PUBLIC DISCLOSURE

December 11, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First State Bank of Dongola
RSSD #630041

108 SE Front Street
Dongola, Illinois 62926

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 OUTSTANDING.

The First State Bank of Dongola meets the criteria for an Outstanding rating based on the evaluation of the bank's lending activities. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of loans and other lending-related activities are in the assessment area.
- Distribution of loans to borrowers reflects excellent penetration among individuals of different income levels, including low- and moderate-income (LMI) levels.
- Geographic distribution of loans reflects an excellent 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) small bank procedures. Residential real estate 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. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, in determining the bank's overall performance conclusions, greater weight was given to the 1–4 family residential loan product, as it is the largest product by dollar volume. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	September 30, 2012 – September 30, 2017
Assessment Area Concentration	September 17, 2012 – December 31, 2016
Loan Distribution by Borrower's Profile	September 17, 2012 – December 31, 2016
Geographic Distribution of Loans	September 17, 2012 – December 31, 2016
Response to Written CRA Complaints	September 17, 2012 – December 10, 2017

Lending Test analyses entail comparisons of bank performance to assessment area demographics and Home Mortgage Disclosure Act (HMDA) aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2010 U.S. Census 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 in 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 local community banks were identified as similarly situated peers, with asset sizes ranging from $49.1 million to $76.4 million, as of September 30, 2017. These banks were selected based on asset size and on the concentration of 1–4 family residential loans in the banks' overall loan portfolios.

To augment this evaluation, two community contact interviews were conducted with members of the local community to determine specific credit needs, opportunities, and local market conditions in the bank's assessment area. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs. Key details from these community contact interviews are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

The First State Bank of Dongola is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Tri-County Holdings, Inc., a single-bank holding company headquartered in Dongola, Illinois. The bank has a full-service main office with drive-up services and an automated teller machine (ATM) in Dongola, Illinois (Union County) and a limited-service drive-up only branch office with an ATM in Ullin, Illinois, (Pulaski County). The main office is located in a middle-income census tract, which was deemed distressed due to unemployment during the review period. It is open standard hours during the week, with extended hours on Friday and Saturday. The drive-up only branch is located in a moderate-income census tract. While this branch operates during more limited hours, it is located 6.5 miles south of the main branch; therefore, the main branch is easily accessible by individuals living in the moderate-income census tract. The bank did not open or close any branch offices during the review period. Overall, the bank's branches are centrally located, making it possible to deliver financial services to its entire assessment area.

For the 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, 2017, the bank reported total assets of $24.3 million. As of the same date, loans and leases outstanding were $16.0 million (65.9 percent of total assets), and deposits totaled $21.7 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of September 30, 2017		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$191	1.2%
Commercial Real Estate	$1,511	9.4%
1–4 Family Residential	$8,308	51.8%
Farmland	$1,043	6.5%
Farm Loans	$1,392	8.7%
Commercial and Industrial	1,089	6.8%
Loans to Individuals	$2,489	15.5%
Total Other Loans	$4	0.0%
TOTAL LOANS	**$16,027**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to loans secured by 1–4 family residential properties. Residential mortgage lending is also a strategic focus of the bank.

While not reflected in the previous table, it is worth noting that by number of loans originated, loans to individuals, including consumer motor vehicle loans, represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products; as such, this loan product appears less significant but is the bank's largest product by number volume. Consumer lending is also a stated key business line for the bank.

The bank received an Outstanding rating at its previous CRA evaluation conducted on September 17, 2012, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 44,789, is located in rural southern Illinois and includes the counties of Alexander, Johnson, Pulaski, and Union. Alexander County is located in the Cape Girardeau, Missouri-Illinois metropolitan statistical area (MSA), while the remaining three counties are in the nonMSA portion of Illinois. Although Alexander County is located in an MSA, the bank does not operate a branch in Alexander County. In addition, the inclusion of this county does not extend the assessment area substantially beyond an MSA boundary and does not necessitate the designation of a separate assessment area.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2017, there are 13 FDIC-insured depository institutions in the assessment area. The First State Bank of Dongola ranked ninth in terms of deposit market share, with 3.4 percent of the total assessment area deposit dollars. In the two counties where the bank has offices (Union and Pulaski), the bank is ranked fifth out of nine banks, with 5.3 percent of market deposits.

Credit needs in the assessment area include a standard blend of consumer loan products, including 1–4 family residential real estate and secured and unsecured consumer loans. As the area is largely rural, farm loans are also a credit need. Other particular credit needs in the assessment area, as noted primarily from community contacts, include small dollar loans to businesses and loans to develop affordable housing.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	0	7	7	0	1	**15**
	0.0%	46.7%	46.7%	0.0%	6.7%	**100%**
Family Population	0	5,369	6,614	0	0	**11,983**
	0.0%	44.8%	55.2%	0.0%	0.0%	**100%**

There are no low- or upper-income census tracts in the assessment area, and the census tracts are evenly split between moderate- and middle-income geographies, which are spread throughout the four counties in the assessment area. The unknown census tract is in Johnson County and represents an area occupied by two state prison facilities.

According to the FFIEC, the two middle-income census tracts in Johnson County and three middle-income census tracts in Union county were distressed due to unemployment and/or underserved due to remote rural location during the review period.

Based on 2010 U.S. Census data, the median family income for the assessment area was $46,564. At the same time, the median family income for nonMSA Illinois was $54,499. The more recent FFIEC estimated median family incomes for nonMSA Illinois are displayed in the table below.

FFIEC Estimated Median Family Income	
Time Period	**NonMSA Illinois**
2012	$57,400
2013	$56,200
2014	$58,600
2015	$60,100
2016	$58,000

The following table displays population percentages of assessment area families by income level compared to nonMSA Illinois.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	3,139	2,350	2,632	3,862	**11,983**
	26.2%	19.6%	22.0%	32.2%	**100%**
NonMSA Illinois	78,502	75,456	91,300	162,112	**407,370**
	19.3%	18.5%	22.4%	39.8%	**100%**

The assessment area is less affluent than nonMSA Illinois as a whole. As shown in the table above, 45.8 percent of families in the assessment area were considered LMI, which is higher than the LMI family percentage of 37.8 percent in nonMSA Illinois. In addition, the percentage of families living below the poverty threshold in the assessment area (12.7 percent) is higher than in nonMSA Illinois (9.7 percent).

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area is more affordable than in nonMSA Illinois. The median housing value for the assessment area is $75,280, which is well below the figure for nonMSA Illinois of $89,798. The assessment area's housing affordability ratio of 49.4 percent is slightly higher than the nonMSA Illinois figure of 48.0 percent, indicating greater affordability. In addition, the monthly median gross rent for the assessment area of $453 per month is lower than the $561 per month for nonMSA Illinois. While assessment area housing is more affordable based on this data, community contacts indicated that there is a need for home loan programs for LMI individuals and affordable rental units in the assessment area. Furthermore, the assessment area has a lower percentage of owner-occupied housing units and a higher percentage of vacant units when compared to nonMSA Illinois, as detailed in the table below.

Housing Units in the Assessment Area				
Dataset	**Owner-Occupied Units**	**Rental Units**	**Vacant Units**	**TOTAL**
Assessment Area	13,104	4,199	3,449	**20,752**
	63.1%	20.2%	16.6%	**100%**
NonMSA Illinois	460,350	149,902	75,210	**685,462**
	67.2%	21.9%	11.0%	**100%**

Based on this data and community contact information, housing is more affordable in the assessment area than in surrounding areas but is still likely beyond the reach of some residents.

Industry and Employment Demographics

The assessment area economy is supported by a variety of industries. County business patterns indicate that there are 6,696 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (29.6 percent), followed by retail trade (16.4 percent), and accommodation and food services (9.5 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area counties in their entireties compared to nonMSA Illinois as a whole.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	**Assessment Area**	**NonMSA Illinois**
2012	11.2	8.7
2013	11.9	9.0
2014	9.4	7.0
2015	8.2	6.1
2016	8.2	6.1

As shown in the table above, unemployment levels for the assessment area and nonMSA Illinois show a decreasing trend. However, unemployment levels in the assessment area are significantly higher than nonMSA Illinois levels. According to one community contact, a factory and a prison located in the assessment area closed during the review period; both were major employers in the area. In addition, the contact indicated that other local employers have recently cut their workforce.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank’s activities in this assessment area were evaluated. Of these community contact interviews, one was with an individual specializing in affordable housing, and one was with a representative of an organization engaged in economic development. The community contact interviewees categorized the economy as lagging behind the state and nation, but showing slow and steady recovery since the economic crisis. There is a strong demand for affordable and multifamily housing. In addition, the community contacts described the assessment area as largely rural, with the majority of jobs being tied to several prisons located in the area. Other manufacturing facilities have left the area, and there is limited opportunity for job growth due to the rural nature of the area.

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 table below displays the bank's average LTD ratio compared to those of regional peers. The average LTD ratio represents a 21-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Asset Size ($000s) as of September 30, 2017**	**Headquarters**	**Average LTD Ratio**
The First State Bank of Dongola	$24,320	Dongola, Illinois	79.9%
Regional Banks	$49,141	Olmsted, Illinois	68.3%
	$54,652	Goreville, Illinois	64.1%
	$76,387	Anna, Illinois	57.0%

The bank's average LTD ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs and demographics. Based on data from the previous table, the bank's level of lending is significantly above that of other banks in the region, despite being a smaller bank by asset size. During the review period, the bank's LTD ratio ranged from a high of 89.2 percent in the third quarter of 2012 to a low of 71.9 percent in the second quarter of 2017. The bank has a target LTD of 85.0 percent but finds it difficult to reach this level of lending due to the sluggish nature of the local economy. In spite of high unemployment and the distressed nature of the assessment area, the bank's willingness and ability to lend indicates a desire to meet the credit needs of the communities being served.

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 of Assessment Area September 17, 2012 through December 31, 2016						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
1–4 Family Residential Real Estate	37	94.9%	2	5.1%	**39**	**100%**
	3,009	93.6%	207	6.4%	**$3,216**	**100%**
Consumer Motor Vehicle	62	87.3%	9	12.7%	**71**	**100%**
	976	87.5%	138	12.4%	**$1,115**	**100%**
TOTAL LOANS	**99**	**90.0%**	**11**	**10.0%**	**110**	**100%**
	3,986	**92.0%**	**345**	**8.0%**	**$4,331**	**100%**

A substantial majority of loans and other lending-related activities were made in the bank's assessment area. As shown in the preceding table, 90.0 percent of the total loans were made in the assessment area, accounting for 92.0 percent of the dollar volume of total loans.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile reflects excellent penetration among individuals of different income levels based on performance in both 1–4 family residential real estate and consumer motor vehicle loan categories.

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. The following table shows the distribution of 1–4 family residential real estate loans by borrower income level compared to family population income demographics for the assessment area. Additionally, 2012 through 2016 aggregate data for the assessment area is displayed.

Distribution of Loans Inside Assessment Area by Borrower Income September 17, 2012 through December 31, 2016												
	Borrower Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
1–4 Family Residential Real Estate	9	24.3%	9	24.3%	8	21.6%	11	29.7%	0	0.0%	**37**	**100%**
Family Population	26.2%		19.6%		22.0%		32.2%		0.0%		**100%**	
HMDA Aggregate Data												
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**		**TOTAL**	
2012	4.7%		13.8%		24.9%		42.7%		13.8%		**100%**	
2013	7.9%		16.7%		22.0%		41.0%		12.3%		**100%**	
2014	6.1%		16.4%		20.6%		39.5%		17.5%		**100%**	
2015	5.3%		19.5%		23.5%		36.6%		15.2%		**100%**	
2016	5.2%		17.8%		25.4%		39.7%		12.0%		**100%**	

As shown in the preceding table, the bank's percentage of lending to low-income borrowers (24.3 percent) is below the low-income family population figure (26.2 percent). However, the HMDA aggregate's percentage of lending to low-income borrowers in 2012, 2013, 2014, 2015, and 2016 was 4.7 percent, 7.9 percent, 6.1 percent, 5.3 percent, and 5.2 percent, respectively. Therefore, the bank's level of lending to low-income borrowers represents excellent performance.

The bank's level of lending to moderate-income borrowers (24.3 percent) is above the moderate-income family population percentage (19.6 percent). In addition, the HMDA aggregate's percentage of lending to low-income borrowers in 2012, 2013, 2014, 2015, and 2016 was 13.8

percent, 16.7 percent, 16.4 percent, 19.5 percent, and 17.8 percent, respectively. Therefore, the bank's level of lending to moderate-income borrowers represents excellent performance.

Considering performance in both income categories, the bank's overall distribution of 1–4 family residential real estate loans by borrower's profile is excellent.

Second, the borrower distribution of consumer motor vehicle loans was reviewed. The following table displays consumer loan activity by borrower income level compared to the household demographics for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Borrower September 17, 2012 through December 31, 2016												
	Borrower Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
Consumer Motor Vehicle Loans	20	32.3%	10	16.1%	14	22.6%	18	29.0%	0	0.0%	**62**	**100%**
Household Population	29.5%		17.7%		17.5%		35.3%		0.0%		**100%**	

The bank's consumer motor vehicle lending to LMI individuals reflects excellent distribution. The bank's lending to low-income individuals, 32.3 percent, exceeds the demographic of 29.5 percent and is excellent, especially in light of economic conditions in the assessment area. The bank's lending to moderate-income individuals is reasonable, at 16.1 percent, compared to the demographic of 17.7 percent. Again, the percentage of loans to LMI individuals shows a willingness to lend to qualified borrowers in all income brackets.

The bank's combined lending (1–4 family residential real estate and consumer motor vehicle) reflects excellent dispersion across all income levels and especially to LMI individuals.

Geographic Distribution of Loans

As noted previously, the assessment area includes seven moderate-income census tracts, representing 46.7 percent of all assessment area census tracts. Overall, the geographic distribution of loans reflects excellent dispersion throughout the assessment area, based on the 1–4 family residential real estate and consumer motor vehicle loans. As previously stated, performance in the 1–4 family residential real estate loan category carried the most significance in determining overall performance conclusions.

The following table displays the geographic distribution of 1–4 family residential real estate loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography September 17, 2012 through December 31, 2016												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
1–4 Family Residential Real Estate	0	0.0%	21	56.8%	16	43.2%	0	0.0%	0	0.0%	**37**	**100%**
Owner-Occupied Housing	0.0%		44.1%		55.8%		0.0%		0.0%		**100%**	
HMDA Aggregate Data												
	Low-		Moderate-		Middle-		Upper-		Unknown		TOTAL	
2012	0.0%		36.8%		62.6%		0.0%		0.6%		**100%**	
2013	0.0%		31.9%		67.6%		0.0%		0.4%		**100%**	
2014	0.0%		39.3%		60.5%		0.0%		0.2%		**100%**	
2015	0.0%		37.8%		62.2%		0.0%		0.0%		**100%**	
2016	0.0%		31.6%		68.0%		0.0%		0.4%		**100%**	

The bank's total penetration of moderate-income census tracts by number of loans (56.8 percent) is well above the percentage of owner-occupied housing units in moderate-income census tracts (44.1 percent). In addition, the HMDA aggregate's percentage of lending in moderate-income census tracts in 2012, 2013, 2014, 2015, and 2016 was 36.8 percent, 31.9 percent, 39.3 percent, 37.8 percent, and 31.6 percent, respectively. Therefore, the bank's level of lending in moderate-income census tracts and its overall distribution of 1–4 family residential real estate loans is deemed excellent.

Second, the bank's geographic distribution of consumer motor vehicle loans was reviewed. The following table displays consumer loan activity by geography income level compared to the household demographics for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography September 17, 2012 through December 31, 2016												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Consumer Motor Vehicle Loans	0	0.0%	29	46.8%	33	53.2%	0	0.0%	0	0.0%	**62**	**100%**
Household Population	0.0%		48.8%		51.2%		0.0%		0.0%		**100%**	

The bank's percentage of loans in moderate-income census tracts (46.8 percent) is slightly below the household population (48.8 percent), and thus reflects reasonable performance.

Lastly, based on reviews from both loan categories, The First State Bank of Dongola had loan activity throughout most assessment area census tracts. The majority of the loans originated were located in the census tract of either the main bank office or the limited-service branch. There were no loans originated in two census tracts in Alexander County (one moderate- and one middle-income) and two middle-income tracts in Johnson County. The bank does not have a branch in either county. However, there were loans originated in other moderate-income census tracts in both counties, and the distribution of loans in moderate-income census tracts was roughly equal to those in middle-income census tracts. This information supports the conclusion that the bank's overall geographic distribution of loans is excellent.

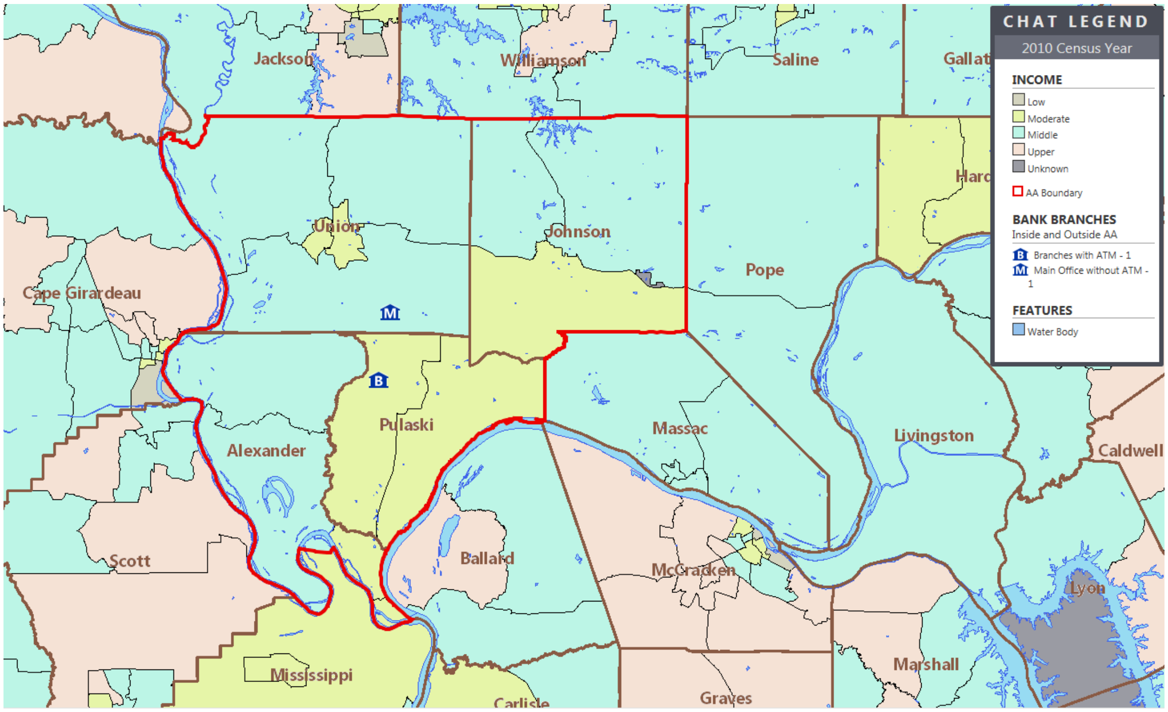
Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (September 17, 2012 through December 10, 2017).

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.

ASSESSMENT AREA DETAIL



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- and moderate-income individuals (LMI); (2) community services targeted to LMI 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 LMI 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 (such as age, race, sex, income, etc.) 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 the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and 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: Is 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.