

PUBLIC DISCLOSURE

February 14, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Cass Commercial Bank
RSSD #177751**

**12412 Powerscourt Drive
Des Peres, Missouri 63131**

Federal Reserve Bank of St. Louis

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

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

Cass Commercial Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the assessment area.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- The borrower's profile analysis reveals poor penetration among business of different revenue sizes.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) Intermediate Small Institution Examination Procedures. The intermediate small bank examination procedures entail two performance tests—the Lending Test and the Community Development Test. Small business loans were used to evaluate the bank's lending performance, as this loan category is considered the bank's core business line based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by this credit product is deemed indicative of the bank's overall lending performance. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2018 – September 30, 2022
Assessment Area Concentration	January 1, 2020 – December 31, 2020
Geographic Distribution of Loans	
Loan Distribution by Borrower's Profile	
Response to Written CRA Complaints	February 12, 2018 – February 13, 2022
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data; certain business demographics are based on 2020 Dun & Bradstreet data. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$668.3 million to \$1.0 billion as of September 30, 2021.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

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

DESCRIPTION OF INSTITUTION

Cass Commercial Bank is a full-service bank offering commercial loan and deposit products. The bank is wholly owned by Cass Information Systems, a one-bank holding company headquartered in Des Peres, Missouri, which also provides payment and information processing services to large manufacturing, distribution, and retail enterprises. The bank's branch network consists of four offices (including the main office), all located in Missouri. With the exception of the main office, each location offers drive-up accessibility. The bank does not operate any automated teller machines. The bank also operates one commercial loan production office (LPO) in Colorado Springs, Colorado. During the review period, the bank closed one of its LPOs that was operating in Santa Ana, California. Based on this branch network and other related services, the bank is adequately positioned to deliver financial services to its assessment area.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting assessment area credit needs based on its available resources and financial products. As of September 30, 2021, the bank reported total assets of \$1.3 billion. As of the same date, loans and leases outstanding were \$814.8 million (63.7 percent of total assets), and deposits totaled \$1.1 billion. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of September 30, 2021		
Credit Category	Amount (\$000s)	Percentage of Total Loans
Construction and Development	\$37,977	4.7%
Commercial Real Estate	\$461,789	56.7%
1-4 Family Residential	\$299	0.0%
Commercial and Industrial	\$302,839	37.2%
Total Other Loans	\$11,901	1.5%
TOTAL	\$814,805	100%

As indicated by the table above, nearly all of the bank's lending resources are directed to commercial real estate loans and commercial and industrial loans.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on February 12, 2018, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA**General Demographics**

The bank's assessment area, which has a population of 1,693,982, is located in mid-eastern Missouri in the St. Louis, Missouri–Illinois metropolitan statistical area (St. Louis MSA). The St. Louis MSA includes 16 counties in two states; however, the bank's assessment area consists only of the entirety of the city of St. Louis, St. Louis County, and St. Charles County. The assessment area is composed of 384 census tracts, which includes 57 low-income and 77 moderate-income census tracts. The city of St. Louis is highly urban in nature, while St. Louis County and St. Charles County are generally suburban, with multiple city centers and smaller municipalities throughout these counties.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2021, there are 65 FDIC-insured depository institutions in the assessment area that operate 490 offices. Cass Commercial Bank (operating four, or 0.8 percent, offices in the assessment area) ranked 18th in terms of deposit market share, with 1.1 percent of the total assessment area deposit dollars.

As the demographics of this assessment area cover a wide area with a diverse population, credit needs in the area are varied and include a standard blend of consumer and business loan products. Other particular credit needs in the assessment area, noted primarily from the community contact, include small dollar loans to start-ups and other small businesses. As a major city promoting a vibrant community development environment, the assessment area offers ample opportunity for community development involvement. Numerous nonprofit entities serve low- and moderate-income (LMI) people, and banks can participate by contributing both money and financial skills.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	57	77	108	138	4	384
	14.8%	20.1%	28.1%	35.9%	1.0%	100%
Family Population	37,150	75,267	126,687	186,651	1,439	427,194
	8.7%	17.6%	29.7%	43.7%	0.3%	100%

As shown above, 34.9 percent of the census tracts in the assessment area are LMI geographies, but only 26.3 percent of the family population resides in these tracts. These LMI areas are concentrated primarily in the northeast and east-central portions of the assessment area, including a significant portion of the city of St. Louis.

Based on 2015 ACS data, the median family income for the assessment area was \$74,677. At the same time, the median family income for the St. Louis MSA was \$70,718. More recently, the FFIEC estimates the 2020 median family income for the St. Louis MSA to be \$82,600. The following table displays population percentages of assessment area families by income level compared to the St. Louis MSA family population as a whole.

Family Population by Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Assessment Area	89,209	68,914	81,149	187,922	0	427,194
	20.9%	16.1%	19.0%	44.0%	0.0%	100%
St. Louis MSA	155,627	125,318	144,204	294,177	0	719,326
	21.6%	17.4%	20.0%	40.9%	0.0%	100%

As shown in the table above, 37.0 percent of families within the assessment area were considered LMI, which is slightly lower than LMI family percentages of 39.0 percent in the St. Louis MSA, and a higher percentage of assessment area families, 44.0 percent, are in the upper-income category compared to the MSA overall, 40.9 percent. The percentage of families living below the poverty threshold in the assessment area, 9.3 percent is in line with the 9.6 percent level in the St. Louis MSA. Considering these factors, the assessment area appears only slightly more affluent than the MSA as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be less affordable than in the St. Louis MSA. The median housing value for the assessment area is \$170,793, which is above the figure for the St. Louis MSA, \$157,100. The assessment area housing affordability ratio of 33.2 percent is below the St. Louis MSA figure of 35.1 percent. Additionally, the median gross rent for the assessment area of \$841 per month is higher than the \$815 per month for the St. Louis MSA. Furthermore, rental units appear to be slightly more prominent in the assessment area than in the St. Louis MSA. Of all housing units in the assessment area, 29.9 percent are rental units compared to 27.4 percent of rental units found in the St. Louis MSA.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector. County business patterns indicate that there are 941,533 paid employees in the assessment area (including 95,947 government employees). By percentage of nongovernmental employees, the three largest job categories in the assessment area are healthcare and social assistance (19.6 percent), followed by retail trade (10.4 percent) and manufacturing (9.3 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to the St. Louis MSA as a whole.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	Assessment Area	St. Louis MSA
2018	3.0%	3.4%
2019	3.1%	3.3%
2020	6.4%	6.7%

As shown in the table above, unemployment levels for the assessment area, as well as the St. Louis MSA, were stable in 2018 and 2019 and then experienced a significant increase in 2020. The increase in 2020 is largely attributed to the COVID-19 pandemic. Overall, unemployment levels in the assessment area are slightly lower than the St. Louis MSA levels.

Community Contact Information

Information from one community contact was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. This community contact interview was with a person providing various services to minority individuals and small businesses. The community contact interviewee categorized the economy as good overall and growing, with a large number of banks, but indicated that the city of St. Louis and north St. Louis County lag in terms of employment and business growth. The contact stated that small business activities are concentrated in the city of St. Louis and St. Louis County, and activity is expanding into St. Charles County. The contact stressed that many small start-ups and community-based businesses need loans for operating capital and inventory, but these businesses often do not meet the commercial lending standards of area banks and thereby cannot obtain loans. Per this contact, the COVID-19 pandemic resulted in a large number of small business closures, specifically in LMI areas of the assessment area.

The community contact indicated that there is ample opportunity for bank participation in the community to promote economic development and serve the LMI community. They stated that banks have opportunities to work with community partners, of which there are numerous in the St. Louis area, to provide small dollar business loans to businesses to build up poorer urban neighborhoods.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**LENDING TEST****Loan-to-Deposit (LTD) Ratio**

One indication of the bank's overall level of lending activity is its LTD ratio. The chart below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 15-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size (\$000s) as of September 30, 2021	Average LTD Ratio
Cass Commercial Bank	Des Peres, Missouri	\$1,279,452	91.6%
Regional Banks	Clayton, Missouri	\$790,646	87.5%
	St. Louis, Missouri	\$668,257	92.1%
	University City, Missouri	\$1,039,809	92.9%

Based on data from the previous table, the bank's LTD is in line with the high overall level of lending activity represented by other banks in the region. During the review period, the bank's LTD ratio experienced a generally stable trend with a 15-quarter average of 91.6 percent. In comparison, the bank's LTD was at the higher end of peer bank performance, which ranged from a low of 87.5 percent to a high of 92.9 percent. Therefore, compared to data from regional banks, the bank's average LTD ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment area.

Lending Inside and Outside of Assessment Area						
January 1, 2020 through December 31, 2020						
Loan Type	Inside Assessment Area		Outside Assessment Area		TOTAL	
Small Business	74	52.5%	67	47.5%	141	100%
	\$14,606	46.4%	\$16,869	53.6%	\$31,475	100%
TOTAL LOANS	74	52.5%	67	47.5%	141	100%
	\$14,606	46.4%	\$16,869	53.6%	\$31,475	100%

A majority of loans and other lending-related activities were made in the bank's assessment area. As shown above, 52.5 percent of the total loans were made inside the assessment area, accounting for 46.4 percent of the dollar volume of total loans.

Geographic Distribution of Loans

As noted previously, the assessment area includes 57 low-income and 77 moderate-income census tracts, representing 34.9 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans reflects reasonable penetration throughout these LMI census tracts, based on the small business loan category.

The following table displays the geographic distribution of 2020 small business loan activity compared to the location of businesses throughout the assessment area and 2020 small business aggregate data.

Geographic Distribution of Small Business Loans							
Assessment Area: St. Louis Partial MSA							
Tract Income Levels	2020						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	9	12.2%	5.7%	\$1,750	12.0%	5.6%	6.6%
Moderate	12	16.2%	15.7%	\$2,551	17.5%	16.8%	16.9%
Middle	19	25.7%	27.3%	\$4,735	32.4%	26.7%	28.1%
Upper	28	37.8%	49.8%	\$3,917	26.8%	48.3%	47.2%
Unknown	6	8.1%	1.4%	\$1,653	11.3%	2.7%	1.2%
TOTAL	74	100.0%	100.0%	\$14,606	100.0%	100.0%	100.0%

The bank's level of lending in low-income census tracts (12.2 percent) is above the estimated percentage of businesses operating inside these census tracts (6.6 percent) and 2020 aggregate lending levels in low-income census tracts (5.7 percent). Consequently, the bank's performance in low-income areas is excellent. The bank's percentage of loans in moderate-income census tracts (16.2 percent) is higher than the 2020 aggregate lending percentage in moderate-income census tracts (15.7 percent) and lower than the percentage of small businesses in moderate-income census tracts (16.9 percent), representing reasonable performance. Therefore, the bank's overall geographic distribution of small business loans is reasonable.

Additionally, based on a review of the small business loan category, Cass Commercial Bank had loan activity in 13.3 percent of all assessment area census tracts, including 11.96 percent of LMI geographies, and, there were no conspicuous lending gaps noted in LMI areas. This information supports the conclusion that the bank's overall geographic distribution of loans is reasonable.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is poor. Small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2020 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size								
Assessment Area: St. Louis Partial MSA								
Business Revenue and Loan Size		2020						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	18	24.3%	39.7%	\$2,329	15.9%	22.8%	89.4%
	Over \$1 Million/Unknown	56	75.7%	60.3%	\$12,277	84.1%	77.2%	10.6%
	TOTAL	74	100.0%	100.0%	\$14,606	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	36	48.6%	83.6%	\$1,853	12.7%	23.7%	
	\$100,001–\$250,000	18	24.3%	8.6%	\$2,922	20.0%	19.8%	
	\$250,001–\$1 Million	20	27.0%	7.9%	\$9,831	67.3%	56.5%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	74	100.0%	100.0%	\$14,606	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	15	83.3%		\$664	28.5%		
	\$100,001–\$250,000	1	5.6%		\$148	6.4%		
	\$250,001–\$1 Million	2	11.1%		\$1,517	65.1%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	18	100.0%		\$2,329	100.0%		

The bank's level of lending to small businesses is poor. The bank originated only 24.3 percent of its small business loans to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 89.4 percent of businesses in the assessment area had annual revenues of \$1 million or less, and the 2020 aggregate lending level to small businesses is 39.7 percent.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (February 12, 2018 through February 13, 2022).

COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of the assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area. The bank has addressed the community development needs of the assessment area through community development loans, qualified investments, and community development services.

During the review period, the bank made 21 qualifying loans totaling approximately \$15.1 million. The bank's community development lending activity included 16 Paycheck Protection Program (PPP) loans totaling \$8.0 million that were deemed responsive to area community development needs and positively affected the bank's overall rating. Further, two loans totaling \$6.3 million went to the restoration of a significant anchor business in downtown St. Louis, which employs numerous residents of surrounding LMI census tracts. Of the remaining loans, two were to community service organizations, and one was for revitalization and stabilization of LMI geographies.

Community development investments and donations made to the assessment area totaled \$1,682,946. This amount included ten qualified investments totaling \$1,552,696 and 23 donations totaling \$270,250. The ten investments made inside the assessment area were to two equity funds, one dedicated to affordable housing and one for economic development, both benefiting the greater St. Louis region, which includes the bank's assessment area. Furthermore, the 21 donations were made to 9 separate community service organizations. Two donations totaling \$140,000 went to a women's pregnancy resource and healthcare organization.

In addition, nine employees contributed community development services to eight different agencies. These employees provided various services, including serving on boards and finance committees and teaching financial literacy.

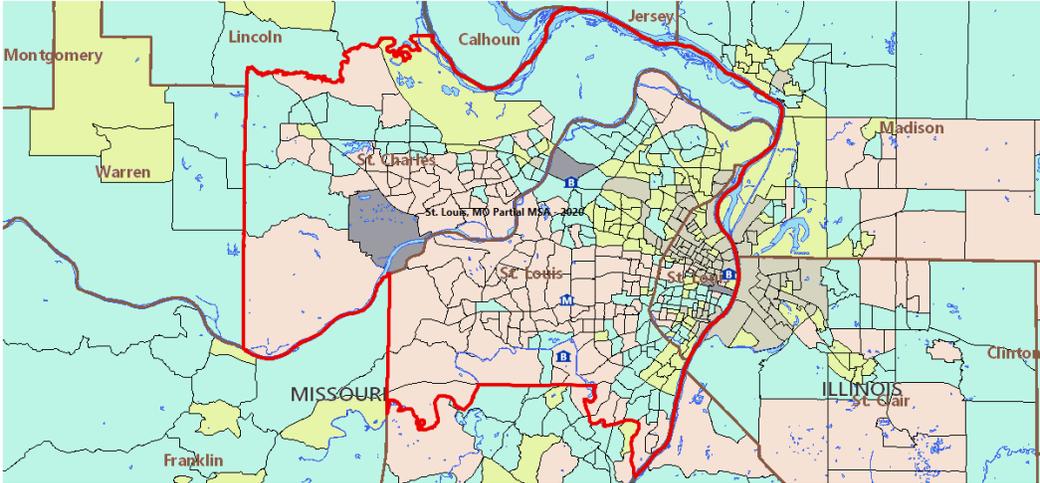
In addition to adequately meeting the community development needs of its own assessment area, the bank made eight community development loans outside its assessment area totaling approximately \$4.3 million through the PPP.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

ASSESSMENT AREA DETAIL

Cass Commercial BK - Des Peres, MO 2022
St. Louis, MO Partial MSA - 2020



LEGEND

2015 Census Year

INCOME

- Low
- Moderate
- Middle
- Upper
- Unknown

AA Boundary

BANK BRANCHES
Inside and Outside AA

- Branches with ATM - 3
- Loan Prod. Office - 1
- Main Office without ATM - 1

FEATURES

- Water Body

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix B (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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