

PUBLIC DISCLOSURE

October 12, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Superior Bank
2820 East Second Street
Superior, Wisconsin 54880
RSSD 960159

**Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, MN 55480-0291**

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 the 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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Definitions for many of the terms used in this performance evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix A at the end of this performance evaluation.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory."

The bank's Community Reinvestment Act (CRA) performance was evaluated using the Small Bank CRA Evaluation Procedures. Based on the bank's asset size and financial condition, the bank effectively meets the credit needs of the residents and small businesses in its assessment area. Several factors support the bank's satisfactory rating.

- The bank's lending to borrowers of different income levels and to businesses of different sizes is very good.
- The geographic distribution and dispersion of loans throughout the assessment area are good and do not reveal any unexplained gaps in lending patterns.
- The bank originated a significant majority of its loans to borrowers residing in its assessment area.
- The bank's net loan-to-deposit ratio reflects a reasonable level of lending.

SCOPE OF EVALUATION

The scope of this evaluation includes consumer, residential real estate, and small business loans; the bank does not originate agricultural loans. Table 1 shows the loan originations by number and dollar amount from August 1, 2009, to July 31, 2010, as provided by the bank.

<i>Loan Type</i>	<i>Number of Loans</i>	<i>Percentage of Total Number</i>	<i>Total Loan Dollars</i>	<i>Percentage of Total Dollars</i>
Consumer	103	41.9	1,245,805	11.4
Residential Real Estate	76	30.9	6,631,250	60.9
Small Business (\leq \$1 million)	67	27.2	3,013,149	27.7
Total	246	100.0	10,890,204	100.0

*Note: Because the percentages presented in the tables are rounded to the nearest tenth, some columns or rows may not total exactly 100.0%.

The analysis that follows is based on a statistical sample of 68 consumer, 55 residential real estate, and 50 commercial loans originated between August 1, 2009, and July 31, 2010. Residential real estate lending received the greatest weight, as it represents the majority of the bank's loan portfolio by dollar amount.

The following criteria were evaluated to determine the bank's CRA rating:

- Lending to borrowers of different income levels and to businesses of different revenue sizes.
- Geographic distribution of loans.
- Lending inside the assessment area.
- Net loan-to-deposit ratio.
- Record of responding to complaints about the bank's CRA performance.

In assigning the overall rating, examiners placed the greatest weight on the bank's level of lending to borrowers of different income levels and to businesses of different sizes and the geographic distribution of loans.

DESCRIPTION OF INSTITUTION

Superior Bank, Superior, Wisconsin, effectively meets the credit needs of its assessment area given its asset size, location, and credit products. The bank received a satisfactory rating at the conclusion of the previous CRA evaluation dated September 25, 2006.

Offices. The bank has one full-service office located in Superior, Wisconsin, with a cash-dispensing automated teller machine. The bank also operates an off-site night depository located in Superior. Bank hours are 8:30 a.m. to 4:30 p.m. Monday through Friday, with a drive-up facility available from 7:30 a.m. to 5:30 p.m. Monday through Friday and 9:00 a.m. to noon Saturday. The bank's current office hours appear to be appropriate for the community it serves. The bank has not opened or closed any offices since the previous evaluation.

Alternative delivery methods. The bank's web site, www.sbwi.net, gives customers the ability to transfer funds between accounts, make loan payments, review account information, and enroll in online bill payment. In addition, 24-hour telephone banking allows customers to check account balances, transfer funds, and verify other account activity. Overall, the bank provides access to its services throughout the assessment area.

Loan portfolio. According to the June 30, 2010, Report of Condition (ROC), the bank has total assets of \$33.0 million and total loans of \$20.8 million. Since the previous evaluation, the gross loan portfolio increased by 23.3% and total assets increased by 0.9%. The loan portfolio consists of 76.7% residential real estate, 19.1% commercial, and 3.7% consumer loans. Residential real estate loans continue to be the largest segment of the bank's portfolio and increased by 35.0% since the previous examination.

Credit products. The bank continues to offer loan products designed to serve the credit needs of residents and small businesses in the assessment area. Its products include various commercial, consumer, and residential real estate loans.

Market share. According to the June 30, 2010, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank has 4.2% of the market share in Douglas County. Of the seven FDIC-insured financial institutions with offices in Douglas County, Superior Bank ranks fourth.

Community contacts. The evaluation is based on discussions with bank management and members of the community familiar with economic issues and demographic characteristics of the assessment area. Information from these sources was used to evaluate the bank's CRA performance.

DESCRIPTION OF ASSESSMENT AREA

Assessment area. The bank's assessment area consists of the 13 census tracts that make up Douglas County, including one low-income, four moderate-income, and eight middle-income tracts. The bank has not changed its assessment area since the previous evaluation. The bank's office is located in a middle-income census tract.

Douglas County is located in the upper northwest corner of Wisconsin on the state's border with Minnesota. Douglas County is located within the Duluth/Superior multistate metropolitan statistical area (Duluth, MN-WI MSA).

Table 2 contains demographic information about the bank's assessment area based on 2000 U.S. Census data and 2009 Dun & Bradstreet data.

TABLE 2								
Assessment Area Demographics								
<i>Income Categories</i>	<i>Tract Distribution</i>		<i>Families by Tract Income</i>		<i>Families < Poverty Level as % of Families by Tract</i>		<i>Families by Family Income</i>	
	#	%	#	%	#	%	#	%
Low Income	1	7.7	111	1.0	45	40.5	2,235	19.7
Moderate Income	4	30.8	2,565	22.7	361	14.1	2,295	20.3
Middle Income	8	61.5	8,645	76.4	454	5.3	2,848	25.2
Upper Income	0	0.0	0	0.0	0	0.0	3,943	34.8
Total Assessment Area	13	100.0	11,321	100.0	860	7.6	11,321	100.0
<i>Income Categories</i>	<i>Housing Units by Tract</i>	<i>Housing Types by Tract</i>						
		<i>Owner-Occupied</i>		<i>Rental</i>		<i>Vacant</i>		
		#	%	%	#	%	#	%
Low Income	400	43	0.3	10.8	307	76.8	50	12.5
Moderate Income	5,300	2,543	20.0	48.0	2,457	46.4	300	5.7
Middle Income	14,656	10,144	79.7	69.2	2,314	15.8	2,198	15.0
Upper Income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	20,356	12,730	100.0	62.5	5,078	24.9	2,548	12.5
<i>Income Categories</i>	<i>Total Businesses by Tract</i>		<i>Businesses by Tract and Revenue Size</i>					
			<i>≤ \$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
	#	%	#	%	#	%	#	%
Low Income	211	9.2	185	8.9	17	14.5	9	9.2
Moderate Income	561	24.5	479	23.1	53	45.3	29	29.6
Middle Income	1,520	66.3	1,413	68.0	47	40.2	60	61.2
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,292	100.0	2,077	100.0	117	100.0	98	100.0
Percentage of Total Businesses:				90.6		5.1		4.3
<i>Income Categories</i>	<i>Total Farms by Tract</i>		<i>Farms by Tract and Revenue Size</i>					
			<i>≤ \$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>	
	#	%	#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	0	0.0	0	0.0	0	0.0	0	0.0
Middle Income	37	100.0	37	100.0	0	0.0	0	0.0
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	37	100.0	37	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

Population. As of the 2000 U.S. Census, the population of Douglas County was 43,287. The 2009 U.S. Census Bureau population estimate for Douglas County is 44,274. According to a community contact, Superior's population is aging and young people continue to leave the area in search of employment opportunities and higher wages in larger metropolitan areas, most notably the Minneapolis-St. Paul metropolitan area.

Income. For purposes of classifying borrower income, this evaluation uses Department of Housing and Urban Development (HUD) estimated median family income for the relevant area. For the Duluth, MN-WI MSA, this figure is \$59,900 for 2009 and \$60,000 for 2010. For purposes of classifying census tracts by income level, this evaluation uses the Douglas County 2000 census median family income, which is \$43,841.

General economic and housing characteristics. Bank management and community contacts described the local economy as relatively stable. Although some sectors of the economy have slowed, community contacts attribute the overall stability of the local economy to the resurgence of the local transportation sector and increased demand for grain exports. The main employers in the area include BNSF Railway Company, Murphy Oil Corporation, AMSOIL Inc., local transportation companies, and local school districts and universities. Other employers include local hospitals, several small manufacturers, grain elevators, and various retail establishments. According to a community contact, many small businesses reduced staffing hours to avoid layoffs. However, General Mills, Inc., closed a plant in nearby Poplar, Wisconsin, which had a significant impact on employment levels in rural areas near Superior; many of these individuals needed to find work closer to or in the city.

According to the U.S. Department of Labor, the average annual unemployment rate, not seasonally adjusted, for the bank's assessment area was 8.1% for 2009. The annual unemployment rate for the state of Wisconsin was 8.5% for 2009. Both the county and state unemployment rates are lower than the national unemployment rate of 10.0% for 2009. A community contact noted that employment levels at the port have been generally stable despite its cyclical nature and have been helped by recent increases in international demand for grain exports.

According to community contacts, the demand for affordable housing in the assessment area is high despite the number of first-time homebuyers who took advantage of the recent federal tax credit. The contacts said the affordable housing stock is old, often contains hazardous materials, and requires significant rehabilitation. Upgrading the housing stock is the largest housing concern in the assessment area. In general, home prices have fallen consistently with national trends, but Superior has had fewer foreclosure problems. In addition to general affordable housing needs, community contacts said the demand for low-income senior housing has grown because of the aging population.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance in meeting the credit needs of its assessment area is satisfactory. The distribution of loans to borrowers of different income levels and to small businesses is very good, and the geographic distribution and dispersion of loans is good. The bank extends a significant majority of loans to borrowers inside its assessment area, and the net loan-to-deposit ratio indicates a reasonable level of lending. All of these factors support a satisfactory CRA rating.

LENDING TO BORROWERS OF DIFFERENT INCOME LEVELS AND TO BUSINESSES OF DIFFERENT SIZES

In establishing CRA, the U.S. Congress sought to ensure that banks extend credit to low- and moderate-income individuals and to small businesses, consistent with safe and sound banking practices. Therefore, the extent to which banks extend credit to low- and moderate-income individuals and to businesses of different revenue sizes is evaluated.

Overall, the bank’s lending to borrowers of different income levels and to businesses of different sizes is very good. A sizable percentage of the bank’s consumer loans were extended to low- and moderate-income borrowers. In addition, all business loans were made to businesses with gross annual revenues of \$1 million or less. The bank’s lending performance demonstrates very good responsiveness to meeting the credit needs of the residents and businesses in the assessment area.

Consumer lending. The bank’s lending to both low- and moderate-income borrowers is strong. Table 3 shows the percentage of consumer loans originated to borrowers of different income levels.

	<i>Low Income</i>		<i>Moderate Income</i>		<i>Middle Income</i>		<i>Upper Income</i>		<i>Unknown Income</i>	
	#	\$	#	\$	#	\$	#	\$	#	\$
Consumer	30.0%	10.0%	13.3%	5.7%	23.3%	18.6%	25.0%	22.8%	8.3%	42.9%
Residential Real Estate	23.5%	9.1%	15.7%	13.1%	19.6%	13.6%	41.2%	64.2%	0%	0%
Percentage of Households by Income Levels**	23.5%		16.9%		21.3%		38.3%		Not Applicable	
Percentage of Families by Income Levels**	19.7%		20.3%		25.2%		34.8%		Not Applicable	
*2010 HUD median family income of \$60,000 for Duluth, MN-WI MSA.										
**Based on 2000 U.S. Census data.										

The percentage of the bank’s consumer loans to low- and moderate-income borrowers, 43.3%, exceeds the percentage of low- and moderate-income households, 40.4%, in the assessment area. Overall, the bank originated 43.3% of the number and 15.7% of the dollar amount of consumer loans to low- and moderate-income borrowers. The bank serves the needs of low- and moderate-income borrowers by providing small-dollar consumer loans. Of the consumer loans in the sample, the bank originated 30.9% in amounts of \$3,000 or less. Of these loans, 71.4% were made to borrowers with low or moderate incomes. The bank does a very good job of making loans to low- and moderate-income people.

Residential real estate. The bank’s level of residential real estate lending to low-income borrowers is strong and lending to moderate-income borrowers is very good. Table 3 shows the percentage of residential real estate loans originated to borrowers of different income levels. The percentage of the bank’s residential real estate loans to low-income borrowers, 23.5%, exceeds the percentage of low-income families, 19.7%, in the assessment area. The percentage of residential real estate loans to moderate-income borrowers, 15.7%, is comparable to the percentage of moderate-income households, 20.3%, in the assessment area. The bank does a very good job of extending residential real estate loans to borrowers of all income levels.

Small business lending. The bank’s lending to small businesses is good. According to the 2009 Dun & Bradstreet data, 90.6% of the businesses in the assessment area had gross annual revenues of \$1 million or less. The bank originated 100% of its small business loans to entities with gross annual revenues of \$1 million or less. This is consistent with the lending ability of the financial institution and the composition of businesses in the assessment area.

Table 4 shows the percentage of the number of loans, by loan amount, made to small businesses in the assessment area.

TABLE 4				
Small Business Lending in the Assessment Area				
<i>Small Business Loan Originations</i>	<i>≤ \$100,000</i>	<i>> \$100,000 to ≤ \$250,000</i>	<i>> \$250,000 to ≤ \$1 Million</i>	<i>Total Originations</i>
Percentage of Loans to Businesses with Revenues of \$1 Million or Less	91.7%	6.3%	2.1%	100.0%

As shown, the bank is willing to extend small-dollar loans. A substantial majority of the small business loans were for amounts of \$100,000 or less; in fact, the bank extended 76.0% of its small business loans for amounts of \$50,000 or less. Overall, the bank's small business lending is good.

GEOGRAPHIC DISTRIBUTION OF LOANS

CRA encourages banks to meet credit needs in the assessment area through lending in low- and moderate-income areas while operating safely and soundly. This evaluation includes a geographic distribution and dispersion analysis of loans in the bank's assessment area. For an understanding of the geographic distribution, the locations of loans are identified by census tract and then evaluated.

The geographic distribution of the bank's loans in the assessment area is good and does not reveal any unexplained gaps in lending patterns. The bank originated loans in all of the census tracts in its assessment area. The bank originated the majority of its loans in the middle-income census tracts, which is reasonable since 73.4% of the assessment area population resides in these tracts and 66.3% of the small businesses in the assessment area are located in these tracts.

Consumer lending. The geographic distribution and dispersion of the bank's consumer loans are reasonable. Table 5 shows the percentage of consumer loans originated in census tracts of different income levels. As shown, the bank's consumer lending in the low-income census tract, 1.7%, is consistent with the percentage of households at 1.8%. The bank's lending in the low-income census tract is good because of the tract's distance from the bank and proximity to other financial institutions that are more convenient for residents. The bank extended 16.7% of its consumer loans in moderate-income census tracts. Although the bank's lending falls below demographics, which indicate that 28.3% of assessment area households are in the moderate-income tracts, it is reasonable, given that three of the four moderate-income tracts are located in the city's business center, where competition among financial institutions is very strong. Overall, the geographic distribution of the bank's consumer loans is good.

Residential real estate lending. The bank's level of extending residential real estate loans is reasonable and generally consistent with demographic data. Table 5 shows the percentage of residential real estate loans originated in census tracts of different income levels. Although the bank did not originate any residential real estate loans in the low-income census tract, its performance is reasonable because the low-income census tract contains only 1.0% of the families, 2.0% of the housing units, and 0.3% of the owner-occupied houses in the assessment area. In addition, the low-income census tract is near the downtown area of Superior, where a significant number of financial institutions are located and competition is strong.

The bank's lending in the moderate-income census tracts compares well to demographics. The bank made 19.6% of its residential real estate loans in the moderate-income census tracts, and 22.7% of families in the assessment area reside in these tracts. The bank's lending also compares favorably with the percentage of owner-occupied housing in these census tracts, at 20.0%. Overall, the geographic distribution of the bank's residential real estate loans is good.

Table 5						
Distribution of Residential Real Estate and Consumer Loans in the Assessment Area by Census Tract Income Level*						
<i>Loan Type</i>	<i>Low Income</i>		<i>Moderate Income</i>		<i>Middle Income</i>	
	#	\$	#	\$	#	\$
Consumer	1.7%	1.6%	16.7%	48.3%	81.7%	50.1%
Residential Real Estate	0.0%	0.0%	19.6%	8.1%	80.4%	91.9%
Demographic Data						
Number of Census Tracts	1		4		8	
Percentage of Census Tracts	7.7%		30.8%		61.5%	
Percentage of Households	1.8%		28.3%		69.9%	
Percentage of Families	1.0%		22.7%		76.4%	
Percentage of Owner-Occupied	0.3%		20.0%		79.7%	
*Income level of the census tract is based on the 2000 median family income for the assessment area.						

Small business lending. As shown in Table 6, the geographic distribution of small business loans is good. The bank's small business lending in the low- and moderate-income census tracts is lower than the demographic characteristics but is nonetheless reasonable. The bank originated 2.1% and 16.7% of small business loans in the low- and moderate-income census tracts, respectively. The low- and moderate-income tracts contain 9.2% and 24.5% of small businesses in the assessment area, respectively. The bank's lending in the low- and moderate-income census tracts is reasonable because the businesses in these tracts are located near other financial institutions that are more convenient. Overall, the geographic distribution of the bank's small business loans is good.

Table 6						
Distribution of Small Business Loans in the Assessment Area by Census Tract Income Level*						
<i>Loan Type</i>	<i>Low Income</i>		<i>Moderate Income</i>		<i>Middle Income</i>	
	#	\$	#	\$	#	\$
Small Business	2.1%	4.2%	16.7%	13.1%	81.3%	82.7%
Demographic Data						
Percentage of Small Businesses**	9.2%		24.5%		66.3%	
*Income level of the census tract is based on the 2000 median family income for the assessment area. **2009 Dun & Bradstreet business demographic data.						

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA

CRA emphasizes the importance of banks serving the credit needs of the residents and small businesses inside their assessment areas. By extending credit within the assessment areas, banks fulfill the financial needs of the community. This evaluation includes a review of the loans extended inside and outside the bank's assessment area.

The bank's lending in its assessment area is very good. Overall, the bank originated a substantial majority of its loans in the assessment area. Table 7 details the lending activity in the assessment area by loan type.

<i>Loan Category</i>	<i>Inside</i>				<i>Outside</i>			
	<i>#</i>	<i>%</i>	<i>\$(000s)</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>\$(000s)</i>	<i>%</i>
Consumer	60	88.2	703	94.2	8	11.8	44	5.8
Residential Real Estate	51	92.7	5,027	92.4	4	7.3	415	7.6
Small Business	48	96.0	1,906	97.9	2	4.0	42	2.1
Total	159	91.9	7,637	93.8	14	8.1	500	6.2

As the table shows, the bank originates the great majority of its consumer, residential real estate, and small business loans to borrowers in the assessment area. Bank management indicated that it sometimes originates loans outside the assessment area to individuals who have moved from the area but remain bank customers.

Overall, the bank's lending in its assessment area is very good. The bank originates a substantial majority of its consumer, residential real estate, and small business loans within the assessment area.

LOAN-TO-DEPOSIT RATIO ANALYSIS

The general purpose of the CRA is to encourage banks to meet the credit needs in their assessment areas while operating in a safe and sound manner. To gain an understanding of the bank's lending activity, the net loan-to-deposit ratio is reviewed to assess the bank's willingness to meet the area's demand for credit.

The bank's net loan-to-deposit ratio is reasonable given its asset size and financial condition and the credit needs of the assessment area. According to the June 30, 2010, Uniform Bank Performance Report, the bank's net loan-to-deposit ratio is 76.0%. Since the previous evaluation, the bank's quarterly net loan-to-deposit ratio has ranged from 63.8% to 80.0%. The bank's average net loan-to-deposit ratio for the past 16 quarters is 73.7%. The quarterly average at the time of the previous evaluation was 59%. The bank's net loan-to-deposit ratio is not compared to the ratios of other financial institutions in the area because they differ significantly in either asset size or portfolio composition.

The bank's loan-to-deposit ratio compares favorably to the national peer group. The average net loan-to-deposit ratio for the peer group for the same time period is 60.2%. The bank's national peer group includes all insured commercial banks having assets less than \$50 million in a metropolitan statistical area with one full-service office.

Overall, the bank is an active lender in its assessment area, and the net loan-to-deposit ratio is reasonable.

RECORD OF RESPONSE TO CRA-RELATED COMPLAINTS

The bank has not received any CRA-related complaints since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The evaluation did not reveal any evidence of violations of antidiscrimination laws or regulations (Regulation B--Equal Credit Opportunity Act and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

Appendix A

Glossary of Common CRA Terms

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 statistical area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. 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 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 C.F.R. 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 Federal Deposit Insurance Corporation (the Agencies) 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 Agencies 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 meet essential community needs, including the needs of low- and moderate-income individuals.

Consumer loan: A loan to one or more individuals for household, family, or other personal expenditures. It 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 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 data such 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 refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

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 statistical area (MSA): An area, defined by the Office of Management and Budget, based on the concept of a core area with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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 to business: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or classified as commercial and industrial loans.

Small loan to farm: 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 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 geography.

(For additional information, please see the Definitions sections of Regulation BB at 12 C.F.R. 228.12.)