



## **PUBLIC DISCLOSURE**

October 05, 2020

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**AUBURN STATE BANK  
RSSD# 979151**

**1212 J STREET  
AUBURN, NEBRASKA 68305**

**Federal Reserve Bank of Kansas City  
1 Memorial Drive  
Kansas City, Missouri 64198**

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## **INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING**

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

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

## **SCOPE OF EXAMINATION**

The Federal Financial Institutions Examination Council's *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 Nemaha County AA. The following data was reviewed:

- The bank's 16-quarter average NLTD ratio,
- Statistical samples of the bank's small farm, small business, and motor vehicle secured consumer loans, with each product given equal consideration.
  - The sample of small farm loans consisted of 99 loans from a universe of 195 loans originated from January 1, 2019 through December 31, 2019.
  - The sample of small business loans consisted of 78 loans from a universe of 126 loans originated from January 1, 2019 through December 31, 2019.
  - The sample of motor vehicle secured loans consisted of 69 loans from a universe of 105 loans originated from January 1, 2019 through December 31, 2019.

## **DESCRIPTION OF INSTITUTION**

The bank is a community bank headquartered in Auburn, Nebraska. The bank's characteristics include:

- The bank has total assets of \$177.2 million (MM) as of December 31, 2019.
- The bank operates one location in Auburn and two cash-only automated teller machines, both in Auburn. The South Branch, which was also located in Auburn and

acquired in 2016 from the acquisition of Carson National Bank, was closed in June 2018.

- The bank’s primary business focus is agricultural lending.

<b>TABLE 1 COMPOSITION OF LOAN PORTFOLIO AS OF DECEMBER 31, 2019</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Agricultural	53,287	58.6
Residential Real Estate	17,654	19.4
Commercial	17,492	19.2
Consumer	2,246	2.5
Other	233	0.3
Gross Loans	90,912	100.0

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

The bank was rated Satisfactory under the CRA at its April 25, 2016 performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

**DESCRIPTION OF ASSESSMENT AREA**

The bank’s AA is comprised of Nemaha County in its entirety (see Appendix A for an AA map).

- The AA is comprised of one middle- and one upper-income census tract. At the previous evaluation both census tracts were middle-income.
- Based on the June 30, 2019 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank’s AA market share, 58.4 percent, ranks first out of four FDIC-insured institutions operating a total of five offices in the AA.
- To augment the evaluation and ascertain the credit needs of the community, the responsiveness of area banks in meeting those credit needs, and to obtain perspectives on the local economic conditions, one interview was conducted with a member of the community. The community member represented local economic development and agricultural organizations.

<b>TABLE 2 POPULATION CHANGE</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Nemaha County, NE	7,248	7,168	(1.1)
State of Nebraska	1,826,341	1,869,365	2.4

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

- The area is primarily agriculturally dependent and due to the mature nature of the industry, growth prospects are limited. According to the 2017 Census of Agriculture,

there is some consolidation of farm operations as the number of operations has decreased while the average size of farm has increased. Additionally, 96.0 percent of farms are family farms.

- A community member stated that the region was heavily impacted by flooding along the Missouri River in 2019. Significant property loss and land value decline contributed to families moving out of the area.

<b>TABLE 3 MEDIAN FAMILY INCOME CHANGE</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percent Change</b>
Nemaha County, NE	55,385	73,060	31.9
State of Nebraska	61,888	67,225	8.6

*Source: 2006-2010 U.S. Census Bureau: American Community Survey  
2011-2015 U.S. Census Bureau: American Community Survey*

- Median family income has grown significantly and outpaced the statewide figure. The percentage of households in the AA below the poverty level is 8.5 percent, lower than the statewide figure of 12.4 percent.
- Primary agricultural products generated in the AA include corn and soybeans. Census of Agriculture for the county showed that over a five year period, net farm income decreased 24 percent with the average farm receiving \$19,548 in government payments.

<b>TABLE 4 HOUSING COSTS CHANGE</b>						
<b>Area</b>	<b>Median Housing Value</b>		<b>Percent Change</b>	<b>Median Gross Rent</b>		<b>Percent Change</b>
	<b>2010</b>	<b>2015</b>		<b>2010</b>	<b>2015</b>	
Nemaha County, NE	78,200	102,200	30.7	440	583	32.5
State of Nebraska	123,900	133,200	7.5	648	726	12.0

*Source: 2006-2010 U.S. Census Bureau: American Community Survey  
2011-2015 U.S. Census Bureau: American Community Survey*

- The median age of housing stock in the AA is 57 years compared to statewide median of 44 years. Nearly half (44.9 percent) of housing units in the AA were built before 1950.

<b>TABLE 5 UNEMPLOYMENT RATES</b>					
<b>Region</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Nemaha County, NE	3.7	3.6	3.9	3.5	3.7
State of Nebraska	3.0	3.4	2.9	2.9	3.0

*Source: Bureau of Labor Statistics: Local Area Unemployment Statistics*

- A community member stated that due to the flooding in 2019, residents from smaller towns across the state-line in Missouri were unable to travel to Auburn for goods and services due to road damage, resulting in lost business revenue.
- Major industries (employers) in the area include public utility (Nebraska Public Power District), healthcare (Good Samaritan Society), manufacturing (FAST Global Solutions), and education (Auburn Public Schools). The majority of small businesses in the AA are family owned.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

**Net Loan-to-Deposit Ratio**

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, and proximity to the AA. The bank’s NLTD ratio is reasonable. The NLTD ratio is within the range of ratios for six similarly situated banks.

<b>TABLE 6 COMPARATIVE NLTD RATIOS</b>			
<b>Institution</b>	<b>Location</b>	<b>Asset Size (\$000s)</b>	<b>NLTD Ratio (%)</b>
			<b>16-Quarter Average</b>
Auburn State Bank	Auburn, NE	177,191	59.8
Countryside Bank	Unadilla, NE	80,169	66.0
F&M Bank	Falls City, NE	109,374	58.1
First National Bank of Johnson	Johnson, NE	71,334	40.7
Mainstreet Bank	Cook, NE	96,083	70.8
State Bank of Table Rock	Table Rock, NE	95,783	111.8
Tri Valley Bank	Talmage, NE	51,122	100.0

**Assessment Area Concentration**

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. A majority of the bank’s loans, by number and dollar, are originated inside the AA.

<b>TABLE 7 LENDING INSIDE AND OUTSIDE THE AA</b>								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
<b>Small Farm Loans</b>	66	4,973	66.7	57.9	33	3,614	33.3	42.1
<b>Small Business Loans</b>	67	1,457	85.9	43.3	11	1,909	14.1	56.7
<b>Motor Vehicle Secured Loans</b>	52	634	75.4	83.8	17	123	24.6	16.2
<b>Total Loans</b>	<b>185</b>	<b>7,064</b>	<b>75.2</b>	<b>55.6</b>	<b>61</b>	<b>5,646</b>	<b>24.8</b>	<b>44.4</b>

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

**Geographic Distribution of Loans**

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts. The bank’s geographic distribution of loans reflects reasonable dispersion among the different census tracts within the AA.

**Small Farm Lending**

The geographic distribution of small farm lending is reasonable. The bank’s lending was below the percentage of farms in the middle-income census tract and exceeded the demographic figure in the upper-income census tract. Of the bank’s small farm loans in the upper-income census tract, the majority were to repeat borrowers with more than one loan origination during the review period. No significant gaps or lapses in lending were identified in the dispersion of small farm lending.

<b>TABLE 8 DISTRIBUTION OF 2019 SMALL FARM LENDING BY INCOME LEVEL OF GEOGRAPHY</b>					
Census Tract Income Level	Bank Loans				% of Farms
	#	\$(000)	#%	\$%	
<b>Low</b>	0	0	0.0	0.0	0.0
<b>Moderate</b>	0	0	0.0	0.0	0.0
<b>Middle</b>	7	503	10.6	10.1	20.0
<b>Upper</b>	59	4,470	89.4	89.9	80.0
<b>Unknown</b>	0	0	0.0	0.0	0.0
<b>Not Reported</b>	0	0	0.0	0.0	0.0

*Source: 2019 FFIEC Census Data  
2019 Dun & Bradstreet Data  
2011 – 2015 U.S. Census Bureau: American Community Survey*  
*NOTE: Percentages may not add up to 100.0 due to rounding.*

**Small Business Lending**

The geographic distribution of small business lending is reasonable. The bank’s lending was comparable to the percentage of businesses operating in each census tract. No significant gaps or lapses in lending were identified in the dispersion of small business lending.

<b>TABLE 9 DISTRIBUTION OF 2019 SMALL BUSINESS LENDING BY INCOME LEVEL OF GEOGRAPHY</b>					
<b>Census Tract Income Level</b>	<b>Bank Loans</b>				<b>% of Businesses</b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	
<b>Low</b>	0	0	0.0	0.0	0.0
<b>Moderate</b>	0	0	0.0	0.0	0.0
<b>Middle</b>	43	1,063	64.2	73.0	67.3
<b>Upper</b>	24	394	35.8	27.0	32.7
<b>Unknown</b>	0	0	0.0	0.0	0.0
<b>Not Reported</b>	0	0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data  
2019 Dun & Bradstreet Data  
2011 – 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

**Motor Vehicle Secured Lending**

The geographic distribution of motor vehicle secured lending is reasonable. The bank’s lending was comparable to the percentage of households in both the middle- and upper-income census tracts. No significant gaps or lapses in lending were identified in the dispersion of motor vehicle secured lending.

<b>TABLE 10 DISTRIBUTION OF 2019 MOTOR VEHICLE SECURED LENDING BY INCOME LEVEL OF GEOGRAPHY</b>					
<b>Census Tract Income Level</b>	<b>Bank Loans</b>				<b>% of Households</b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	
<b>Low</b>	0	0	0.0	0.0	0.0
<b>Moderate</b>	0	0	0.0	0.0	0.0
<b>Middle</b>	30	352	57.7	55.5	49.3
<b>Upper</b>	22	282	42.3	44.5	50.7
<b>Unknown</b>	0	0	0.0	0.0	0.0
<b>Not Reported</b>	0	0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data  
2011 – 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.



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

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses and farms of different revenue sizes. The bank’s lending has a reasonable penetration among individuals of different income levels and businesses and farms of different sizes.

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank’s lending was comparable to the demographic figure which indicated all farms in the AA had revenue of \$1MM or less. The bank’s lending by loan size showed a significant majority of loans to farms were for loan amounts of \$100,000 or less which indicates the bank’s willingness to lend to smaller farm operations.

<b>TABLE 11 DISTRIBUTION OF 2019 SMALL FARM LENDING BY REVENUE SIZE OF FARMS</b>					
	<b>Bank Loans</b>				<b>Total Farms</b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>%</b>
<b>By Revenue</b>					
\$1 Million or Less	61	4,328	92.4	87.0	100.0
Over \$1 Million	3	615	4.5	12.4	0.0
Not Known	2	30	3.0	0.6	0.0
<b>Total</b>	<b>66</b>	<b>4,973</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
\$100,000 or less	50	1,490	75.8	30.0	
\$100,001 – \$250,000	12	2,093	18.2	42.1	
\$250,001 – \$500,000	4	1,390	6.1	28.0	
<b>Total</b>	<b>66</b>	<b>4,973</b>	<b>100.0</b>	<b>100.0</b>	
<b>By Loan Size and Revenue \$1 Million or Less</b>					
\$100,000 or less	47	1,360	77.0	31.4	
\$100,001 – \$250,000	11	1,843	18.0	42.6	
\$250,001 – \$500,000	3	1,125	4.9	26.0	
<b>Total</b>	<b>61</b>	<b>4,328</b>	<b>100.0</b>	<b>100.0</b>	
<i>Source: 2019 FFIEC Census Data 2019 Dun &amp; Bradstreet Data 2011 – 2015 U.S. Census Bureau: American Community Survey</i>					
<i>NOTE: Percentages may not add up to 100.0 due to rounding.</i>					

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending by number was comparable to the percentage of businesses with gross annual revenues of \$1MM or less. By dollar, the bank’s lending was below the demographic figure but is still considered reasonable. Based on loan size, 100.0 percent of the bank’s small business loans were in the

amount of \$250,000 or less. Small businesses typically do not have the need or capacity to borrow large amounts, thus the bank’s lending in smaller dollar amounts indicates its willingness to meet the credit needs of small businesses in the AA.

<b>TABLE 12 DISTRIBUTION OF 2019 SMALL BUSINESS LENDING BY REVENUE SIZE OF BUSINESSES</b>					
	<b>Bank Loans</b>				<b>Total Businesses</b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>%</b>
<b>By Revenue</b>					
\$1 Million or Less	59	1,008	88.1	69.1	90.2
Over \$1 Million	2	300	3.0	20.6	6.1
Not Known	6	150	9.0	10.3	3.8
<b>Total</b>	<b>67</b>	<b>1,457</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
\$100,000 or less	65	1,122	97.0	77.0	
\$100,001 – \$250,000	2	335	3.0	23.0	
\$250,001 – \$1 Million	0	0	0.0	0.0	
<b>Total</b>	<b>67</b>	<b>1,457</b>	<b>100.0</b>	<b>100.0</b>	
<b>By Loan Size and Revenue \$1 Million or Less</b>					
\$100,000 or less	58	873	98.3	86.6	
\$100,001 – \$250,000	1	135	1.7	13.4	
\$250,001 – \$1 Million	0	0	0.0	0.0	
<b>Total</b>	<b>59</b>	<b>1,008</b>	<b>100.0</b>	<b>100.0</b>	
<i>Source: 2019 FFIEC Census Data 2019 Dun &amp; Bradstreet Data 2011 – 2015 U.S. Census Bureau: American Community Survey</i>					
<i>NOTE: Percentages may not add up to 100.0 due to rounding.</i>					

**Motor Vehicle Secured Lending**

The borrower distribution of motor vehicle secured lending is excellent. The bank’s lending exceeded demographic figures for LMI borrowers in the AA.

**TABLE 13  
DISTRIBUTION OF 2019 MOTOR VEHICLE SECURED LENDING  
BY BORROWER INCOME LEVEL**

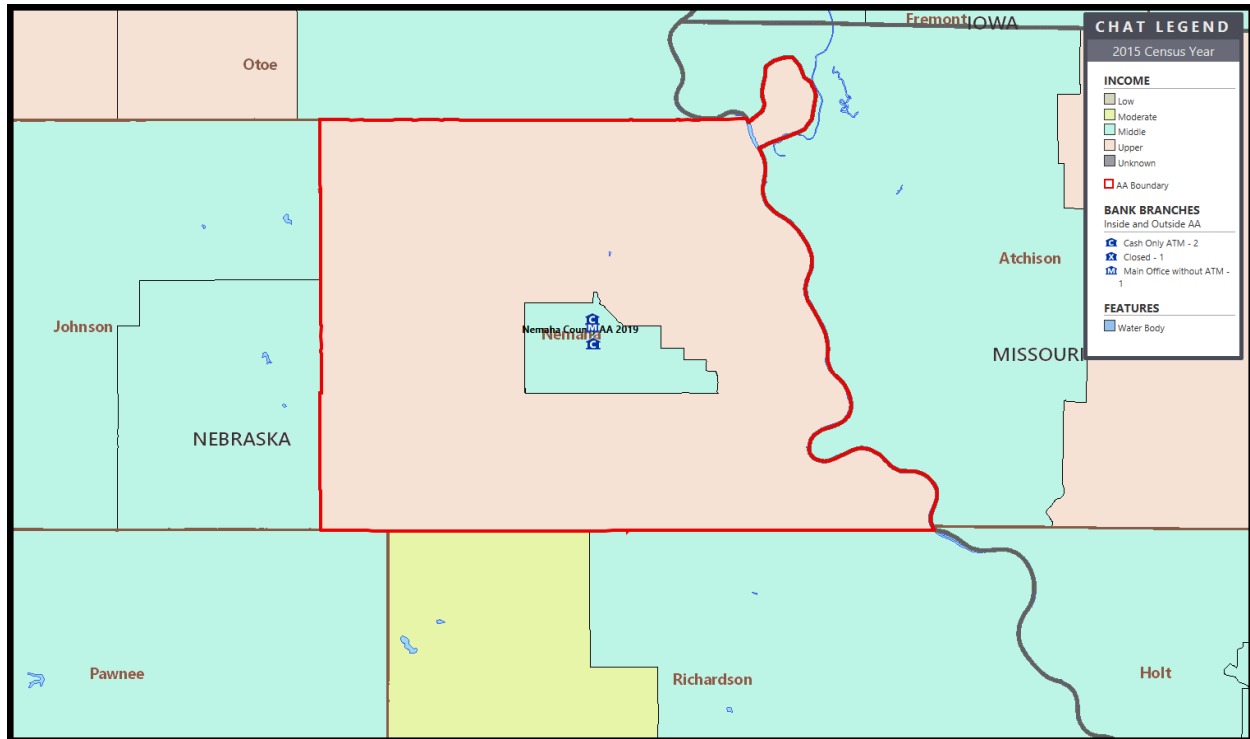
Borrower Income Level	Bank Loans				% of Households
	#	\$(000)	#%	\$%	
<b>Low</b>	18	147	34.6	23.1	21.5
<b>Moderate</b>	19	217	36.5	34.3	17.6
<b>Middle</b>	5	123	9.6	19.5	17.7
<b>Upper</b>	5	80	9.6	12.6	43.2
<b>Unknown</b>	5	67	9.6	10.5	0.0

*Source: 2019 FFIEC Census Data  
2011 – 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.*

**Fair Lending or Other Illegal Credit Practices Review**

An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. 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



**APPENDIX B – DEMOGRAPHIC INFORMATION**

<b>TABLE B-1</b>								
<b>2019 NEMAHA COUNTY AA DEMOGRAPHICS</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families &lt; Poverty Level as % of Families by Tract</b>		<b>Families by Family Income</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Low</b>	0	0.0	0	0.0	0	0.0	256	14.2
<b>Moderate</b>	0	0.0	0	0.0	0	0.0	327	18.1
<b>Middle</b>	1	50.0	925	51.2	35	3.8	350	19.4
<b>Upper</b>	1	50.0	881	48.8	33	3.7	873	48.3
<b>Unknown</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2</b>	<b>100.0</b>	<b>1,806</b>	<b>100.0</b>	<b>68</b>	<b>3.8</b>	<b>1,806</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Type by Tract</b>						
		<b>Owner-occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		<b>#</b>	<b>% by tract</b>	<b>% by unit</b>	<b>#</b>	<b>% by unit</b>	<b>#</b>	<b>% by unit</b>
<b>Low</b>	0	0	0.0	0.0	0	0.0	0	0.0
<b>Moderate</b>	0	0	0.0	0.0	0	0.0	0	0.0
<b>Middle</b>	1,790	898	43.9	50.2	521	29.1	371	20.7
<b>Upper</b>	1,708	1,146	56.1	67.1	312	18.3	250	14.6
<b>Unknown</b>	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,498</b>	<b>2,044</b>	<b>100.0</b>	<b>58.4</b>	<b>833</b>	<b>23.8</b>	<b>621</b>	<b>17.8</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
<b>Low</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Moderate</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Middle</b>	233	67.3	213	68.3	15	71.4	5	38.5
<b>Upper</b>	113	32.7	99	31.7	6	28.6	8	61.5
<b>Unknown</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>346</b>	<b>100.0</b>	<b>312</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>90.2</b>		<b>6.1</b>		<b>3.8</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
<b>Low</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Moderate</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Middle</b>	16	20.0	16	20.0	0	0.0	0	0.0
<b>Upper</b>	64	80.0	64	80.0	0	0.0	0	0.0
<b>Unknown</b>	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>80</b>	<b>100.0</b>	<b>80</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>
<p>Source: 2019 FFIEC Census Data                  2019 Dun &amp; Bradstreet Data                  2011 – 2015 U.S. Census Bureau: American Community Survey                  NOTE: Percentages may not add up to 100.0 due to rounding.</p>								

## APPENDIX C – GLOSSARY

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

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

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

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, 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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Small loan(s) to farm(s):** A loan included in 'loans to small farms' as defined in the 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.