

# **PUBLIC DISCLOSURE**

December 6, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Crowell State Bank  
RSSD # 701857

100 East Commerce Street  
Crowell, Texas 79227

Federal Reserve Bank of Dallas

2200 North Pearl Street  
Dallas, Texas 75201

**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 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 COMMUNITY REINVESTMENT ACT RATING**

Crowell State Bank (the bank) is rated Satisfactory. The Community Reinvestment Act (CRA) rating is based on the following conclusions with respect to the performance criteria:

- The bank's 17-quarter average net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans were originated inside the AA.
- Lending reflects a reasonable distribution among businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Dallas (Reserve Bank) received any CRA-related complaints since the previous evaluation.

## **SCOPE OF EVALUATION**

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. Lending performance was assessed within the bank's sole AA. Examiners reviewed the following data:

- The bank's 17-quarter average NLTD ratio and similarly situated financial institutions.
- The bank's primary lending products based on volume are agricultural and commercial loans. As such, a statistically derived sample of 67 small business loans out of a universe of 100 loans and 56 small farm loans out of universe of 78 loans originated between January 1, 2021 through June 30, 2021, were evaluated. Small business and small farm loans were given equal consideration in drawing conclusions about the bank's lending performance.
- To augment the evaluation, an interview with a leader at a small business organization serving the AA was conducted to ascertain the credit needs of the community, the responsiveness of the local bank in meeting those credit needs, and local economic conditions.

Given that the bank's AA is comprised of a single middle-income census tract, meaningful analysis of the geographic distribution of loans among census tracts of different income levels could not be conducted. Therefore, the geographic distribution of loans is not included in this evaluation.

## **DESCRIPTION OF INSTITUTION**

Crowell State Bank, a community bank headquartered in Crowell, Texas, is characterized as:

- The bank is a wholly owned subsidiary of Crowell Bancshares, Inc.
- The bank has total assets of \$47.9 million as of June 30, 2021.
- The bank delineates a single AA consisting of Foard County, a nonmetropolitan county in North Central Texas.
- The bank operates one full-service branch in Foard County with one non-deposit taking, automated teller machine (ATM).

- There have been no changes to the bank’s AA or branching structure since the previous CRA evaluation dated September 11, 2017.
- The bank offers traditional banking products and services to its customers.
- As shown in Table 1, the bank’s primary business focus is commercial and agricultural loans.

**Table 1**

| <b>Composition of Loan Portfolio as of June 30, 2021</b> |                |                       |
|--|----------------|-----------------------|
| <b>Loan Type</b>   | <b>\$(000)</b> | <b>Percentage (%)</b> |
| Construction and Land Development                        | 246            | 1.0                   |
| Farmland   | 4,114          | 17.3                  |
| 1-4 Family Residential Real Estate                       | 3,869          | 16.3                  |
| Non-Farm Non-Residential Real Estate                     | 2,016          | 8.5                   |
| Agricultural   | 5,072          | 21.4                  |
| Commercial and Industrial                                | 5,866          | 24.7                  |
| Consumer   | 2,350          | 9.9                   |
| Other  | 202            | 0.9                   |
| Gross Loans  | 23,735         | 100.0                 |

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

The bank’s CRA performance was rated Satisfactory at its previous evaluation, which was conducted by the Federal Reserve Bank of Dallas as of September 11, 2017. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its community.

**DESCRIPTION OF ASSESSMENT AREA**

The bank delineates a single AA consisting of the entirety of Foard County, a rural nonmetropolitan county in North Central Texas (see Appendix A for an AA map and Appendix B for additional demographic data).

- There have been no significant changes to the AA since the previous CRA evaluation.
- According to the 2015 American Community Survey (ACS), the Foard County AA consists of one middle-income census tract that has been designated by the FFIEC as underserved and distressed.
- The rural AA population of 1,197 represents a decline in population since 2010, which contributed to the FFIEC’s designation of distressed. Moreover, the population decline within the AA does not align with the overall slight population increase in the state’s nonmetropolitan areas.

**Table 2**

| <b>Crowell Population Change</b> |                        |                        |                       |
|----------------------------------|------------------------|------------------------|-----------------------|
| <b>Area</b>                      | <b>2010 Population</b> | <b>2015 Population</b> | <b>Percent Change</b> |
| Crowell                          | 1,336                  | 1,197                  | -10.4%                |
| NonMSA Texas                     | 3,035,664              | 3,060,473              | 0.8%                  |
| Texas                            | 25,145,561             | 26,538,614             | 5.5%                  |

*Source: 2010 U.S. Census Bureau Decennial Census  
2011 - 2015 U.S. Census Bureau American Community Survey*

- According to the June 30, 2021 Federal Deposit Insurance Corporation (FDIC) Market Share Report, the bank is the only federally insured depository institution operating in the AA and holds \$42.9 million of the deposits within the AA.
- The bank’s AA consists of one incorporated municipality, Crowell, which serves as the county seat.
- A leader of a small business organization serving the AA categorized the Foard County as a vastly agricultural community.

*Demographic Characteristics*

- According to the ACS data, there are 261 families in the AA. Approximately, 7.7 percent of families in the AA live below the poverty level, which is significantly lower than the family poverty rate for the state of Texas at 13.5 percent.
- The AA median family income (MFI) increased significantly, while the MFI for residents of the nonmetropolitan areas within the state of Texas and the state of Texas as a whole decreased slightly.
- According to 2021 Dunn & Bradstreet (D&B) data, 61 businesses operated in the AA, of which 52 or 85.2 percent reported revenues of less than \$1 million. Additionally, nine small farms operated in the AA in 2021, of which 100.0 percent reported revenues of less than \$1 million.

**Table 3**

| <b>Crowell Median Family Income Change</b> |                                  |                                  |                       |
|--|----------------------------------|----------------------------------|-----------------------|
| <b>Area</b>                                | <b>2010 Median Family Income</b> | <b>2015 Median Family Income</b> | <b>Percent Change</b> |
| Crowell                                    | \$43,655                         | \$53,917                         | 23.5%                 |
| NonMSA Texas                               | \$52,524                         | \$52,198                         | -0.6%                 |
| Texas                                      | \$63,314                         | \$62,717                         | -0.9%                 |

*Source: 2006 - 2010 U.S. Census Bureau American Community Survey  
2011 - 2015 U.S. Census Bureau American Community Survey  
Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars.*

*Housing Characteristics*

- The housing in the AA is more affordable than housing in the state of Texas; however, the housing stock is limited by volume and is aging.
- In 2021, the AA consisted of 821 housing units with a median age of 61 years. The AA median housing value is \$55,926 which is significantly lower than the state of Texas median housing value of \$136,000.
- The community contact also indicated that there is a substantial need for additional housing in the AA to accommodate the growing workforce in neighboring counties and to replace the existing aging housing stock.

**Table 4**

| <b>Crowell Housing Cost Burden</b> |                              |                        |                    |                             |                        |                   |
|------------------------------------|------------------------------|------------------------|--------------------|-----------------------------|------------------------|-------------------|
| <b>Area</b>                        | <b>Cost Burden - Renters</b> |                        |                    | <b>Cost Burden - Owners</b> |                        |                   |
|                                    | <b>Low Income</b>            | <b>Moderate Income</b> | <b>All Renters</b> | <b>Low Income</b>           | <b>Moderate Income</b> | <b>All Owners</b> |
| Crowell                            | 0.0                          | 33.3                   | 9.1                | 40.0                        | 15.4                   | 11.6              |
| NonMSA Texas                       | 64.9                         | 34.3                   | 35.1               | 49.8                        | 22.6                   | 16.6              |
| Texas                              | 77.5                         | 46.7                   | 42.4               | 59.1                        | 33.8                   | 19.4              |

*Cost Burden is housing cost that equals 30 percent or more of household income  
Source: U.S Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy*

*Economic Characteristics*

- The AA economy is mostly driven by agriculture, retail trade, and health care and social assistance.
- The community contact indicated that the major employers in the AA are agriculture, the Crowell Independent School District, the local nursing home, and Rolling Plains Management Corporation, a regional nonprofit providing financial assistance to qualifying individuals.
- Table 5 illustrates that unemployment rates decreased in 2018 and 2019. The declining unemployment rate during these two years can be attributed to employment opportunities provided by a wind farm project in the region. The increased unemployment rate in 2020 can be attributed to the residual effects of the global COVID-19 pandemic and its adverse effect on the economy. It is noteworthy that unemployment rates in the AA are significantly lower than the unemployment rate in nonmetropolitan areas within the state of Texas and state of Texas as a whole.

**Table 5**

| <b>Crowell Unemployment Rates</b> |             |             |             |             |             |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Area</b>                       | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
| Crowell                           | 3.7%        | 3.5%        | 2.9%        | 2.9%        | 4.2%        |
| NonMSA Texas                      | 5.6%        | 4.8%        | 4.1%        | 3.7%        | 7.2%        |
| Texas                             | 4.6%        | 4.3%        | 3.9%        | 3.5%        | 7.6%        |

*Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics*

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

The bank’s overall performance under the lending test is rated a Satisfactory, as the institution reasonably meets the small business and small farm needs of its AA. The bank’s NLTD ratio is reasonable and the distribution of loans to small businesses and small farms of different revenue sizes is reasonable. A majority of the loans were extended inside the AA, and no conspicuous lending gaps or anomalies were noted.

**Net Loan-to-Deposit Ratio**

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending considering 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 in comparison, to similarly situated FDIC-insured institutions. The two similarly situated institutions were selected based on asset size, product offerings, and area of operation.

The bank’s average NLTD ratio over the 17-quarters, at 63.3 percent, is reasonable when compared with the average NLTD ratios of similarly situated banks, which ranged between 67.4 percent and 93.9 percent. Given that the two similarly situated banks are larger in asset size and located in larger communities, it is reasonable for the bank’s average NLTD ratio to be below the average NLTD ratios of the similarly situated banks.

**Table 6**

| <b>Comparative NLTD Ratios June 30, 2017 – June 30, 2021</b> |                 |                               |  |
|--|-----------------|-------------------------------|--|
| <b>Institution</b>   | <b>Location</b> | <b>Asset Size<br/>\$(000)</b> | <b>17-Quarter<br/>Average NLTD<br/>Ratio (%)</b> |
| Crowell State Bank   | Crowell, TX     | 41,122                        | 63.3   |
| <b>Similarly Situated Institutions</b>                       |                 |                               |  |
| Waggoner National Bank                                       | Vernon, TX      | 327,785                       | 67.4   |
| First Capital Bank   | Quanah, TX      | 69,563                        | 93.9   |

**Assessment Area Concentration**

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of loans by number and dollar volume inside the AA. The bank is the sole financial institution serving Foard County, as such it is reasonable for the bank to serve neighboring counties.

**Table 7**

| <b>Lending Inside and Outside the Assessment Area</b> |               |           |                 |             |                |           |                 |             |
|---|---------------|-----------|-----------------|-------------|----------------|-----------|-----------------|-------------|
| <b>Loan Types</b>                                     | <b>Inside</b> |           |                 |             | <b>Outside</b> |           |                 |             |
|   | <b>#</b>      | <b>%</b>  | <b>\$(000s)</b> | <b>%</b>    | <b>#</b>       | <b>%</b>  | <b>\$(000s)</b> | <b>%</b>    |
| Small Business  | 46            | 68.7      | \$915           | 57.8        | 21             | 31.3      | \$668           | 42.2        |
| Small Farm  | 34            | 60.7      | \$1,136         | 50.8        | 22             | 39.3      | \$1,098         | 49.2        |
| <b>TOTAL LOANS</b>                                    | <b>80</b>     | <b>65</b> | <b>\$2,051</b>  | <b>53.7</b> | <b>43</b>      | <b>35</b> | <b>\$1,767</b>  | <b>46.3</b> |

**Lending to Businesses and Farms of Different Revenue Sizes**

This performance criterion evaluates the bank’s lending to businesses and farms of different revenue sizes. The bank’s overall lending demonstrates a reasonable distribution among businesses and farms of different revenue sizes.

*Small Business Lending*

The bank's lending to businesses of different revenue sizes is excellent. As shown in Table 8, the bank's lending to businesses with annual revenues of \$1 million or less exceeded the demographic figure. Another way to gauge the bank's small business lending performance is to review the data by loan amount, as small businesses typically require smaller dollar credit. The bank originated 46 or 100.0 percent of its small business loans in amounts of \$100,000 or less, which demonstrates that the bank is extending small-dollar loans to meet the credit needs of small businesses in the AA.

**Table 8**

| Distribution of January 1 - June 30, 2021<br>Small Business Lending By Revenue Size of Businesses<br>Assessment Area: Crowell  |            |       |         |       |                          |
|--|------------|-------|---------|-------|--------------------------|
|  | Bank Loans |       |         |       | Total<br>Businesses<br>% |
|  | #          | #%    | \$(000) | %     |                          |
| <b>By Revenue</b>  |            |       |         |       |                          |
| <b>\$1 Million or Less</b>   | 43         | 93.5  | 781     | 85.4  | 85.2                     |
| <b>Over \$1 Million</b>  | 3          | 6.5   | 134     | 14.6  | 8.2                      |
| <b>Revenue Unknown</b>   | 0          | 0.0   | 0       | 0.0   | 6.6                      |
| <b>Total</b>   | 46         | 100.0 | 915     | 100.0 | 100.0                    |
| <b>By Loan Size</b>  |            |       |         |       |                          |
| <b>\$100,000 or Less</b>   | 46         | 100.0 | 915     | 100.0 |                          |
| <b>\$100,001 - \$250,000</b>   | 0          | 0.0   | 0       | 0.0   |                          |
| <b>\$250,001 - \$1 Million</b>   | 0          | 0.0   | 0       | 0.0   |                          |
| <b>Total</b>   | 46         | 100.0 | 915     | 100.0 |                          |
| <b>By Loan Size and Revenues \$1 Million or Less</b>   |            |       |         |       |                          |
| <b>\$100,000 or Less</b>   | 43         | 100.0 | 781     | 100.0 |                          |
| <b>\$100,001 - \$250,000</b>   | 0          | 0.0   | 0       | 0.0   |                          |
| <b>\$250,001 - \$1 Million</b>   | 0          | 0.0   | 0       | 0.0   |                          |
| <b>Total</b>   | 43         | 100.0 | 781     | 100.0 |                          |
| <i>Source: 2021 FFIEC Census Data<br/>           2020 Dun &amp; Bradstreet Data<br/>           2011-2015 U.S. Census Bureau: American Community Survey<br/>           Note: Percentages may not total 100.0 percent due to rounding.</i> |            |       |         |       |                          |

*Small Farm Lending*

The bank's lending to farms of different revenue sizes is reasonable, as the bank's lending to farms with annual revenues of \$1 million or less is slightly below the demographic. Another way to gauge the bank's small farm lending performance is to review the data by loan amount, as smaller farms typically require smaller dollar credit. Table 9 illustrates that the bank originated 30 or 88.2 percent of its small farm loans in amounts of \$100,000 or less, which demonstrates that the bank is extending small-dollar loans to meet the credit needs of small farms in the AA.



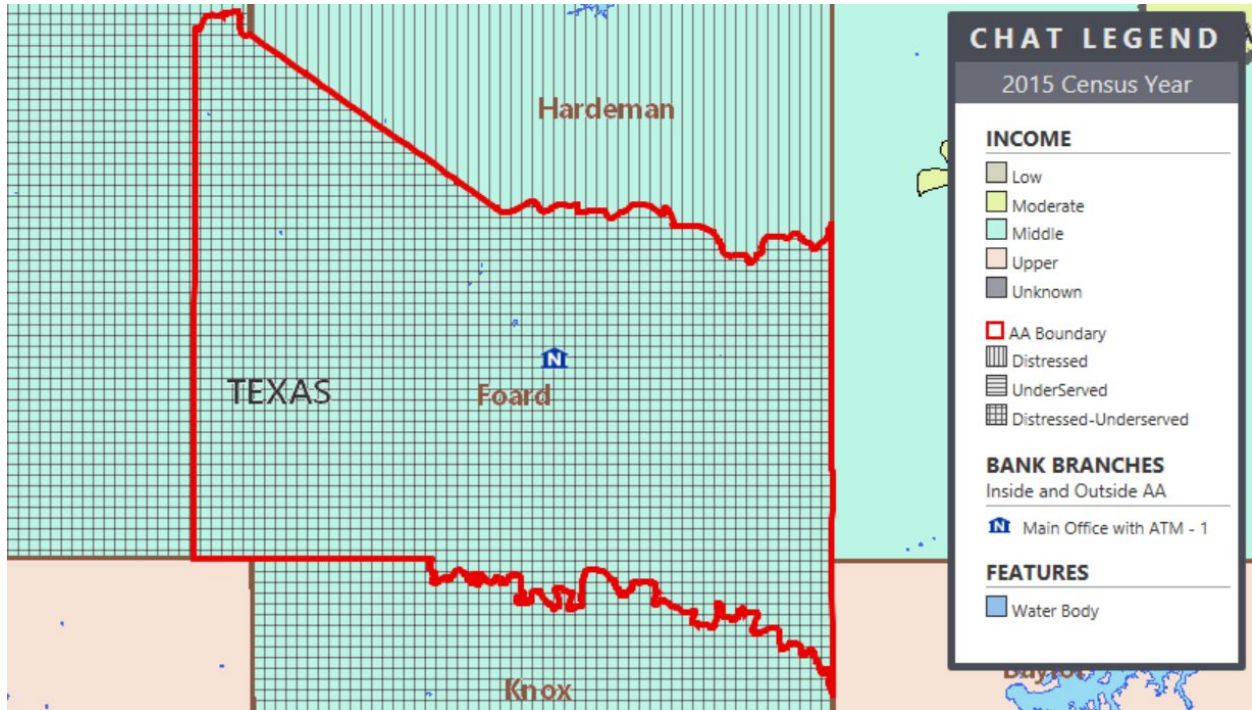
**Table 9**

| Distribution of January 1 - June 30, 2021<br>Small Farm Lending By Revenue Size of Farms<br>Assessment Area: Crowell                 |            |       |         |       |                  |
|--|------------|-------|---------|-------|------------------|
|  | Bank Loans |       |         |       | Total Farms<br>% |
|  | #          | #%    | \$(000) | \$%   |                  |
| <b>By Revenue</b>  |            |       |         |       |                  |
| <b>\$1 Million or Less</b>   | 32         | 94.1  | 968     | 85.2  | 100.0            |
| <b>Over \$1 Million</b>  | 2          | 5.9   | 168     | 14.8  | 0.0              |
| <b>Revenue Unknown</b>   | 0          | 0.0   | 0       | 0.0   | 0.0              |
| <b>Total</b>   | 34         | 100.0 | 1,136   | 100.0 | 100.0            |
| <b>By Loan Size</b>  |            |       |         |       |                  |
| <b>\$100,000 or Less</b>   | 30         | 88.2  | 479     | 42.2  |                  |
| <b>\$100,001 - \$250,000</b>   | 4          | 11.8  | 657     | 57.8  |                  |
| <b>\$250,001 - \$500,000</b>   | 0          | 0.0   | 0       | 0.0   |                  |
| <b>Total</b>   | 34         | 100.0 | 1,136   | 100.0 |                  |
| <b>By Loan Size and Revenues \$1 Million or Less</b>   |            |       |         |       |                  |
| <b>\$100,000 or Less</b>   | 29         | 90.6  | 461     | 47.6  |                  |
| <b>\$100,001 - \$250,000</b>   | 3          | 9.4   | 507     | 52.4  |                  |
| <b>\$250,001 - \$500,000</b>   | 0          | 0.0   | 0       | 0.0   |                  |
| <b>Total</b>   | 32         | 100.0 | 968     | 100.0 |                  |
| <i>Source: 2021 FFIEC Census Data<br/>2020 Dun &amp; Bradstreet Data<br/>2011-2015 U.S. Census Bureau: American Community Survey</i> |            |       |         |       |                  |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i>  |            |       |         |       |                  |

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Compliance with the substantive provisions of anti-discrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA



**APPENDIX B – DEMOGRAPHIC INFORMATION**  
Table B-1

| 2021 Crowell 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                  | 30                        | 11.5         |
| Moderate  | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 79                        | 30.3         |
| Middle  | 1                         | 100.0                              | 261                      | 100.0            | 20   | 7.7                  | 55                        | 21.1         |
| Upper   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 97                        | 37.2         |
| Unknown   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total AA</b>   | <b>1</b>                  | <b>100.0</b>                       | <b>261</b>               | <b>100.0</b>     | <b>20</b>  | <b>7.7</b>           | <b>261</b>                | <b>100.0</b> |
|   | 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  | 0                         | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Middle  | 821                       | 398                                | 100.0                    | 48.5             | 109  | 13.3                 | 314                       | 38.2         |
| Upper   | 0                         | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown   | 0                         | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total AA</b>   | <b>821</b>                | <b>398</b>                         | <b>100.0</b>             | <b>48.5</b>      | <b>109</b>   | <b>13.3</b>          | <b>314</b>                | <b>38.2</b>  |
|   | 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  | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Middle  | 61                        | 100.0                              | 52                       | 100.0            | 5  | 100.0                | 4                         | 100.0        |
| Upper   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total AA</b>   | <b>61</b>                 | <b>100.0</b>                       | <b>52</b>                | <b>100.0</b>     | <b>5</b>   | <b>100.0</b>         | <b>4</b>                  | <b>100.0</b> |
| Percentage of Total Businesses:   |                           |                                    |                          | 85.2             |  | 8.2                  |                           | 6.6          |
|   | 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  | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Middle  | 9                         | 100.0                              | 9                        | 100.0            | 0  | 0.0                  | 0                         | 0.0          |
| Upper   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| Unknown   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |
| <b>Total AA</b>   | <b>9</b>                  | <b>100.0</b>                       | <b>9</b>                 | <b>100.0</b>     | <b>0</b>   | <b>0.0</b>           | <b>0</b>                  | <b>0.0</b>   |
| Percentage of Total Farms:  |                           |                                    |                          | 100.0            |  | 0.0                  |                           | 0.0          |
| Source: 2021 FFIEC Census Data<br>2020 Dun & Bradstreet Data<br>2011-2015 U.S. Census Bureau: American Community Survey<br>Note: Percentages may not total 100.0 percent due to rounding. |                           |                                    |                          |                  |  |                      |                           |              |

## 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 refinancing 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.

**Nonmetropolitan area (NonMSA):** Any area that is not located within an MSA.

**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.