PUBLIC DISCLOSURE

June 24, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

RiverWind Bank
RSSD #855143

100 South Second Street
Augusta, Arkansas 72006

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. 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 institution.**

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

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

- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans and other lending-related activities are originated inside the AA.
- The borrower's profile analysis reveals reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- The geographic distribution of loans reflects a poor dispersion throughout the AA.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC) Interagency Examination Procedures for Small Institutions were utilized 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 AA.

Small business and 1–4 family residential real estate loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Due to greater loan volume and growth during the review period, the performance of small business lending was weighted more than 1–4 family residential real estate lending in the determination of the bank's overall performance. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	September 30, 2017 – March 31, 2024
AA Concentration	January 1, 2022 – December 31, 2022
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	July 10, 2017 – June 23, 2024

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey data; certain business demographics are based on 2022 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $281.3 million to $412.0 million as of March 31, 2024.

To augment this evaluation, one community contact interview was conducted with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's AA. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

RiverWind Bank is an intrastate community bank headquartered in Augusta, Arkansas. The bank's characteristics include:

- The bank is a wholly owned subsidiary of RiverWind Bancshares, Inc. of Augusta, Arkansas.
- The bank has total assets of $131.9 million as of December 31, 2023. That represents an increase of 32.3 percent since the last evaluation.
- In addition to its main office in Augusta, the bank has three offices located in Beebe and Searcy, Arkansas. The Beebe office was opened in 2022.
- Each office location is equipped with a cash-dispensing-only ATM. The bank also operates a stand-alone cash-dispensing-only ATM in Augusta, Arkansas.

- As shown in the following table, the bank's primary business focus is 1–4 family residential real estate and commercial lending.

Composition of Loan Portfolio as of December 31, 2023		
Loan Type	**Amount $ (000s)**	**Percentage of Total Loans**
1–4 Family Residential	$30,721	36.4%
Commercial Real Estate	$19,991	23.7%
Commercial and Industrial	$10,078	11.9%
Farmland	$8,515	10.1%
Construction and Development	$4,985	5.9%
Multifamily Residential	$4,032	4.8%
Farm Loans	$3,231	3.8%
Loans to Individuals	$2,510	3.0%
Total Other Loans	$341	0.4%
TOTAL	**$84,404**	**100%**
Note: Percentages may not total 100.0% due to rounding.		

The bank was rated Satisfactory under the CRA at its July 10, 2017 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 AA consists of two contiguous counties, White and Woodruff, in central nonmetropolitan statistical area (nonMSA) Arkansas (see Appendix A for an AA map).

- According to the June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank has a market share of 6.0 percent, which ranks sixth out of 11 FDIC-insured depository institutions operating in the AA.

- According to the U.S. Department of Labor, Bureau of Labor Statistics Quarterly Census of Employment and Wages data, the three largest nongovernmental industries in the AA, determined by number of employees, are healthcare and social assistance (18.6 percent), retail trade (16.2 percent), and manufacturing (11.7 percent).

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	3	14	4	0	**21**
	0.0%	14.3%	66.7%	19.0%	0.0%	**100%**
Family Population	0	2,321	14,438	4,960	0	**21,719**
	0.0%	10.7%	66.5%	22.8%	0.0%	**100%**

- The AA includes three moderate-income census tracts, totaling 14.3 percent, with 10.7 percent of AA families residing in those tracts. There are no low-income census tracts.

- There are two underserved/distressed middle-income census tracts in Woodruff County.

- At the previous evaluation, the bank's AA had a total of 15 census tracts. In 2022, census tract boundaries changed, resulting in the AA having 21 total census tracts. Notably, portions of three different middle-income census tracts, near the bank branches located in Searcy, became three separate moderate-income census tracts. Additionally, the two moderate-income census tracts contained in the bank's AA during the last examination became middle-income census tracts. These changes may have impacted the bank's lending performance in moderate-income geographies.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change**
Assessment Area	85,643	83,091	-3.0%
White County, Arkansas	78,660	76,822	-2.3%
Woodruff County, Arkansas	6,983	6,269	-10.2%
NonMSA Arkansas	1,133,475	1,086,823	-4.1%
Arkansas	2,958,208	3,011,524	1.8%
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

- The AA experienced a declining population trend, decreasing 3.0 percent from 2015 to 2020, with Woodruff County experiencing the highest rate of decline (10.2 percent). The nonMSA Arkansas population experienced a similar decline, decreasing 4.1 percent.

- One community contact interview was conducted with an individual from an economic development organization. According to the community contact, the population is declining in the AA because people are moving away in search of better job opportunities and college education. The population migration is more prevalent in Woodruff County, which is an agricultural community comprised mostly of farmland. Also, businesses are struggling to remain open with the lack of foot traffic in the area. Some businesses have pivoted to being online only.

Median Family Income Change			
Area	**2015 Median Family Income**	**2020 Median Family Income**	**Percent Change**
Assessment Area	$57,595	$55,815	-3.1%
White County, Arkansas	$59,409	$54,749	-7.8%
Woodruff County, Arkansas	$42,589	$55,486	30.3%
NonMSA Arkansas	$49,217	$53,702	9.1%
Arkansas	$56,576	$62,067	9.7%
Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- The median family income in the AA decreased 3.1 percent, whereas the nonMSA Arkansas median family income has moderately increased.

- The median family income decreased 7.8 percent in White County, while it increased 30.3 percent in Woodruff County. Nonetheless, the median family income for White County ($54,749), which contains all of the moderate-income census tracts in the AA, and Woodruff County ($55,486) is similar.

Unemployment Rates					
Area	**2018**	**2019**	**2020**	**2021**	**2022**
Assessment Area	4.4%	4.5%	6.4%	4.2%	3.5%
White County, Arkansas	4.3%	4.4%	6.4%	4.1%	3.5%
Woodruff County, Arkansas	4.7%	5.2%	5.9%	5.1%	3.5%
NonMSA Arkansas	4.3%	4.3%	6.6%	4.5%	3.9%
Arkansas	3.7%	3.5%	6.2%	4.1%	3.3%
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics					

- As displayed in the preceding table, all areas reviewed experienced a spike in unemployment in 2020 due to the COVID-19 pandemic; however, unemployment subsequently declined and is now below pre-pandemic levels.

- The community contact noted that unemployment rates for White County and Woodruff County are typically higher than the unemployment rate for Arkansas. As noted in the table, Woodruff County tends to have higher unemployment rates than White County. The community contact also mentioned that White County, in particular Searcy, has more industry than Woodruff County.

Housing Cost Burden						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low-Income	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Assessment Area	62.5%	52.1%	39.8%	48.2%	35.2%	15.3%
White County, Arkansas	65.5%	53.3%	40.4%	48.2%	36.3%	15.6%
Woodruff County, Arkansas	42.3%	39.1%	33.7%	48.1%	20.7%	13.2%
NonMSA Arkansas	62.7%	28.4%	34.5%	50.4%	23.5%	15.5%
Arkansas	68.6%	31.4%	36.6%	51.0%	24.2%	14.9%
Cost burden is housing cost that equals 30% or more of household income. *Source: 2016–2020 U.S. Department of Housing and Urban Development (HUD): Comprehensive Housing Affordability Strategy*						

- As shown in the table above, the housing cost burden of all renters in the AA is slightly more than the figure for nonMSA Arkansas overall. The housing cost burden of all owners in the AA is similar to the nonMSA Arkansas burden overall. However, the cost burden of moderate-income renters and owners in the AA is significantly higher than the burden of moderate-income renters and owners in nonMSA Arkansas.

- The cost burden data in the table above aligns with information provided by the community contact, who noted that both White and Woodruff Counties are in need of more affordable housing.

Home Mortgage Loan Trends					
Area	**2018**	**2019**	**2020**	**2021**	**2022**
Assessment Area	1,217	1,377	2,116	2,296	1,525
White County, Arkansas	1,184	1,329	2,044	2,234	1,481
Woodruff County, Arkansas	33	48	72	62	44
NonMSA Arkansas	15,142	16,300	23,303	25,601	17,646
Arkansas	55,266	61,276	96,096	100,078	61,947
Source: FFIEC Home Mortgage Disclosure Act Aggregate Data					

- In 2022, the number of home mortgage loans substantially decreased in all areas.

- The community contact cited high interest rates and low housing inventory in White County as barriers to homeownership in the AA. Additionally, there is low demand in the rural parts of the AA.

Small Business Loan Trends					
Area	**2017**	**2018**	**2019**	**2020**	**2021**
Assessment Area	1,607	1,548	1,708	2,115	2,205
White County, Arkansas	1,512	1,469	1,615	2,017	2,078
Woodruff County, Arkansas	95	79	93	98	127
NonMSA Arkansas	15,163	14,962	16,018	20,098	22,047
Arkansas	45,599	44,655	49,174	61,470	64,727
Source: FFIEC CRA Aggregate Data					

- Small business lending has consistently increased in all areas since 2018.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall performance under the Lending Test is Satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD 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 in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, branch locations, and loan portfolio.

Comparative LTD Ratios September 30, 2017 – March 31, 2024			
Institution	**Location**	**Asset Size $ (000s)**	**LTD Ratio (%) 27-Quarter Average**
RiverWind Bank	Augusta, Arkansas	$143,777	69.4%
Similarly Situated Institutions			
Regional Banks	Lonoke, Arkansas	$281,254	66.4%
	Helena, Arkansas	$412,018	76.3%
	Newport, Arkansas	$321,609	65.4%

The bank's LTD ratio is reasonable. The bank had an 11-quarter average LTD ratio of 76.5 percent before the LTD ratio suddenly decreased to 57.9 percent during the second quarter of 2020 due to the COVID-19 pandemic. Subsequently, the LTD ratio experienced an increasing trend, hitting a high of 69.8 percent the second quarter of 2021. Nevertheless, the bank's 27-quarter average of 69.4 percent is within the range of the similarly situated regional banks used for comparison.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA.

Lending Inside and Outside the Assessment Area								
Loan Type	**Inside**				**Outside**			
	#	**# %**	**$ (000s)**	**$ %**	**#**	**# %**	**$ (000s)**	**$ %**
Small Business	56	87.5%	$4,303	92.3%	8	12.5%	$357	7.7%
1–4 Family Residential Real Estate	40	81.6%	$6,523	74.4%	9	18.4%	$2,247	25.6%
TOTAL LOANS	**96**	**85.0%**	**$10,825**	**80.6%**	**17**	**15.0%**	**$2,603**	**19.4%**
Note: Percentages may not total 100.0% due to rounding.								

A majority of the bank's loans, by number and dollar, are originated inside the AA. Overall, 85.0 percent of the total loans were originated inside the AA, accounting for 80.6 percent of the total dollar volume of loans.

Loan Distribution by Borrower's Profile

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 a reasonable distribution among individuals of different income levels and businesses of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. As displayed in the following table, the bank's lending to small businesses (82.1 percent) exceeds the aggregate (58.4 percent) but trails the demographic figure (90.2 percent).

Distribution of 2022 Small Business Lending by Revenue Size of Businesses Assessment Area: Central NonMSA Arkansas									
Business Revenue and Loan Size		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	46	82.1%	58.4%	$2,687	62.4%	47.9%	90.2%
	Over $1 Million/ Unknown	10	17.9%	41.6%	$1,616	37.6%	52.1%	9.8%
	TOTAL	**56**	**100.0%**	**100.0%**	**$4,303**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	46	82.1%	90.1%	$1,648	38.3%	32.3%	
	$100,001–$250,000	6	10.7%	4.9%	$1,059	24.6%	16.7%	
	$250,001–$1 Million	4	7.1%	5.0%	$1,596	37.1%	51.0%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**56**	**100.0%**	**100.0%**	**$4,303**	**100.0%**	**100.0%**	
Loan Size — Revenue $1 Million or Less	$100,000 or Less	40	87.0%		$1,391	51.8%		
	$100,001–$250,000	4	8.7%		$641	23.9%		
	$250,001–$1 Million	2	4.3%		$655	24.4%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**46**	**100.0%**		**$2,687**	**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% due to rounding.

Residential Real Estate Lending

The borrower distribution of 1–4 family residential real estate loans is reasonable overall. The bank's lending performance to low-income borrowers (5.0 percent) exceeds aggregate (4.5 percent) but trails the demographic comparator (18.9 percent). While the bank's performance is well below the percentage of assessment area families who are low income, a significant portion of borrowers in this demographic is unlikely to qualify for a home mortgage loan given the overall family poverty level of 11.7 percent. Therefore, bank performance is considered reasonable. However, the bank's lending performance to moderate-income borrowers (10.0 percent) trails the aggregate (14.5 percent) and demographic comparator (18.6 percent) and therefore is poor.

The following information further supports the bank's reasonable rating:

- According to the community contact, high interest rates and a lack of affordable homes limit the number of LMI families that are able to pursue homeownership.

- The contact also noted that the housing stock in many portions of the AA is older and in need of improvement, further limiting the availability of suitable, affordable housing for LMI borrowers.

Distribution of 2022 Residential Real Estate Lending by Borrower Income Level Assessment Area: Central NonMSA Arkansas							
Borrower Income Level	**Bank and Aggregate Loans**						**Families by Family Income %**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**# %**	**# %**	**$ (000s)**	**$ %**	**$ %**	
Low	2	5.0%	4.5%	$95	1.4%	2.1%	18.9%
Moderate	4	10.0%	14.5%	$214	3.3%	8.8%	18.6%
Middle	5	12.5%	19.7%	$755	11.6%	15.5%	19.2%
Upper	23	57.5%	35.7%	$4,850	74.4%	38.8%	43.3%
Unknown	6	15.0%	25.6%	$609	9.3%	34.8%	0.0%
TOTAL	**40**	**100.0%**	**100.0%**	**$6,523**	**100.0%**	**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% due to rounding. Multifamily loans are not included in the borrower distribution analysis.							

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. The bank's geographic distribution of loans reflects poor distribution among the different census tracts and throughout the AA. More specifically, the bank's lending performance to small businesses in LMI geographies is poor, and the bank's residential real estate lending performance in LMI geographies is reasonable.

It was noted during the review that the bank made no loans in one of the moderate-income census tracts located in the southeastern portion of White County. The lending gap was not considered conspicuous, since the census tract changed from a middle-income to a moderate-income census tract in 2022.

Small Business Lending

The geographic distribution of small business lending is poor. While there are no low-income census tracts in the AA, the bank's lending to small businesses in moderate-income census tracts (7.1 percent) trails aggregate lending levels (13.4 percent) and the demographic figure (14.2 percent). Additionally, the bank's level of lending to small businesses has declined since its previous CRA evaluation.

Distribution of 2022 Small Business Lending by Income Level of Geography Assessment Area: Central NonMSA Arkansas							
Tract Income Levels	Count			Dollar			Total Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	# %	%	$ (000s)	$ %	$ %	%
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	4	7.1%	13.4%	$666	15.5%	22.6%	14.2%
Middle	42	75.0%	59.7%	$3,169	73.6%	56.1%	58.6%
Upper	10	17.9%	24.6%	$468	10.9%	20.9%	27.2%
Unknown	0	0.0%	2.3%	$0	0.0%	0.4%	0.0%
TOTAL	**56**	**100.0%**	**100.0%**	**$4,303**	**100.0%**	**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% due to rounding.

Residential Real Estate Lending

The geographic distribution of residential real estate lending is reasonable. As previously stated, there are no low-income census tracts. However, the bank's overall distribution of residential real estate loans to moderate-income census tracts (7.5 percent) is comparable to the aggregate (8.6 percent) and the demographic figure (9.3 percent). The bank's lending is especially reasonable in light of performance context provided by the community contact, who noted rising interest rates, a lack of available land to develop, and a lack of developers willing to build in rural areas as barriers to homeownership.

Distribution of 2022 Residential Real Estate Lending by Income Level of Geography Assessment Area: Central NonMSA Arkansas							
Geographic Income Level	Bank and Aggregate Loans						Owner-Occupied Units %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	$ (000s)	$ %	$ %	
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	3	7.5%	8.6%	$670	10.3%	12.7%	9.3%
Middle	27	67.5%	58.8%	$3,602	55.2%	52.7%	68.0%
Upper	10	25.0%	32.6%	$2,251	34.5%	34.6%	22.7%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**40**	**100.0%**	**100.0%**	**$6,523**	**100.0%**	**100.0%**	**100.0%**

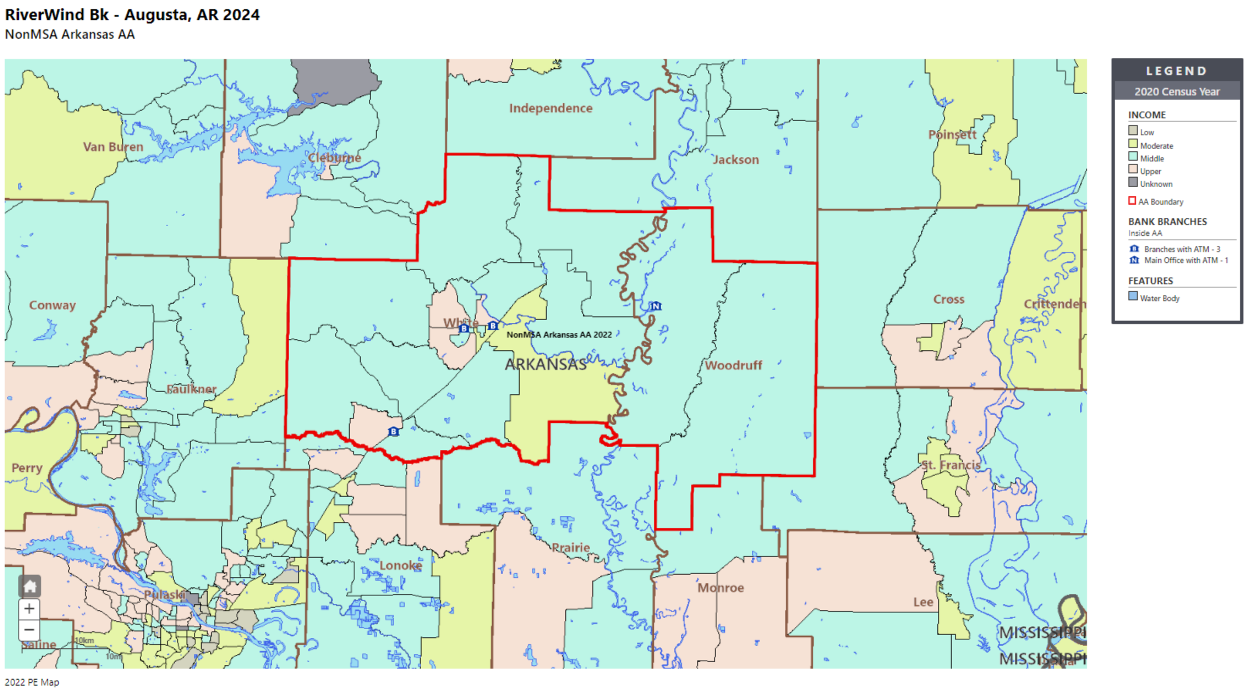
Source: 2022 FFIEC Census Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0% due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Central NonMSA Arkansas Assessment Area



APPENDIX B – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

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

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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