

PUBLIC DISCLOSURE

August 7, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Stockmens Bank
117 Central Avenue
Cascade, Montana 59421
RSSD 667252

Federal Reserve Bank of Minneapolis
90 Hennepin Ave, P.O. Box 291
Minneapolis MN 55480

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

TABLE OF CONTENTS

Institution’s Community Reinvestment Act Rating.....2

Scope of Examination2

Description of Institution.....2

Description of Assessment Area.....3

Conclusions With Respect to Performance Criteria5

Fair Lending or Other Illegal Credit Practices Review 10

Appendix A – Map of the Assessment Area 11

Appendix B – Demographic Information..... 12

Appendix C – Glossary..... 14

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Stockmens Bank (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- Lending reflects an excellent distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- A reasonable distribution of loans occurs throughout the bank's assessment area (AA).
- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and AA credit needs.
- A substantial majority of the bank's loans are originated inside the AA.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Examiners reviewed the following data:

- The bank's 18-quarter average NLTD ratio.
- A statistical sample of 53 small business loans originated between January 1, 2022, and December 31, 2022, and 48 consumer loans originated between January 1, 2021, and December 31, 2022.¹ Small business and consumer loans represent a significant portion of originations, by number of loans or dollar amount.

Of the five core criteria, examiners placed the most weight on borrower distribution followed by geographic distribution and dispersion of loans, then NLTD ratio, and finally, lending inside the AA. By loan product, examiners placed the greatest weight on small business loans. Neither the bank nor the Reserve Bank has received any CRA-related complaints since the previous evaluation.

DESCRIPTION OF INSTITUTION

Stockmens Bank is a community bank headquartered in Cascade, Montana. The bank's characteristics include:

¹ In 2020 and 2021, the bank participated in Paycheck Protection Program (PPP) lending through the Federal Reserve System and the Small Business Administration (SBA). These loans were designed to help businesses keep their workforces employed during the COVID-19 pandemic. Examiners considered the bank's PPP loans in their evaluation of the bank's small business loans.

- The bank has total assets of \$44.5 million as of June 30, 2023.
- The bank’s only office is in Cascade, Montana. It features a cash-dispensing-only ATM and drive-up services.
- As shown in Table 1, the bank’s primary business focus is commercial and agricultural lending. Based on the lending data the bank provided, the majority of the bank’s loan originations by number were commercial and consumer loans. The composition of the bank’s loan portfolio has not changed significantly since the previous evaluation; however, commercial loans decreased by 24.4% and consumer loans increased by 10.4%.

Table 1 Composition of Loan Portfolio as of June 30, 2023		
Loan Type	\$(000)	%
Agricultural	\$5,123	38.0%
Commercial	\$5,144	38.2%
Residential Real Estate	\$2,277	16.9%
Consumer	\$902	6.7%
Other	\$29	0.2%
Gross Loans	\$13,475	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its April 16, 2019, performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank’s AA consists of the entirety of Cascade County, Montana, which makes up the Great Falls, MT, metropolitan statistical area (MSA). See Appendix A for an AA map and Appendix B for additional demographic data.

- The bank has not changed its AA since the previous evaluation. However, the 2020 census resulted in the number of census tracts in the bank’s AA increasing from 22 to 25. In addition, the income classification of some tracts changed.
- The bank’s AA consists of seven moderate-, 15 middle-, three upper-, and no low-income census tracts. At the prior evaluation, there were five moderate-, 13 middle-, and four upper-income tracts.
- The bank is in a middle-income census tract (0104.00).
- According to the June 30, 2022, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks seventh of 11 FDIC-insured financial institutions with offices in the Great Falls MSA, with 1.9% of the total deposits.
- Examiners spoke with a community contact who works at an organization specializing in small business economic development in the Great Falls MSA and surrounding areas.

Table 2 Great Falls MSA AA Population Change			
Area	2015 Population	2020 Population	Percent Change
Great Falls MSA AA	82,090	84,414	2.8%
Montana	1,014,699	1,084,225	6.9%
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

- The AA has seen marginal population growth since 2015, as shown Table 2.
- The community contact noted that while there are other regional areas in Montana that are booming, Great Falls has been stable.

Table 3 Great Falls MSA AA Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Great Falls MSA AA	\$63,481	\$67,789	6.8%
Montana	\$66,943	\$72,773	8.7%
<i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

- While the median family income in the Great Falls MSA has increased since 2015, it is below the median family income for the state of Montana, as shown in Table 3.
- Based on 2022 FFIEC adjusted census data, low- and moderate-income households comprise 40.4.% of all households in the AA.
- Bank management indicated that many area residents are older and on fixed incomes, and younger people are generally making minimum wage. Income levels in the immediate Cascade area are lower than in the county overall.

Table 4 Great Falls MSA Unemployment Rates			
Area	2019	2020	2021
Great Falls MSA AA	3.5%	5.8%	3.3%
Montana	3.6%	5.8%	3.4%
<i>Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics</i>			

- According to the community contact, the Great Falls MSA has lower unemployment than surrounding areas. Further, even though unemployment is low, employers are still able to find workers. As shown in Table 4, the unemployment rate in the AA during the evaluation period was similar to the rate in the state of Montana.

- Bank management stated the public school system is the largest employer in the city of Cascade. Other employers in the AA include the local hospital system and an oil refinery.
- Agriculture, including wheat and barley processing operations, is also a significant industry in the AA.
- A community contact noted that after an extended period of inactivity, downtown Great Falls is now resurging. The addition of brew pubs, new boutique hotels in refurbished older buildings, coffee shops, and the current building of a chain restaurant and a higher-end night club in old bank buildings have increased small business activity in the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and the comparison to similarly situated FDIC-insured institutions. The similarly situated institution was selected based on asset size, product offerings, market share, and location (within the AA).

The bank's NLTD ratio is reasonable. As shown in Table 5, the bank's average NLTD for the past 18 quarters was 34.4%, which is below the similarly situated bank's ratio of 89.7%. Although the bank's ratio is significantly below that of Belt Valley Bank, the bank in Belt is closer to Great Falls and its business community, and likely has more opportunities to make loans.

At the previous evaluation, the bank's 16-quarter average NLTD was 44.0%. The bank's NLTD decreased primarily because of decreased loan demand and increased deposits. According to bank management, in 2019, a customer sold a business and has not used the deposits from the sale. These deposits account for approximately 7.0% of the bank's deposits. This single event is a key driver in the increase in the bank deposits since the previous evaluation. Additionally, bank management noted that some customers renewed certificates of deposit and increased the amounts on deposit, given the favorable and increasing rate environment. The bank's NLTD ratio ranged from 26.6% to 49.8% over the 18 quarters; the trend was generally decreasing but has seen an increase in the most recent five quarters.

As of June 30, 2023, the bank's NLTD ratio was 33.3%, which is below the peer group ratio of 44.7%. The bank's peer group includes insured commercial banks having assets less than \$50 million, with one full-service banking office and located in an MSA.

Table 5 Comparative NLTD Ratios as of June 30, 2023			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			18 Quarter Average
Stockmens Bank	Cascade, Montana	\$44,456	34.4%
Similarly Situated Institution			
Belt Valley Bank	Belt, Montana	\$77,727	89.7%

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a substantial majority of the bank's loans, by number, inside the AA. As show in Table 6, 90.1% of the bank's loans by number and 70.0% by dollar amount were originated within the AA. Although the bank extended few loans by number outside the AA, it originated 39.5% of small business loan dollars outside the AA. Bank management indicated that these loans were either based on customer relationships or involved participations with other lenders. Overall, the bank's lending demonstrates its commitment to meeting the credit needs of the residents and businesses in its assessment area.

Table 6 Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%
Consumer	43	89.6	662	91.3	5	10.4	63	8.7
Small Business	48	90.6	990	60.5	5	9.4	646	39.5
Total Loans	91	90.1	1,652	70.0	10	9.9	709	30.0

Note: Percentages may not total 100.0 percent due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tract with consideration given to the dispersion of loans throughout the AA. The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

The assessment area contains seven moderate-income census tracts. While the bank did not originate small business and consumer loans in all census tracts in the AA, the bank's dispersion is reasonable. Most of the moderate-income census tracts are near or in downtown Great Falls, Montana. According to bank management, the Great Falls downtown area is heavily banked, and institutions here are likely more convenient for borrowers in the moderate-income tracts. Stockmens Bank is in a middle-income census tract approximately 25 miles from Great Falls.

Small Business Lending

The geographic distribution of small business lending is reasonable. As shown in Table 7, the bank originated 75.0% of its small business loans (by number) in moderate-income census tracts. The bank’s lending in these tracts is significantly above demographics, which indicate 30.2% of businesses in the AA are in moderate-income census tracts. The bank’s high level of lending in the moderate-income tracts is due to its relationship with a business located in a moderate-income tract in downtown Great Falls; 70.8% of the small business loans in the sample were extended to this borrower. The bank did not originate small business loans in five of seven moderate-income tracts. These tracts are in or near downtown Great Falls. As mentioned, this area is heavily banked, and banks here are likely more convenient for borrowers located in these tracts.

Table 7 Distribution of 2022 Small Business Lending By Income Level of Geography Great Falls MSA AA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	36	75.0	489	49.4	30.2
Middle	11	22.9	480	48.5	57.4
Upper	1	2.1	21	2.1	12.4
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	48	100.0	990	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Consumer Lending

The geographic distribution of consumer lending is reasonable. As shown in Table 8, the bank originated few loans in the moderate-income census tracts in 2021 and 2022, well below household demographics. In addition, the bank did not originate consumer loans in four moderate-income tracts in 2021 or in five moderate-income tracts in 2022. The bank's lending is explainable. The moderate-income tracts are in or just outside the city of Great Falls, approximately 25 miles from the bank's office. As stated, loan competition in Great Falls is high. There are several banks and credit unions located in or near the moderate-income tracts; these institutions are likely more convenient for consumer loan borrowers.

Table 8 Distribution of 2021 and 2022 Consumer Lending By Income Level of Geography Great Falls MSA AA									
Geographic Income Level	Bank Loans By Year								Households %
	2021				2022				
	#	#%	\$(000)	%	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Moderate	1	5.9	14	4.6	2	7.7	25	7.0	22.3
Middle	16	94.1	293	95.4	24	92.3	330	93.0	62.2
Upper	0	0.0	0	0.0	0	0.0	0	0.0	15.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0	0.0	0	0.0	
Total	17	100.0	307	100.0	26	100.0	355	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. The bank’s lending has an excellent distribution among individuals of different income levels and businesses of different sizes.

Small Business Lending

The borrower distribution of small business lending is excellent. The bank originated 100% of its small business loans to businesses with gross annual revenues of \$1 million or less, as shown in Table 9. This is above the demographic figure, which shows that 90.9% of businesses in the bank’s defined assessment area are small businesses. The bank did not deny any small business loans during the sample period.

Additionally, the bank participated in PPP lending between April 2020 and May 2021. The bank originated over 50 PPP loans to borrowers in the AA. The data indicate that 81.1% of these loans were for loan amounts of less than \$25,000. The bank’s extension of PPP loans during the COVID-19 pandemic was responsive to the credit needs of small businesses and enhances the bank’s small business lending performance.

Table 9					
Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Great Falls MSA AA					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	48	100.0	990	100.0	90.9
Over \$1 Million	0	0.0	0	0.0	8.0
Revenue Unknown	0	0.0	0	0.0	1.1
Total	48	100.0	990	100.0	100.0
By Loan Size					
\$100,000 or Less	46	95.8	411	41.5	
\$100,001 - \$250,000	1	2.1	219	22.1	
\$250,001 - \$1 Million	1	2.1	360	36.4	
Total	48	100.0	990	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	46	95.8	411	41.5	
\$100,001 - \$250,000	1	2.1	219	22.1	
\$250,001 - \$1 Million	1	2.1	360	36.4	
Total	48	100.0	990	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Consumer Lending

The borrower distribution of consumer lending is excellent. As shown in Table 10, in 2022, the bank originated 80.8% of its consumer loans to low- or moderate-income borrowers, far exceeding demographics, which indicate that 40.4% of households in the AA are low- or moderate-income. For 2021 and 2022 combined, the bank originated 41.9% of its loans to low-income borrowers and 27.9% to moderate-income borrowers.

Table 10 Distribution of 2021 and 2022 Other Loan Data Lending By Borrower Income Level Great Falls MSA AA									
Borrower Income Level	Bank Loans By Year								Households by Household Income %
	2021				2022				
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%	
Low	5	29.4	56	18.2	13	50.0	47	13.2	23.6
Moderate	4	23.5	70	22.8	8	30.8	151	42.5	16.8
Middle	6	35.3	128	41.7	2	7.7	10	2.8	18.1
Upper	1	5.9	50	16.3	3	11.5	146	41.1	41.5
Unknown	1	5.9	3	1.0	0	0.0	0	0.0	0.0
Total	17	100.0	307	100.0	26	100.0	355	100.0	100.0
<i>Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>									

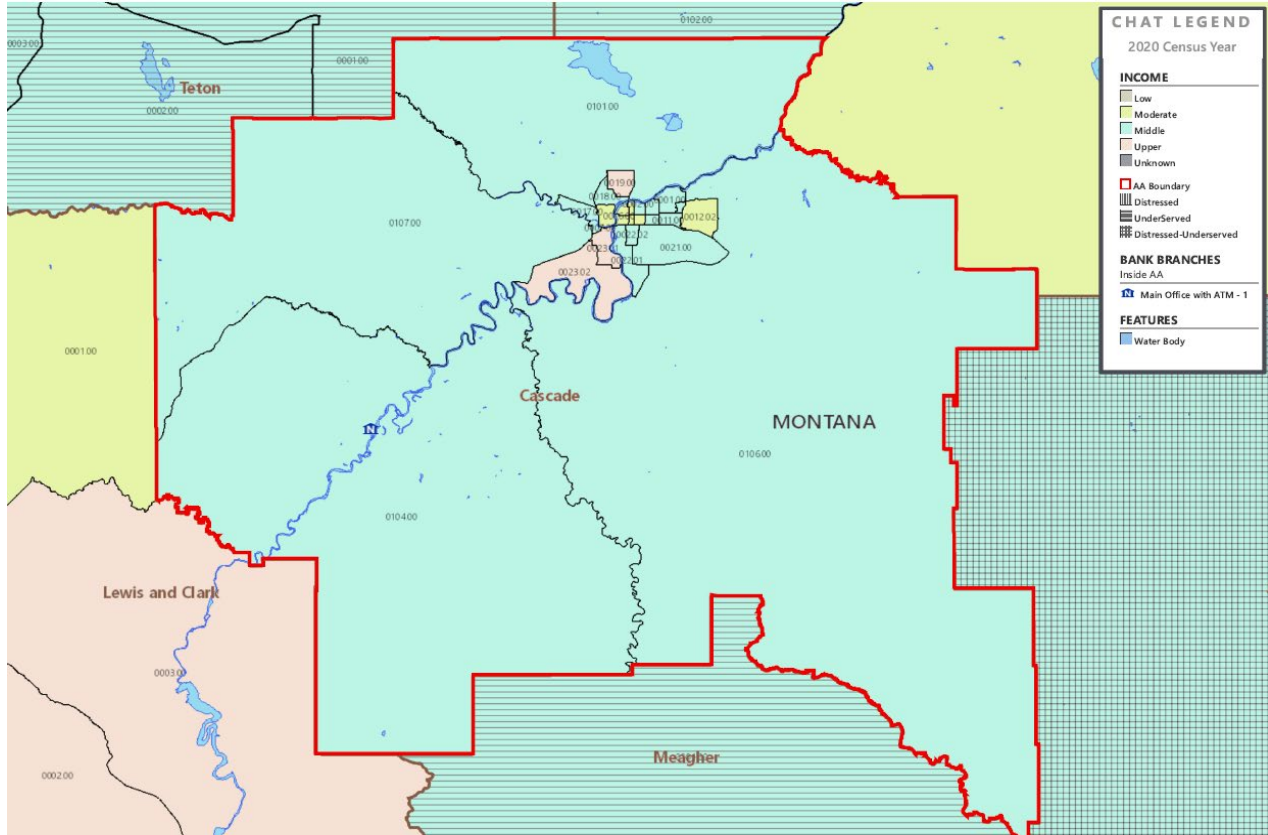
Response to Complaints

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 and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

APPENDIX A – MAP OF THE ASSESSMENT AREA



APPENDIX B – DEMOGRAPHIC INFORMATION

2021 Great Falls MSA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,193	19.8
Moderate	5	22.7	3,438	16.2	989	28.8	3,908	18.5
Middle	13	59.1	12,004	56.7	1,023	8.5	4,676	22.1
Upper	4	18.2	5,726	27.1	323	5.6	8,391	39.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	22	100.0	21,168	100.0	2,335	11.0	21,168	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	7,328	2,571	12.0	35.1	4,127	56.3	630	8.6
Middle	21,354	12,135	56.5	56.8	6,602	30.9	2,617	12.3
Upper	8,871	6,763	31.5	76.2	1,586	17.9	522	5.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	37,553	21,469	100.0	57.2	12,315	32.8	3,769	10.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1,074	27.0	967	26.8	97	30.9	10	21.3
Middle	2,007	50.5	1,822	50.4	154	49.0	31	66.0
Upper	892	22.5	823	22.8	63	20.1	6	12.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,973	100.0	3,612	100.0	314	100.0	47	100.0
Percentage of Total Businesses:			90.9		7.9		1.2	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	12	4.7	11	4.4	1	25.0	0	0.0
Middle	213	82.9	210	83.3	3	75.0	0	0.0
Upper	32	12.5	31	12.3	0	0.0	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	257	100.0	252	100.0	4	100.0	1	100.0
Percentage of Total Farms:			98.1		1.6		0.4	
<p>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</p>								

2022 Great Falls MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,317	20.6
Moderate	7	28.0	3,913	18.7	744	19.0	3,854	18.4
Middle	15	60.0	12,898	61.6	994	7.7	4,309	20.6
Upper	3	12.0	4,122	19.7	100	2.4	8,453	40.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	25	100.0	20,933	100.0	1,838	8.8	20,933	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	8,946	3,280	14.3	36.7	4,413	49.3	1,253	14.0
Middle	24,479	14,806	64.6	60.5	6,608	27.0	3,065	12.5
Upper	5,587	4,842	21.1	86.7	491	8.8	254	4.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	39,012	22,928	100.0	58.8	11,512	29.5	4,572	11.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1,168	30.2	1,050	29.8	107	34.5	11	26.2
Middle	2,221	57.4	2,017	57.3	177	57.1	27	64.3
Upper	481	12.4	451	12.8	26	8.4	4	9.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,870	100.0	3,518	100.0	310	100.0	42	100.0
Percentage of Total Businesses:				90.9		8.0		1.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	12	4.9	11	4.6	1	25.0	0	0.0
Middle	207	85.2	204	85.7	3	75.0	0	0.0
Upper	24	9.9	23	9.7	0	0.0	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	243	100.0	238	100.0	4	100.0	1	100.0
Percentage of Total Farms:				97.9		1.6		0.4
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

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 metropolitan statistical areas. 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: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (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 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 (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 metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A 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. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a 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.

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 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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) 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 Consolidated Reports of Condition and Income (Call Report) instructions. 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.