

PUBLIC DISCLOSURE

June 2, 2014

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Logan Bank & Trust Company
164331

43 Washington Ave.
Logan, WV 25601

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

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

TABLE OF CONTENTS

Institution Rating	
Institution's CRA Rating	1
Summary of Major Factors Supporting Rating.....	1
Institution	
Scope of Examination	1
Description of Institution	1
Conclusions With Respect to Performance Criteria	2
Nonmetropolitan Areas (reviewed using full-scope review)	
Description of Institution's Operations in the Logan, WV NonMSA Assessment Area.....	4
Conclusions with Respect to Performance Criteria	6
Metropolitan Areas (reviewed without full-scope review)	
Description of Operations in the Charleston, WV MSA Assessment Area.....	8
Conclusions with Respect to Performance Criteria	8
CRA Appendices	
CRA Appendix A: Limited Review Tables	9
CRA Appendix B: Loan, Branch, and Deposit Volume by Assessment Area	11
CRA Appendix C: Glossary.....	12

INSTITUTION RATING

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

The major factors supporting this rating include:

- The bank's loan-to deposit ratio is considered less than reasonable in relation to the demand for credit in the combined assessment areas.
- A substantial majority of the institution's Home Mortgage Disclosure Act (HMDA) and consumer motor vehicle secured loans were originated within the bank's assessment areas.
- The bank's lending to borrowers of different income levels (borrower distribution performance) is considered reasonable.
- The bank's lending in census tracts having different income designations was not evaluated since all of the census tracts in the full scope assessment area (Logan County nonmetropolitan assessment area) are classified as middle-income.
- The institution has not received any complaints regarding its CRA performance since the previous evaluation.

SCOPE OF EXAMINATION

Logan Bank & Trust Company (LBT) was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with these procedures, HMDA loans reported by the bank during 2012 and 2013 were reviewed. Additionally, consumer motor vehicle secured lending is a primary product line and was considered in the evaluation. As such, the analysis also includes all such loans (166) originated by the bank during 2012.

Due to its relative size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied to the Logan, WV nonmetropolitan statistical area (NonMSA) assessment area. The bank's overall rating is based on performance in this single full-scope assessment area. The remaining assessment area was subject to the limited review procedures provided for by the FFIEC. For the limited review assessment area, a determination was made as to whether the performance was consistent with the assigned overall rating. **Appendix B** includes information detailing the lending volume, branch locations, and deposit volume by assessment area.

DESCRIPTION OF INSTITUTION

LBT is headquartered in Logan, West Virginia, and operates five full service branches in the counties of Logan and Lincoln West, Virginia. The bank is a wholly-owned subsidiary of Logan County Bancshares Incorporated, a single-bank holding company, also headquartered in Logan, West Virginia. This evaluation considers only the activities of the bank during the review period. The bank serves two assessment areas, one of which is located in a metropolitan statistical area (MSA), and the other of which is located in a nonmetropolitan area of West Virginia. The following table reflects the current composition of the bank's assessment areas.

Assessment Areas	County/City	State	Census Tracts
Logan, WV NonMSA	Logan County	WV	All
Charleston, WV MSA	Lincoln County	WV	All

The bank has not closed or opened any branches since its previous evaluation. The bank received a Satisfactory rating at its prior CRA evaluation dated June 7, 2010. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As of March 31, 2014, LBT held assets totaling \$268.8 million, of which 34.6% were net loans and 44.2 % were securities. As of the same date, deposits totaled \$246.2 million. Various deposit and loan products are available through the institution including loans for residential mortgage, business, and consumer purposes. The composition of the loan portfolio (reflecting gross loans) as of March 31, 2014, is represented in the following table:

Composition of Loan Portfolio

Loan Type	3/31/2014	
	\$(000s)	%
Secured by 1-4 Family dwellings	56,213	59.7
Multifamily	0	0.0
Construction and Development	223	0.2
Commercial & Industrial/ NonFarm NonResidential	28,220	30.0
Consumer Loans and Credit Cards	9,440	10.0
Agricultural Loans/ Farmland	0	0.0
All Other	33	0.0
Total	94,129	100.0

As reflected in the preceding table, the bank's existing loan portfolio is primarily concentrated in loans secured by residential real estate. This is consistent with the number of new loans recently extended by the bank, and consequently led to the selection of HMDA loans for consideration in the evaluation. Although commercial and industrial loans comprise the second largest proportion of the loan portfolio by dollar volume, the actual number of such loans recently extended is relatively small in comparison to the number of recently originated consumer loans. Consequently, consumer loans, specifically motor vehicle secured loans, were also considered in the evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

An analysis of lending during the review period is discussed in greater detail in subsequent sections of this evaluation. When evaluating the bank's performance, relevant area demographic data from the 2010 census are used as proxies for demand. Aggregate HMDA data from 2012 is utilized when evaluating the bank's HMDA lending performance during 2012. Aggregate HMDA lending data from 2013 cannot be considered in this evaluation because the data is currently not available.

While LBT's HMDA loan data from calendar years 2012 and 2013 were fully analyzed and considered in the evaluation, bank and aggregate data from only 2012 are reflected in the assessment area analysis tables. In instances where the bank's 2013 HMDA performance varies significantly from its performance during 2012, such variance and the corresponding impact on the overall performance are discussed.

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

Overall, the bank’s performance is rated Satisfactory. This rating considers the bank’s loan-to-deposit ratio, level of lending in its assessment areas, and borrower lending distribution performance. Geographic lending distribution performance was not considered because all census tracts in the full scope assessment area have the same income level. Each of these components is discussed in the following sections.

Loan-To-Deposit Ratio

LBT’s current loan-to-deposit ratio equals 37.7% and averaged 45.4% for the 16-quarter period ending March 31, 2014. When considering the average and current ratio for the bank, LBT exhibits a decreasing trend over the 16-quarter period. For banks headquartered in nonmetropolitan areas of West Virginia with similar asset sizes, the loan-to-deposit ratio from June 30, 2010, to March 31, 2014, ranged from 64.6% to 77.9% and averaged 71.4%. During March 2014, the loan-to-deposit ratio for similarly sized banks equaled 69.8%. Since March 31, 2010, assets and deposits have increased by 14.1% and 15.7 % respectively, while net loans have decreased by 11.5%.

Market conditions within the bank’s primary market are significantly depressed as evidenced by high unemployment rates and by the designation of all census tracts within Logan County as distressed due to high rates of poverty. Nonetheless, lending trends, as measured by loan-to-deposit ratios of other banks headquartered in neighboring counties, were also evaluated and indicate higher current lending levels and increasing trends. When considering the bank’s decreasing lending trend and performance context factors, LBT’s loan-to-deposit ratio is considered less than reasonable given its size, financial condition, market conditions, and local credit needs.

Lending in Assessment Areas

To determine the institution’s volume of lending within its assessment areas, the geographic location of the bank’s HMDA lending during 2012 and 2013 and all of its consumer motor vehicle secured lending during 2012 was considered. The lending distribution is represented in the following table for the combined assessment areas.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	111	84.7	8,537	80.4	20	15.3	2,083	19.6
Home Improvement	53	76.8	2,988	83.0	16	23.2	610	17.0
Refinancing	109	85.2	7,887	83.9	19	14.8	1,511	16.1
Multi-Family Housing	4	100.0	492	100.0	0	0.0	0	0.0
Total HMDA related	277	83.4	19,904	82.6	55	16.6	4,204	17.4
Consumer Loans	138	83.1	1,469	84.3	28	16.9	273	15.7
TOTAL LOANS	415	83.3	21,373	82.7	83	16.7	4,477	17.3

As indicated in the preceding table, a substantial majority of both the number and dollar amount of HMDA and consumer motor vehicle secured loans were extended to residents of the bank’s assessment areas. Overall, the institution’s level of lending within its assessment areas is considered highly responsive to community credit needs.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

NONMETROPOLITAN AREA

(If some or all of the assessment areas within the nonmetropolitan statewide area were reviewed using full-scope review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LOGAN, WV NONMSA ASSESSMENT AREA

The bank operates four full-service branches in the assessment area, and as of June 30, 2013, the bank ranked first out of seven institutions in local deposit market share with 39.1% of the assessment area's FDIC insured deposits. As indicated in the following table, nine census tracts comprise the assessment area, of which all are middle-income. Additionally, all census tracts in the Logan County Non MSA are considered distressed due to high poverty levels.

Based on 2010 census data, the assessment area has a population of 36,743 and a median housing value of \$79,731. The owner-occupancy rate for the assessment area equals 63.7%, which is slightly above the State of West Virginia's rate of 62.9% and the rate for nonmetropolitan areas of West Virginia (62.2%). The overall family poverty rate of the assessment area (17.6%) exceeds the state's rate (12.8%) and the rate for nonmetropolitan areas of West Virginia (14.9%). The 2012 and 2013 median family incomes for nonmetropolitan assessment areas of West Virginia equaled \$45,400 and \$46,100, respectively. The following table provides pertinent demographic data for the assessment area.

Assessment Area Demographics

Logan, WV NonMSA (Based on 2010 ACS Boundaries, and 2013 D&B information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,374	22.6
Moderate	0	0.0	0	0.0	0	0.0	1,683	16.0
Middle	9	100.0	10,514	100.0	1,851	17.6	2,375	22.6
Upper	0	0.0	0	0.0	0	0.0	4,082	38.8
NA	0	0.0	0	0.0	0	0.0		
Total	9	100.0	10,514	100.0	1,851	17.6	10,514	100.0
	Owner Occupied Units by Tract		Households					
	#	%	HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,505	23.8
Moderate	0	0.0	0	0.0	0	0.0	2,289	15.5
Middle	10,725	100.0	14,740	100.0	3,105	21.1	2,661	18.1
Upper	0	0.0	0	0.0	0	0.0	6,285	42.6
NA	0	0.0	0	0.0	0	0.0		
Total	10,725	100.0	14,740	100.0	3,105	21.1	14,740	100.0
	Total Businesses by Tract		Businesses by Tract and 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	1,021	100.0	892	100.0	73	100.0	56	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	1,021	100.0	892	100.0	73	100.0	56	100.0
Percentage of Total Businesses:				87.4		7.1		5.5

*NA-Tracts without household or family income as applicable

The assessment area is primarily rural and located approximately 50 miles southwest of Charleston, WV. The local economy is heavily dependent on the coal industry, and though access to fossil fuel commodities would suggest opportunities for improvement in the area's economy, the unemployment level remains high. In addition to multiple coal companies, major area employers include the Logan County Board of Education, Logan General Hospital, Wal-Mart, and Southern West Virginia Community College. Unemployment rates as of March of each year dating back to 2010 are presented in the following table.

Unemployment Rate Trend					
Geographic Area	March	March	March	March	March
	2010	2011	2012	2013	2014
Logan County	9.9%	8.2%	7.8%	9%	10%
West Virginia	9.2%	8.6%	7.5%	7.1%	6.9%

As indicated in the table, the unemployment rate in Logan County significantly exceeds the unemployment rate for West Virginia, and the county’s rate has recently shown an increasing trend after declining for several consecutive years. The recent increase in unemployment in Logan County, when compared with the declining rate for West Virginia, is indicative of a comparatively weak local economy.

A community development official was contacted during the evaluation to discuss local economic conditions and community credit needs. The contact stated that the greatest community development need is affordable housing units because the county’s current affordable housing stock is extremely dilapidated. The contact opined that there is a large stock of land that was formerly used for coal mining that could now be used in the development of new affordable housing. Access to the properties will be improved by a new four-lane road the county is currently building which will replace the current road which is ranked as one of the most dangerous roads in the country. However, the contact acknowledged that the largest barrier to developing these properties, besides financing, is providing power and water to these areas. It was the opinion of the contact that, overall, local financial institutions, particularly LBT, are supportive of local community needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

During 2012, the bank originated a total of \$10.2 million in HMDA loans and \$1.3 million in consumer motor vehicle secured loans within the assessment area. Accordingly, the bank’s HMDA lending performance is given more weight than the consumer performance when evaluating the bank’s overall lending performance.

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

The bank’s HMDA loan borrower distribution performance is reasonable, while its consumer loan performance is excellent. Because of the larger dollar volume of HMDA lending within the assessment area, its performance is given greater weight, and the bank’s overall level of performance is considered reasonable.

Distribution of HMDA Loans by Income Level of Borrower

Logan, WV NonMSA (2012)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	5	3.9	188	2.0	14	3.2	619	1.5
Moderate	16	12.4	512	5.4	53	12.3	2,770	6.7
Middle	37	28.7	2,064	21.9	102	23.6	7,996	19.4
Upper	71	55.0	6,671	70.7	263	60.9	29,860	72.4
Total	129	100.0	9,435	100.0	432	100.0	41,245	100.0
Unknown	7		718		24		2,793	

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

While the bank’s lending during 2012 to low-income borrowers (3.9%) lagged the percentage of low-income families in the assessment area (22.6%), it slightly exceeded the aggregate reporter lending level (3.2%). Similarly, bank lending to moderate-income borrowers (12.4%) lagged the percentage of moderate-income families (16%) in the area, but was nearly equal to the aggregate reporter lending level (12.3%). The bank’s performance during 2012 is considered reasonable.

During 2013, LBT originated 129 HMDA loans totaling \$8.8 million. Bank lending to low-income borrowers (9.3%) significantly exceeded the 2012 lending level, while lending to moderate-income borrowers (13.2%) was comparable to the 2012 level of lending. When considering relevant demographic data and other contextual factors, the bank’s performance in 2013 is considered excellent and is driven by the bank’s strong lending to low-income borrowers.

On a combined basis, the bank’s HMDA borrower distribution is considered reasonable. The conclusion is driven by greater weight given to the bank’s 2012 performance because of a slightly larger dollar volume of lending originated during that year.

Distribution of Consumer Loans by Income Level of Borrower

Logan, WV NonMSA (2012)				
Income Categories	Consumer Loans			
	#	%	\$(000s)	% \$
Low	34	26.8	200	15.1
Moderate	27	21.3	260	19.6
Middle	27	21.3	324	24.4
Upper	39	30.7	543	40.9
Total	127	100.1	1,327	100.0
Unknown	3		19	

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

The bank’s level of consumer lending to low-income borrowers (26.8%) slightly exceeded the percentage of low-income households (23.8%) in the assessment area, and its lending to moderate-income borrowers (21.3%) significantly exceeded the percentage of such households (15.5%) in the assessment area. The poverty rate within the assessment area is considered as an element of the bank’s performance context. According to census data from 2010, 21.1% of area households are below the poverty level. Because of the proportion of impoverished residents within the assessment area, the demographic data, especially in the case of low-income households, may somewhat overstate the level of viable loan demand. Given its level of lending to low- and moderate-income borrowers, and accounting for performance context factors, the bank’s consumer lending performance is considered excellent.

Geographic Distribution of Loans

Since the assessment area contains only middle-income census tracts, a conclusion regarding the overall geographic distribution of the bank’s lending is not made and had no impact on the assigned rating.

METROPOLITAN AREAS

(For each metropolitan area where no assessment areas were reviewed using full-scope review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CHARLESTON, WV MSA ASSESSMENT AREA

An assessment area, which is noted in the table below, was reviewed using the limited review examination procedures. Information detailing the composition of the market, including selected demographic data, is included in **APPENDIX A** of this report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Facts and data reviewed for the assessment area, including performance and demographic information, can be found in **APPENDIX A** of this evaluation. A conclusion regarding performance, which did not impact the institution's overall rating, is included in the following table. For the lending test, the conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the institution's overall rating.

Assessment Area	Lending Test
Charleston, WV MSA	Consistent

CRA APPENDIX A
LIMITED REVIEW TABLES

Charleston, WV MSA Assessment Area

The assessment area includes one branch office and includes all of Lincoln County, West Virginia. There are four moderate-income census tracts and one middle-income tract in the assessment area.

Performance Test Data for Charleston, WV MSA

Limited Review Lending Table

Charleston, WV MSA (2012)									
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic	
	#	%	%	%	#	%	%	%	
Home Purchase					Home Improvement				
<i>Geographic</i>	(0)				(3)				
Low	NA	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	59.8	80.0	3	100.0	84.8	80.0	
Middle	0	0.0	40.2	20.0	0	0.0	15.2	20.0	
Upper	NA	NA	NA	NA	NA	NA	NA	NA	NA
Refinance					Multi-Family				
<i>Geographic</i>	(5)				(0)				
Low	NA	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	4	80.0	57.0	80.0	0	0.0	0.0	80.0	
Middle	1	20.0	43.0	20.0	0	0.0	0.0	20.0	
Upper	NA	NA	NA	NA	NA	NA	NA	NA	NA
HMDA Totals					Consumer				
<i>Geographic</i>	(8)				(9)				
Low	NA	NA	NA	NA	NA	NA	NA	0.0	
Moderate	7	87.5	62.8	80.0	8	88.9	NA	71.5	
Middle	1	12.5	37.2	20.0	1	11.1	NA	28.5	
Upper	NA	NA	NA	NA	NA	NA	NA	0.0	
<i>Borrower</i>	(8)				(9)				
Low	0	0.0	9.6	35.8	5	55.6	NA	35.9	
Moderate	2	25.0	17.1	20.8	1	11.1	NA	17.8	
Middle	2	25.0	28.3	21.4	2	22.2	NA	17.9	
Upper	4	50.0	45.0	22.0	1	11.1	NA	28.4	
Small Business					Small Farm				
<i>Geographic</i>	(NA)				(NA)				
Low	NA	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA	NA
Middle	NA	NA	NA	NA	NA	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>									
Busn/ Farms with revenues <=\$1 M	NA	NA	NA	NA	NA	NA	NA	NA	NA

Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known

Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known

NA represents no activity in the income category

While the volume of lending is limited, the borrower distribution performance for HMDA and consumer lending is considered reasonable, while the geographic distribution is considered excellent within the assessment area. Overall, the bank's performance is considered reasonable, and is consistent with the performance of the full-scope assessment area.

CRA APPENDIX B

Loan, Branch, and Deposit Volume by Assessment Area

The following table includes the distribution of branch offices, along with deposit and loan volume. The deposit volume includes all bank deposits and is current as of June 30, 2013, while the loan volume includes all reported HMDA and consumer secured loans considered in the evaluation.

Assessment Area	Combined HMDA and Consumer Loan Volume				Full Service Branches		Deposit Volume	
	#	%	\$(000s)	%	#	%	\$(000s)	%
Logan County, W V NonMSA	395	95%	\$20,267	94.8%	4	80%	\$219,419	92.7%
Charleston, WV MSA	21	5%	\$1,105	5.2%	1	20%	\$17,276	7.3%
Total	416	100%	\$21,372	100%	5	100%	\$236,695	100%

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

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

Activities that revitalize or stabilize-

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

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

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

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

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

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

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

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

Limited-scope review: Performance under the Lending Test (and if applicable, consideration of investments and services) is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

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

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

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

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

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