PUBLIC DISCLOSURE

December 5, 2022

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

First Bank of Beloit
RSSD# 1011553

101 East Main Street
Beloit, Kansas 67420

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

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

First Bank of Beloit (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 geographic distribution was not evaluated as the bank's delineated AA contains only two middle-income census tracts.
- Lending reflects an overall excellent distribution 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 (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for the most recent three years (2018, 2019, and 2020) was referenced for additional perspective to gauge credit demand within the bank's AA. Lending performance was assessed within the bank's only AA. Examiners reviewed the following data:

- The bank's 18-quarter average NLTD ratio.
- A statistical sample of 49 home mortgage loans from a universe of 65 loans originated between February 6, 2018 and December 31, 2021.
- A statistical sample of 112 small business loans from a universe of 249 loans originated between January 1, 2021 and December 31, 2021.
- A statistical sample of 46 small farm loans from a universe of 59 loans originated between January 1, 2021 and December 31, 2021.

More weight was placed on small farm loans in this analysis due to the composition of the bank's loan portfolio.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Beloit, Kansas. The bank's characteristics include:

- The bank is a wholly owned subsidiary of First National Bankshares of Beloit, Inc., a one-bank holding company also located in Beloit.
- In addition to the bank, the holding company owns 100.0 percent of First Loan Company, Beloit, Kansas, a non-bank subsidiary that engages in consumer lending activity.
- The bank has total assets of $103.8 million (MM) as of June 30, 2022.
- The bank operates one full-service location in Beloit, Kansas.
- One cash-only automated teller machine is located at the bank's office.
- As shown in Table 1, the bank's primary business focus is agricultural, commercial, and residential real estate lending

Table 1

Composition of Loan Portfolio as of June 30, 2022		
Loan Type	$(000)	%
Construction and Land Development	0	0.0
Farmland	15,353	29.7
1-4 Family Residential Real Estate	15,730	30.4
Multifamily Residential Real Estate	425	0.8
Non-Farm Non-Residential Real Estate	2,185	4.2
Agricultural	9,884	19.1
Commercial and Industrial	6,325	12.2
Consumer	1,726	3.3
Other	73	0.1
Gross Loans	**51,701**	**100.0**
Note: Percentages may not total 100.0 percent due to rounding.		

The bank was rated Satisfactory under the CRA at its February 5, 2018 performance evaluation, conducted by the Office of the Comptroller of the Currency. 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 Mitchell County Kansas AA consists of Mitchell County in its entirety (see Appendix A for an AA map and Appendix B for additional demographic data).

- The delineation of the AA has not changed since the prior evaluation.
- The AA consists of two middle-income census tracts.

- Based on the June 30, 2022 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks 2nd out of five FDIC-insured depository institutions operating in its AA, with a 26.7 percent deposit market share.
- To further augment the CRA performance evaluation, two recently conducted interviews with members of the community within the bank's AA were reviewed to ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and current economic conditions. One community member represented an organization focused on economic development and the other represented an agricultural services agency.

Table 2

Population Change			
Assessment Area: Mitchell County Kansas			
Area	2010 Population	2015 Population	Percent Change
Mitchell County Kansas	6,373	6,296	(1.2)
NonMSA Kansas	929,981	922,403	(0.8)
Kansas	2,853,118	2,892,987	1.4
Source: 2010 U.S. Census Bureau: Decennial Census			
2011-2015 U.S. Census Bureau: American Community Survey			

- According to 2020 U.S. Census Bureau data, the AA's population decreased approximately 7.9 percent between 2015 and 2020, reflecting a population figure of 5,796.
- At 22.4 percent, the proportion of the AA population age 65 and older is greater than the statewide figure of 14.0 percent.
- A local community member noted a primary goal of the county was to attract young professionals who grew up in the area and moved away to return, helping to supplement the area workforce that is aging..

Table 3

Median Family Income Change			
Assessment Area: Mitchell County Kansas			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Mitchell County Kansas	59,350	65,188	9.8
NonMSA Kansas	57,322	57,229	(0.2)
Kansas	67,977	66,389	(2.3)
Source: 2006-2010 U.S. Census Bureau: American Community Survey			
2011-2015 U.S. Census Bureau: American Community Survey			
Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.			

- At 5.3 percent, the concentration of families below the poverty level is below the statewide figure at 9.1 percent and below other non-metropolitan areas at 10.2 percent.

Table 4

	Cost Burden - Renters			Cost Burden - Owners		
Area	**Low Income**	**Moderate Income**	**All Renters**	**Low Income**	**Moderate Income**	**All Owners**
Mitchell County Kansas	55.8	26.5	30.2	55.6	24.7	17.4
NonMSA Kansas	67.5	29.3	34.1	56.8	24.9	15.6
Kansas	74.7	35.9	38.8	61.9	29.8	16.3

Housing Cost Burden — Assessment Area: Mitchell County Kansas

Cost Burden is housing cost that equals 30 percent or more of household income
Source:　U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy

- Although the AA median housing value of $89,000 is well below the statewide figure of $132,000, it is comparable to other non-metropolitan areas at $88,625.
- The median age of housing stock in the AA is 62 years, which is significantly older than the statewide figure at 43 years, but closer to other non-metropolitan areas at 54 years.
- The percent of vacant homes in the AA is elevated at 18.3 percent, which is above the statewide and other non-metropolitan figures of 10.5 percent and 14.2 percent, respectively.
- A local community member noted many homes were sold during the first six months of the pandemic as residents changed houses or people moved to the area. The contact described the housing market as being more favorable to sellers. Additionally, there are local programs encouraging the construction of new homes in the area to increase and improve housing, with the aim of attracting more people in the 30-40 age group.

Table 5

Area	**2017**	**2018**	**2019**	**2020**	**2021**
Mitchell County Kansas	2.7	2.2	2.3	2.5	2.0
NonMSA Kansas	3.5	3.1	3.0	4.4	2.7
Kansas	3.6	3.3	3.1	5.7	3.2

Unemployment Rates — Assessment Area: Mitchell County Kansas

Source:　Bureau of Labor Statistics: Local Area Unemployment Statistics

- Major industries in the AA are health care & social assistance, educational services, retail trade, and agriculture, forestry, fishing and hunting.
- The AA's largest employers include AgMark, Beloit Medical Center, Carrico Implement, Farmway Coop, Great Plains Manufacturing, Hilltop Lodge Retirement Community, ICON Manufacturing, Mitchell County Hospital Health Systems, NCK Technical College, OCCK Beloit Regional Office, and Sunflower Manufacturing (Division of AGCO).

- A local community member stated that small businesses in the area are struggling to find employees and as a result, many have been forced to restructure their hours and days of operations due to these shortages.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall lending test performance is Satisfactory. Lending data from multiple years was considered for the home mortgage loan analysis and was compiled, reviewed, and analyzed as a whole. However, lending data is displayed separately for 2020 and 2021 of the review periods in the home mortgage lending tables (see Appendix B for the 2018 and 2019 lending data tables). The aggregate bank lending over the four-year period was used in the analysis and is included in the written conclusions. Additionally, more consideration was given to the volume of loan originations than the dollar amount, as this represents the number of individuals or entities served. Furthermore, in determining the overall lending test rating, more weight was placed on lending to farms of different sizes.

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, loan portfolio composition, market conditions, and geographic location.

The bank's NLTD ratio is reasonable. The bank's 18-quarter NLTD average at 60.4 percent is within the range of other similarly situated banks whose NLTD ratios ranged from 48.4 percent to 78.1 percent.

Table 6

Comparative NLTD Ratios March 31, 2018 – June 30, 2022			
			NLTD Ratio (%)
Institution	**Location**	**Asset Size $(000)**	**18 Quarter Average**
First Bank of Beloit	Beloit, Kansas	103,757	60.4
Similarly Situated Institutions			
Wilson State Bank	Wilson, Kansas	120,054	78.1
Southwind Bank	Natoma, Kansas	175,775	50.4
Elk State Bank	Clyde, Kansas	119,077	71.7
State Exchange Bank	Mankato, Kansas	43,673	48.4

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of loans, by number and dollar, inside the AA.

Table 7

Loan Type	Inside				Outside			
	#	#%	$(000)	$%	#	#%	$(000)	$%
Residential Loans	39	79.6	4,703	75.0	10	20.4	1,571	25.0
Small Business	87	77.7	2,045	58.3	25	22.3	1,465	41.7
Small Farm	32	69.6	4,413	67.6	14	30.4	2,113	32.4
Total Loans	**158**	**76.3**	**11,160**	**68.4**	**49**	**23.7**	**5,149**	**31.6**

Note: Percentages may not total 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 with consideration given to the dispersion of loans throughout the AA.

However, the bank's Mitchell County Kansas AA consists of only two middle-income tracts. Since census tracts of varying income levels are not present in the AA, the geographic distribution and loan dispersion analyses were not evaluated.

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. Given the greater weight given to the bank's small farm lending performance, the bank's overall lending has an excellent distribution among individuals of different income levels and businesses and farms of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. Lending to low-income borrowers was below the percentage of families in the AA (demographic figure), while lending to moderate-income borrowers was comparable to the demographic figure.

Although the bank's lending performance to low-income borrowers fell below the demographic comparator, additional performance context was considered. While the bank does not report Home Mortgage Disclosure Act (HMDA) data, a review of the most recent three-year average of HMDA aggregate lending data, reported by institutions

operating in the AA from 2018 to 2020, was conducted. This data indicated lending to low-income borrowers was at 8.6 percent by number volume, which was below the bank's performance at 10.3 percent. Although aggregate data is not a direct comparator in evaluating the bank's performance, this data reflects the overall limited demand for home mortgage loans by low-income borrowers in the AA, which supports the bank's reasonable lending performance.

Table 8

Borrower Income Level	Bank Loans By Year								Families by Family Income %
	2020				2021				
	#	#%	$(000)	$%	#	#%	$(000)	$%	
Low	3	33.3	318	28.2	1	10.0	102	12.2	16.2
Moderate	0	0.0	0	0.0	1	10.0	157	18.7	15.5
Middle	1	11.1	60	5.3	3	30.0	210	25.0	20.8
Upper	5	55.6	751	66.5	5	50.0	370	44.1	47.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Total	9	100.0	1,129	100.0	10	100.0	839	100.0	100.0

Distribution of 2020 and 2021 Residential Lending By Borrower Income Level
Assessment Area: Mitchell County Kansas

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The borrower distribution of small business lending is excellent. The bank's lending to businesses with gross annual revenues of $1 million (MM) or less was comparable to the percentage of businesses in the AA (demographic figure). Additionally, 95.4 percent of small business loans were made in amounts of $100,000 or less, which demonstrates the bank's willingness to meet smaller credit demands typically associated with small businesses. Furthermore, while the bank does not report CRA data, a three-year analysis of aggregate lending data from 2018 to 2020, filed by all CRA data reporters in the AA, was utilized to gauge credit demand of businesses with revenues of $1MM or less. The analysis indicated an average lending distribution of 37.5 percent by number, which was below the bank's performance of 77.0 percent by number. While aggregate CRA data is not a direct comparator in evaluating the bank's performance, this data reflects overall limited demand for small business lending in the AA, which further supports the conclusion that the bank's small business lending performance is excellent.

Table 9

Distribution of 2021 Small Business Lending By Revenue Size of Businesses Assessment Area: Mitchell County Kansas					
	Bank Loans				**Total**
	#	**#%**	**$(000)**	**$%**	**Businesses**
By Revenue					
$1 Million or Less	67	77.0	1,021	49.9	85.8
Over $1 Million	6	6.9	378	18.5	8.9
Revenue Unknown	14	16.1	646	31.6	5.3
Total	87	100.0	2,045	100.0	100.0
By Loan Size					
$100,000 or Less	83	95.4	1,363	66.7	
$100,001 - $250,000	4	4.6	682	33.3	
$250,001 - $1 Million	0	0.0	0	0.0	
Total	87	100.0	2,045	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	66	98.5	896	87.8	
$100,001 - $250,000	1	1.5	125	12.2	
$250,001 - $1 Million	0	0.0	0	0.0	
Total	67	100.0	1,021	100.0	
Source: 2021 FFIEC Census Data *2021 Dun & Bradstreet Data* *2011-2015 U.S. Census Bureau: American Community Survey* *Note: Percentages may not total 100.0 percent due to rounding.*					

Small Farm Lending

The borrower distribution of small farm lending is excellent. The bank's lending to small farms with gross annual revenues of $1MM or less was comparable to the demographic figure.

Similar to the small business lending section noted above, a three-year analysis of aggregate lending data from 2018 to 2020 filed by all CRA data reporters was utilized to gauge credit demand of farms with revenues of $1MM or less. The analysis indicated an average lending distribution of 52.2 percent by number of loans, which was below the bank's performance of 90.6 percent. Again, while aggregate CRA data is not a direct comparator in evaluating the bank's performance, this data reflects the overall limited demand for small farm lending in the AA, which further supports the conclusion that the bank's small farm lending performance is excellent.
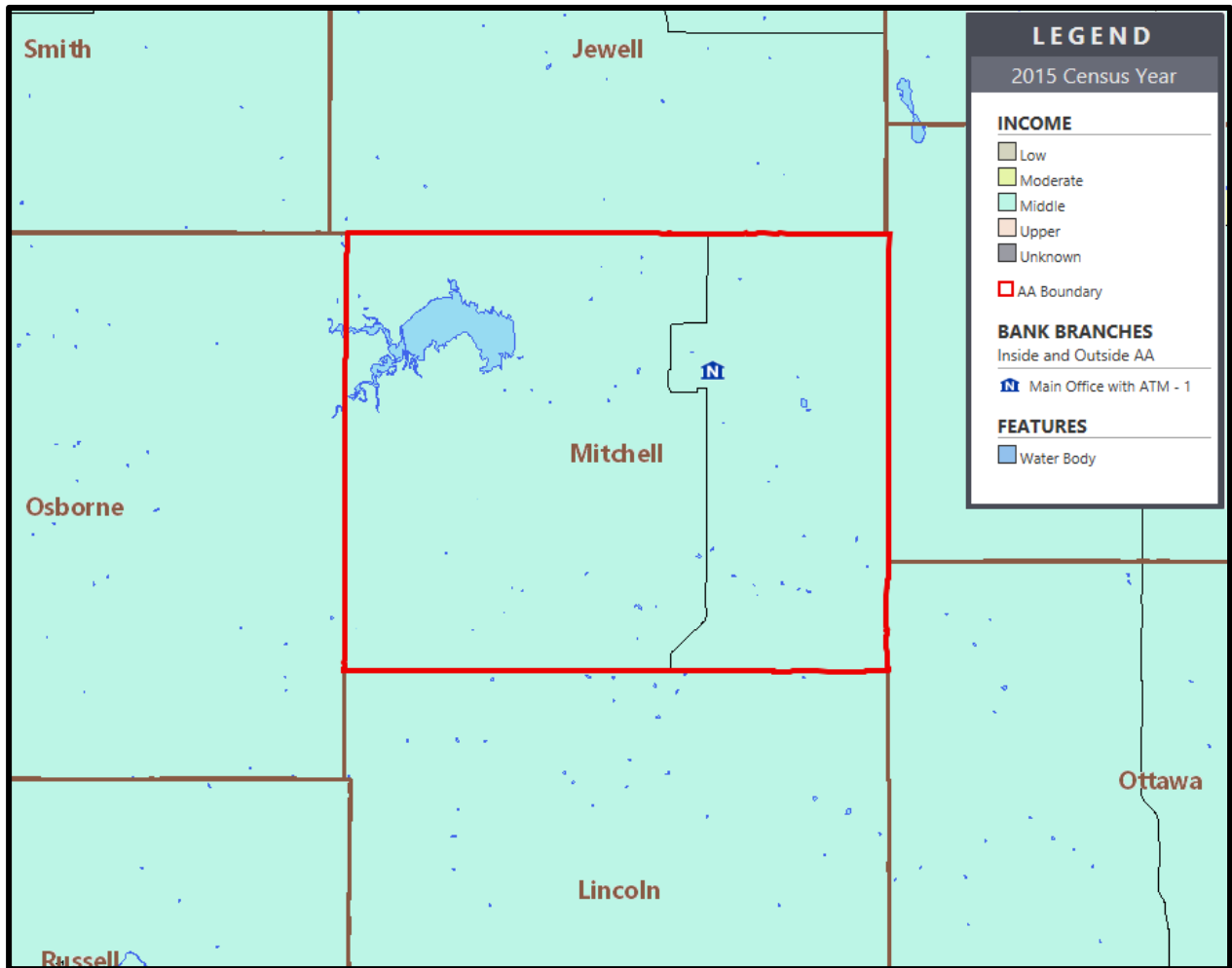
Table 10

Distribution of 2021 Small Farm Lending By Revenue Size of Farms Assessment Area: Mitchell County Kansas					
	Bank Loans				Total Farms
	#	#%	$(000)	$%	%
By Revenue					
$1 Million or Less	29	90.6	3,963	89.8	96.7
Over $1 Million	1	3.1	400	9.1	3.3
Revenue Unknown	2	6.3	50	1.1	0.0
Total	32	100.0	4,413	100.0	100.0
By Loan Size					
$100,000 or Less	16	50.0	816	18.5	
$100,001 - $250,000	10	31.3	1,720	39.0	
$250,001 - $500,000	6	18.8	1,877	42.5	
Total	32	100.0	4,413	100.0	
By Loan Size and Revenues $1 Million or Less					
$100,000 or Less	14	48.3	766	19.3	
$100,001 - $250,000	10	34.5	1,720	43.4	
$250,001 - $500,000	5	17.2	1,477	37.3	
Total	29	100.0	3,963	100.0	
Source: 2021 FFIEC Census Data					
2021 Dun & Bradstreet Data					
2011-2015 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDIX A – MAP OF THE ASSESSMENT AREA

APPENDIX B – ADDITIONAL LENDING TABLES

Table B-1

Borrower Income Level	Bank Loans By Year								Families by Family Income %
	2018				2019				
	#	#%	$(000)	$%	#	#%	$(000)	$%	
Distribution of 2018 and 2019 Residential Lending By Borrower Income Level									
Assessment Area: Mitchell County Kansas									
Low	0	0.0	0	0.0	0	0.0	0	0.0	16.2
Moderate	2	20.0	136	12.4	3	30.0	680	41.6	15.5
Middle	4	40.0	440	40.0	5	50.0	556	34.0	20.8
Upper	4	40.0	524	47.6	2	20.0	401	24.5	47.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Total	10	100.0	1,100	100.0	10	100.0	1,636	100.0	100.0

Source: 2019 FFIEC Census Data

2011-2015 U.S. Census Bureau: American Community Survey

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

APPENDIX C – DEMOGRAPHIC INFORMATION

Table C-1

2019 - 2021 Mitchell County Kansas AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	278	16.2
Moderate	0	0.0	0	0.0	0	0.0	266	15.5
Middle	2	100.0	1,714	100.0	90	5.3	357	20.8
Upper	0	0.0	0	0.0	0	0.0	813	47.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2	100.0	1,714	100.0	90	5.3	1,714	100.0

	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	3,290	1,950	100.0	59.3	737	22.4	603	18.3
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	3,290	1,950	100.0	59.3	737	22.4	603	18.3

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	395	100.0	339	100.0	35	100.0	21	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	395	100.0	339	100.0	35	100.0	21	100.0
Percentage of Total Businesses:				85.8		8.9		5.3

	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	90	100.0	87	100.0	3	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	90	100.0	87	100.0	3	100.0	0	0.0
Percentage of Total Farms:				96.7		3.3		0.0

Source: 2019-2021 FFIEC Census Data
          2021 Dun & Bradstreet Data
          2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-2

2018 Mitchell County Kansas AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	276	16.1
Moderate	0	0.0	0	0.0	0	0.0	264	15.4
Middle	2	100.0	1,714	100.0	90	5.3	354	20.7
Upper	0	0.0	0	0.0	0	0.0	820	47.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2	100.0	1,714	100.0	90	5.3	1,714	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	3,290	1,950	100.0	59.3	737	22.4	603	18.3
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	3,290	1,950	100.0	59.3	737	22.4	603	18.3

Source: 2018 FFIEC Census Data
          2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

APPENDIX D – GLOSSARY

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

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

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

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

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

Full-scope review: Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

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

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

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

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

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

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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

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

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