	17.5%	83	13.6%	7	11.7%	20	5.9%	13	24.1%	63	23.1%	15.8%
Middle	17	14.9%	102	16.6%	8	13.3%	44	13.0%	9	16.7%	58	21.2%	15.2%
Upper	24	21.1%	247	40.2%	16	26.7%	171	50.4%	8	14.8%	75	27.5%	36.2%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	114	100.0%	614	100.0%	60	100.0%	340	100.0%	54	100.0%	274	100.0%	100.0%

Originations & Purchases

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (46.5 percent) exceeds the low-income household figure (32.8 percent). Additionally, the bank's level of lending to moderate-income borrowers (17.5 percent) is above the moderate-income household population percentage (15.8 percent). Given that the bank's performance exceeded the demographic data for both low- and moderate-income borrowers, the bank's overall borrower distribution of consumer loans reflects excellent penetration among borrowers of different income levels.

RESPONSIVENESS TO SUBSTANTIATED COMPLAINTS

Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of prohibited discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED January 1, 2019 to December 31, 2020			
FINANCIAL INSTITUTION Bank of Gueydan		PRODUCTS REVIEWED Consumer Loans	
AFFILIATE(S) N/A	AFFILIATE RELATIONSHIP N/A	PRODUCTS REVIEWED N/A	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
<i>ASSESSMENT AREA</i>	<i>TYPE OF EXAMINATION</i>	<i>BRANCHES VISITED</i>	<i>OTHER INFORMATION</i>
Gueydan, LA (tract 9611.00 in Acadia Parish and tracts 9502.00 and 9504.00 in Vermilion Parish)	Full Scope	N/A	N/A

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION

Definitions

ATM	Automated Teller Machine
CDC	Community Development Corporation
CDFI	Community Development Financial Institution
CRA	Community Reinvestment Act (Regulation BB)
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
HMDA	Home Mortgage Disclosure Act (Regulation C)
HUD	Department of Housing and Urban Development
LMI	Low- and Moderate-Income
LTD	Loan-to-Deposit
LTV	Loan-to-Value Ratio
MD	Metropolitan Division
MSA	Metropolitan Statistical Area
OMB	Office of Management and Budget
REIS	Regional Economic Information System
SBA	Small Business Administration
USDA	United States Department of Agriculture

Rounding Convention

Because the percentages presented in tables were rounded to the nearest tenth in most cases, some columns may not total exactly 100 percent.

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Bank of Gueydan** prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of **July 19, 2021**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

APPENDIX C – 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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of MSAs. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon 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: All Agencies have adopted the following language. Affordable housing (including multi-family 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System (Board), Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- I. Low-or moderate-income geographies;
- II. Designated disaster areas; or
- III. Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, FDIC, and OCC, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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 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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

APPENDIX C – GLOSSARY (Continued)

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 MSA 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 (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (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 under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, 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.

Metropolitan area (MA): A 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.

Multi-family: 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.

APPENDIX C – GLOSSARY (Continued)

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 MA. 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 MA, the institution will receive a rating for the multistate MA.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Call Report and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by 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): A loan included in 'loans to small farms' as defined in the instructions for preparation of the 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.

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