

PUBLIC DISCLOSURE

February 5, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

1880 Bank

746223

304 High Street

Cambridge, MD 21613

**Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261**

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.

TABLE OF CONTENTS

	Page
Institution's CRA Rating	1
Scope of Examination	1
Description of Institution	1
Description of Dorchester County, MD NonMSA Assessment Area.....	2
Conclusions with Respect to Performance Tests	4
Glossary	9

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable in relation to the demand for credit in the assessment area.
- A majority of the institution's combined small business and small business secured by residential real-estate and consumer loans were originated within the bank's assessment area.
- The bank's borrower distribution performance is considered reasonable overall.
- The bank's geographic lending distribution performance is considered reasonable overall.
- The bank's responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and services is considered adequate.
- The institution has not received any complaints regarding its Community Reinvestment Act (CRA) performance since the previous evaluation.

SCOPE OF EXAMINATION

1880 Bank was evaluated using the interagency examination procedures for an intermediate-small bank developed by the Federal Financial Institutions Examinations Council (FFIEC). Consistent with these procedures and based upon recent loans originated by the institution, small business loans, small business loans secured by residential real estate, and consumer loans were identified as the primary credit products for the bank. The consumer loan group includes home equity, motor vehicle secured, other secured, and unsecured loans. The analysis included all small business, small business secured by residential real-estate, and consumer loans originated by the bank during calendar year 2017. The bank is not a Home Mortgage Disclosure Act (HMDA) reporter and the bank does not originate a large number of consumer purpose residential real-estate loans; therefore, residential mortgage loans were not included in the evaluation.

Qualified community development loans and services are considered for activities since the previous evaluation (March 18, 2014). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered.

DESCRIPTION OF INSTITUTION

1880 Bank is headquartered in Cambridge, Maryland and operates six branch offices located on Maryland's eastern shore. The bank is wholly-owned by Delmarva Bankshares Inc., a single-bank holding company, also headquartered in Cambridge, Maryland. The bank's previous CRA rating, dated March 18, 2014, was Satisfactory. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment area.

As of December 31, 2017, 1880 Bank held total assets of approximately \$354.6 million, of which 69.6% were net loans and 9.5% were securities. As of the same date, deposits total \$299.8 million. Various deposit and loan products are available through the institution including loans for residential mortgage, business, and consumer purposes. The composition of the loan portfolio (reflecting gross loans) as of December 31, 2017, is represented in the following table.

Composition of Loan Portfolio

Loan Type	12/31/2017	
	\$(000s)	%
Secured by 1-4 Family dwellings	100,537	40.4
Multifamily	1,769	0.7
Construction and Development	7,362	3.0
Commercial & Industrial/ NonFarm NonResidential	110,290	44.4
Consumer Loans and Credit Cards	2,664	1.1
Agricultural Loans/ Farmland	21,008	8.5
All Other	4,952	2.0
Total	248,582	100.0

Note: percentages in the table may not equal 100% due to rounding.

As indicated in the preceding table, the bank’s loan portfolio is concentrated in commercial purpose loans and loans secured by residential real estate. The table, however, is based on the dollar volume of all of the bank’s outstanding loans and does not reflect the bank’s recent lending activity when measured by number of new loans. During a recent 12-month period, the bank originated and purchased more commercial (which includes small business loans) and consumer loans than any other loan type. The bank’s recent origination and purchase activity was a significant factor in determining which loans to evaluate to determine the bank’s CRA performance.

DESCRIPTION OF DORCHESTER COUNTY, MD NONMSA ASSESSMENT AREA

1880 Bank has delineated Caroline, Dorchester, and Talbot counties, Maryland, as its assessment area, which is referred to as the Dorchester County, MD NonMSA assessment area throughout the rest of this evaluation. Recent data (June 30, 2017) from the Federal Deposit Insurance Corporation indicates that 1880 Bank ranks 3rd out of 11 institutions in local deposit market share, holding 12.2% of area deposits.

According to 2010 American Community Survey (ACS) data, the assessment area has a population of 102,994 and a median housing value of \$232,064. While the owner-occupancy rate for the assessment area (56.2%) exceeds the rate for the nonmetropolitan areas of the state (53.3%), the assessment area family poverty rate (10.4%) exceeds the statewide nonmetropolitan area rate (9.8%). During 2017, the HUD estimated median family income for the nonmetropolitan Maryland statewide area equaled \$63,000. The following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Dorchester Cty, MD Non-MSA <i>(Based on 2010 ACS Data and 2016 D&B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	3.3	973	3.4	254	26.1	6,127	21.7
Moderate	5	16.7	5,059	17.9	828	16.4	4,535	16.0
Middle	17	56.6	17,612	62.4	1,647	9.4	6,011	21.3
Upper	5	16.7	4,620	16.3	222	4.8	11,591	41.0
NA	2	6.7	0	0.0	0	0.0		
Total	30	100.0	28,264	100.0	2,951	10.4	28,264	100.0
	Owner Occupied Units by Tract		Households					
	#	%	HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	439	1.6	1,670	4.0	484	29.0	9,886	23.9
Moderate	3,912	13.9	8,226	19.9	1,561	19.0	6,449	15.6
Middle	18,596	65.9	24,774	59.8	2,952	11.9	7,109	17.2
Upper	5,284	18.6	6,746	16.3	473	7.0	17,972	43.3
NA	0	0.0	0	0.0	0	0.0		
Total	28,231	100.0	41,416	100.0	5,470	13.2	41,416	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
	#	%	Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	100	1.9	91	1.9	8	1.8	1	1.3
Moderate	1,264	23.8	1,121	23.3	125	28.2	18	23.4
Middle	2,804	52.7	2,552	53.1	202	45.6	50	64.9
Upper	1,154	21.6	1,038	21.7	108	24.4	8	10.4
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	5,322	100.0	4,802	100.0	443	100.0	77	100.0
Percentage of Total Businesses:				90.2		8.4		1.4

*NA-Tracts without household or family income as applicable

The area's economy is based on a mixture of education, health care, retail, and manufacturing industries. Major employers include Dart Container Corporation, Hyatt Regency Resort, Cambridge Mack Senior Center, Allen Harim Foods LLC., Walmart stores, and Chesapeake Publishing/Printing. The following table reflects area unemployment rates since February 2014.

Geographic Area	Feb 2014	Feb 2015	Feb 2016	Feb 2017	Feb 2018
Caroline County, MD	7.2%	6.7%	5.5%	5.4%	5.1%
Dorchester County, MD	9.6%	9%	7.2%	6.9%	6.7%
Talbot County, MD	6.5%	6.2%	5.1%	4.8%	5%
Maryland	6.4%	5.6%	4.8%	4.6%	4.6%

As indicated in the previous table, area unemployment rates decreased since 2014. The declining trend indicates that the local economy has improved since 2014. Even with the declining trend, unemployment rates within the assessment area remain elevated in relation to Maryland's statewide unemployment rate.

An economic development official was contacted during the evaluation to discuss area economic conditions and community credit needs. The contact stated that economic conditions were improving and suggested that additional financial education programs would be beneficial to the community. The contact indicated that the area financial institutions are reasonably servicing the banking needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

To evaluate the bank's lending performance, small business, small business secured by residential real estate, and consumer lending activity was analyzed. Area demographic data are used as a proxy for demand when evaluating the bank's performance. Relevant area demographic data is taken from the 2010 ACS and Dun & Bradstreet business demographic data from 2016. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated every five years, and the 2010 data is the most current available. While D&B data is updated annually, the 2017 data is not yet available.

Aggregate small business lending data from 2016 is also considered as an element of performance context when evaluating the bank's small business lending. Aggregate small business data includes all originated and purchased small business loans reported by applicable lenders within the bank's assessment area. Because 1880 Bank does not report small business loan data, its small business lending activity is not included in the aggregate data. The aggregate data is also limited to small business loans and does not include small business loans secured by residential real estate.

The aggregate small business data also includes a large volume of lending activity reported by specialized lenders, who often originate small business loans in the form of credit cards. These loans, however, tend to be much smaller in size than traditional small business bank loans, and a substantial majority of such loans do not have revenue data reported. The presence of these lenders is reflected in a smaller market share for traditional lenders and tends to understate the percentage of aggregate lending to businesses with annual revenues of \$1 million or less. Consequently, the presence of these lenders was considered as an aspect of performance context when evaluating the level and distribution of bank lending.

When evaluating the borrower and the geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated or purchased. To arrive at an overall assessment area level conclusion regarding the distribution of lending, performance in each loan category is then weighted by the dollar volume of such loans in the assessment area.

Overall, 1880 Bank's lending test performance is rated Satisfactory. This rating considers the bank's loan-to-deposit ratio, level of lending in its assessment area, borrower distribution performance, and geographic distribution performance.

The bank's Community Development Test performance is also rated Satisfactory. The review of the bank's community development activities is based on the number and amount of community development loans and qualified investments, the extent to which the bank provides community development services, and 1880 Bank's responsiveness to identified community development lending, investment, and service needs.

The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

Loan-To-Deposit Ratio

1880 Bank’s loan-to-deposit ratio, as of December 31, 2017, equaled 82.3% and averaged 79.4% for the 16-quarter period ending December 31, 2017. In comparison, the quarterly average loan-to-deposit ratios for three similarly situated institutions that operate in 1880 Bank’s assessment area ranged from 89.5% to 100.6% during the 15-quarter period ending September 30, 2017. While the bank’s peers operate branches within the bank’s assessment area, two of the three peer group banks also operate branches in more metropolitan areas outside the bank’s assessment area that appear to have greater loan demand, which is a factor that contributes to 1880 Bank’s comparatively lower average loan-to-deposit ratio. Since December 31, 2013, 1880 Bank’s assets, net loans, and deposits have increased by 86.2%, 131.8%, and 80.8% respectively. The bank’s level of lending activity as measured by its loan-to-deposit ratio is considered reasonable given the institution’s size, financial condition, market conditions, and local credit needs.

Lending In Assessment Area

To determine the institution’s volume of lending within its assessment area, the geographic location of the bank’s small business loans, small business loans secured by residential real-estate, and consumer loans originated in 2017 were considered. The lending distribution inside and outside of the bank’s assessment area is represented in the following table.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	55	49.5	4,177	30.4	56	50.5	9,585	69.6
Small Bus - Secured by Real Estate	10	58.8	3,127	45.8	7	41.2	3,703	54.2
Total Small Bus. Related	65	50.8	7,304	35.5	63	49.2	13,288	64.5
Consumer Loans	62	91.2	1,820	64.4	6	8.8	1,005	35.6
TOTAL LOANS	127	64.8	9,124	39.0	69	35.2	14,293	61.0

As indicated in the preceding table, a majority of the bank’s combined small business and small business secured by residential real estate loans and a substantial majority of the bank’s consumer loans were extended within the bank’s assessment area. While a majority of the number of loans was within the bank’s assessment area, less than a majority of the dollar volume of loans was within the assessment area (39%).

The bank’s assessment area is adjacent to three large MSAs that present more lending opportunities because of greater population and business density within MSAs. In addition, review of the 2016 aggregate CRA data found larger average small business loan amounts within the MSAs than in the bank’s assessment area. Some of the bank’s loans were extended in the three adjacent MSAs where the average loan amount is larger than inside the assessment area, and this appears to be a factor in the bank’s smaller dollar volume of lending within its assessment area.

While the bank’s small business and small business secured by residential real estate are shown separately in the preceding table, these two loan types are combined together in the remaining sections of the evaluation.

Lending to Borrowers of Different Incomes and To Businesses of Different Sizes

1880 Bank’s borrower distribution performance is reasonable for small business lending and reasonable for consumer lending.

Distribution of Lending by Loan Amount and Size of Business

(Bank lending includes both Small Business and Small Business secured by Real Estate)

Dorchester Cty, MD Non-MSA (2017)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	39	60.0	3,612	49.5	NA	NA	NA	NA
Over \$1 Million	26	40.0	3,692	50.5	NA	NA	NA	NA
Unknown	0	0.0	0	0.0	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	49	75.4	2,292	31.4	NA	NA	NA	NA
\$100,001-\$250,000	9	13.8	1,669	22.9	NA	NA	NA	NA
\$250,001-\$1 Million	7	10.8	3,342	45.8	NA	NA	NA	NA
Total	65	100.0	7,304	100.0	NA	NA	NA	NA

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

While the bank’s lending is from 2017, D&B and aggregate small business data from 2017 are not yet available, so D&B demographic data from 2016 is used to aid in the evaluation of the bank’s performance. During 2017, 60% of the bank’s loans were extended to businesses having annual revenues of \$1 million or less, and D&B data indicates that 90.2% of all area businesses have annual revenues of \$1 million or less. Aggregate small business data from 2016 suggests that the D&B demographic data overstates actual level of demand for loans from small businesses within the assessment area. According to aggregate data from 2016, 46.4% of all reported small business loans were to businesses having annual revenues of \$1 million or less. The aggregate data, however, includes certain high volume, small dollar lenders that often do not rely on or report business revenue which tends to skew the data. After excluding these specialty lenders from the aggregate data, traditional lenders reported extending 50.2% of their small business loans to businesses having annual revenue of \$1 million or less. Given these factors, the bank’s performance is considered reasonable.

Distribution of Consumer Loans by Income Level of Borrower

Dorchester Cty, MD Non-MSA (2017)				
Income Categories	Consumer Loans			
	#	%	\$(000s)	% \$
Low	12	20.0	246	13.5
Moderate	14	23.3	249	13.7
Middle	11	18.3	384	21.1
Upper	23	38.4	939	51.7
Total	60	100.0	1,818	100.0
Unknown	2		1	

Percentage's (%) are calculated on all loans where incomes are known

The bank’s level of consumer lending to low-income borrowers (20%) lagged the percentage of low-income households (23.9%) in the assessment area, while its lending to moderate-income borrowers (23.3%) exceeded the percentage of moderate-income households (15.6%) in the assessment area. The bank’s consumer lending performance is considered reasonable.

Geographic Distribution of Loans

1880 Bank’s geographic distribution performance is reasonable for both small business and consumer lending.

Distribution of Small Business Loans by Income Level of Census Tract

(Bank lending includes both Small Business and Small Business secured by Real Estate)

Dorchester Cty, MD Non-MSA (2017)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	0	0.0	0	0.0	NA	NA	NA	NA
Moderate	15	23.1	2,353	32.2	NA	NA	NA	NA
Middle	46	70.8	3,813	52.2	NA	NA	NA	NA
Upper	4	6.1	1,138	15.6	NA	NA	NA	NA
NA*	0	0.0	0	0.0	NA	NA	NA	NA
Total	65	100.0	7,304	100.0	NA	NA	NA	NA

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

While it was noted in the previous borrower distribution section that D&B business demographic data appeared to overstate loan demand, the D&B data from a geographic distribution perspective is a reasonable proxy for loan demand. D&B data from 2016 indicates that 1.9% of all businesses are located in low-income census tract and 23.8% of area businesses are located in moderate-income census tracts. While the bank did not extend any loans in the one low-income census tract within the assessment area, 23.1% of its loans were extended to businesses located in moderate -income census tracts. Given these factors, the bank’s performance is considered reasonable.

Distribution of Consumer Loans by Income Level of Census Tract

Dorchester Cty, MD Non-MSA (2017)				
Income Categories	Consumer Loans			
	#	%	\$(000s)	% \$
Low	3	4.8	67	3.7
Moderate	12	19.4	378	20.8
Middle	34	54.8	602	33.1
Upper	13	21.0	772	42.4
NA*	0	0.0	0	0.0
Total	62	100.0	1,819	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

The bank’s level of consumer lending in the low-income tract (4.8%) was consistent with the percentage of households in the low-income tract (4%) within the assessment area. Similarly, bank’s lending in moderate-income tracts (19.4%) also was consistent with the percentage of households within moderate-income tracts (19.9%) in the assessment area. The bank’s consumer lending performance is considered reasonable.

Community Development Loans, Investments, and Services

1880 Bank supports community development initiatives and organizations that benefit the assessment area by funding community development loans, providing community development services, and donating to community organizations. Information from an individual knowledgeable of the local community, as well as a review of the performance evaluations of other financial institutions operating within the assessment area, indicate that limited community development opportunities exist within the Dorchester County, MD NonMSA assessment area. The bank faces no constraints in providing community development loans, investments, and services consistent with its capacity and available opportunities.

Since the previous evaluation, 1880 Bank supported local community development by financing six community development loans totaling approximately \$5.4 million. Of these loans, three were made to area organizations that provide services to low-and moderate-income individuals, two were made to businesses or organizations that provide affordable housing within the assessment area, and one was made to an organization that supports small business development. The bank also made charitable donations totaling \$36,930 to area organizations that provide qualified community development services during this time period.

Since its previous evaluation, 1880 Bank and its employees volunteered their time and provided financial expertise to the following organizations that provide community development services targeted to area low-and moderate-income residents and economic development.

- Choptank Habitat for Humanity – A bank officer serves as a board member for the organization which supports affordable housing.
- Webinar for the Town of Easton and Habitat for Humanity – Two bank officers coordinated and organized the webinar in conjunction with the FHLB of Atlanta that provided information about affordable housing opportunities.
- Critchlow Adkins Children’s Center – A bank officer serves as a board member and is on the finance committee for the Center that provides day care primarily to area low- and moderate-income families.
- Junior Achievement – Two bank employees provided financial education to students of an elementary school within the assessment area where a majority of students are from low- and moderate-income families.
- Dorchester Economic Development Advisory Board – During the evaluation period, a bank employee served on the board directors and provided guidance on the financing of small businesses.
- Free and Low Cost Checking – The bank offers free and low cost checking that benefits all of its customers, including low-and moderate-income individuals. These products increase accessibility to the banking system.

When considering community development opportunities, overall, 1880 Bank has demonstrated an adequate level of responsiveness to local community needs through its lending activities, charitable donations, and its community development performances and is considered satisfactory.

Assessment Area Delineation

A review of the bank’s assessment area found that its delineation complied with the requirements of Regulation BB. The assessment area delineation included all of the bank’s branches and deposit taking automated teller machines. As delineated, the bank’s assessment area included whole counties, did not reflect illegal discrimination (e.g. through the exclusion of majority-minority census tracts), and did not arbitrarily exclude low- or moderate-income census tracts.

Fair Lending or Other Illegal Credit Practices Review

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

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: All Agencies have adopted the following language. 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.

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

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - (A) Rates of poverty, unemployment, and population loss; or
 - (B) Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives 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 and Community Development Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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 under the Lending and Community Development Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A 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.

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) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or 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.