

PUBLIC DISCLOSURE

August 24, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Hocking Valley Bank
7 West Stimson Avenue
Athens, Ohio 45701

RSSD# 230610

Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, Ohio 44101-1387

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

The Hocking Valley Bank (Hocking Valley) is rated "Outstanding." This rating is based on the following conclusions with respect to the performance criteria:

- Hocking Valley's net loan-to-deposit (NLTD) ratio is reasonable given its size, financial condition, and assessment area credit needs;
- A majority of Hocking Valley's loans are originated inside the assessment area;
- Lending reflects excellent penetration among individuals of different income levels, including low- and moderate-income, and reasonable penetration to businesses of different sizes;
- A reasonable distribution and dispersion of loans occurs throughout Hocking Valley's assessment area;
- There were no Community Reinvestment Act (CRA) related complaints since the previous evaluation;
- Hocking Valley's investment record enhances credit availability in the assessment area; and,
- Hocking Valley's record of providing other services enhances credit availability in the assessment area.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) Interagency Examination Procedures for Small Institutions were utilized to evaluate Hocking Valley's CRA performance under Regulation BB. The evaluation considered CRA performance context, including asset size, financial condition, business strategy and market competition, as well as assessment area demographic and economic characteristics and credit needs. Hocking Valley's assessment area for CRA purposes is comprised of one assessment area that received a full-scope review. Lending performance was assessed within Hocking Valley's Nonmetropolitan Ohio assessment area. Hocking Valley's 20-quarter average NLTD ratio and lending data for the evaluation period of July 1, 2018 to June 30, 2019 were reviewed.

Hocking Valley's lending levels for the following products were considered for this evaluation: business loans, residential real estate loans, consumer unsecured loans, consumer motor vehicle loans, and consumer secured loans. Business loans include real estate and non-real estate secured loans with a business related purposes, while consumer loans include personal loans not secured by real estate.

The following table illustrates the volume and distribution of loans originated within Hocking Valley's assessment area during the evaluation period.

Loan Type	Number of Loans	Dollar Amount of Loans (000s)
Motor Vehicle	55	\$706
Other - Secured	28	\$739
Other - Unsecured	71	\$684
Home Equity	38	\$2,074
Residential Loans	112	\$17,203
Small Business	132	\$19,937
Total	436	\$41,344

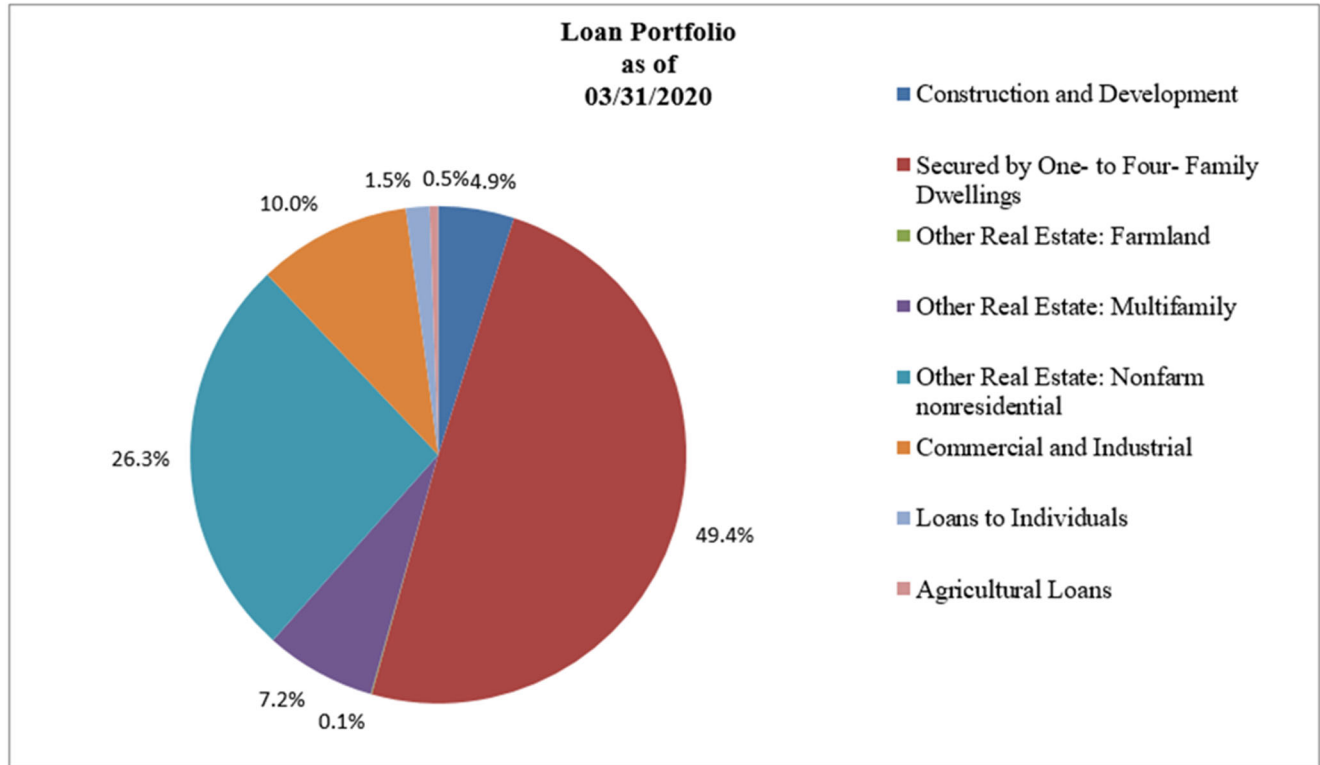
Based on the total loan volume by number and dollar amount within the assessment area, small business loans received the greatest weight, followed by residential mortgage and consumer (motor vehicle, and other secured and other unsecured loans).

Borrower distribution received greater weight than geographic distribution primarily because 42.8% of families residing in the assessment area are considered to be low- and moderate-income. In addition, the majority of the assessment area is comprised of middle-income census tracts. There is only one low-income census tract and three moderate-income census tracts in Hocking Valley's delineated CRA assessment area.

DESCRIPTION OF INSTITUTION

Hocking Valley is a community bank headquartered in Athens, Ohio and is a wholly owned subsidiary of Hocking Valley Bancshares, Incorporated with total assets of \$305.4 million as of June 30, 2020. Its primary business focus is commercial lending. In addition to its main office in Athens, Hocking Valley has six offices located in Athens, Albany, Coolville, and The Plains, Ohio. All of Hocking Valley's branches and ATMs are located in Athens County. One branch in Athens has a full-service ATM and the remaining six branches have cash-only ATMs. Additionally, Hocking Valley has one standalone cash-only ATM located in a grocery store in Albany, Ohio and has not opened or closed any branches since the previous evaluation.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	3/31/2020		12/31/2019		12/31/2018	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	8,565	4.9%	13,118	7.6%	12,995	7.5%
Secured by One- to Four- Family Dwellings	85,458	49.4%	87,440	50.4%	77,030	44.7%
Other Real Estate: Farmland	102	0.1%	107	0.1%	132	0.1%
Other Real Estate: Multifamily	12,501	7.2%	12,813	7.4%	9,345	5.4%
Other Real Estate: Nonfarm nonresidential	45,500	26.3%	41,374	23.8%	15,730	9.1%
Commercial and Industrial	17,321	10.0%	14,974	8.6%	52,176	30.3%
Loans to Individuals	2,677	1.5%	2,737	1.6%	3,979	2.3%
Agricultural Loans	947	0.5%	1,097	0.6%	877	0.5%
Total	\$173,071	100.00%	\$173,660	100.00%	\$172,264	100.00%



The bank was rated "Satisfactory" under the CRA at its July 6, 2015 performance evaluation. There are no known legal, financial, or other factors impeding Hocking Valley's ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

Hocking Valley has one delineated assessment area located in Nonmetropolitan Ohio. Hocking Valley's assessment area is comprised of the entirety of Athens County and portions of Meigs, Washington, and Vinton counties. These counties are primarily rural. No changes have been made to Hocking Valley's assessment area since the prior evaluation (refer to Appendix A for details). Due to changes in median family income levels resulting from changes in U.S. Census data, this assessment area comprised the following tracts for this evaluation:

Tract Level Income	2018 Number of Tracts	2019 Number of Tracts
Low	1	1
Moderate	4	3
Middle	13	14
Upper	2	2
Unknown	2	2
Total	22	22

This assessment area lost one moderate-income census tract and gained one middle-income census tract. There were no changes to the number of low-, upper-, or unknown-income census tracts.

In 2018, 11 (85.0%) middle-income census tracts were designated as distressed due to poverty and/or unemployment. In 2019, 12 (86.0%) middle-income tracts were distressed due to poverty or unemployment. In Athens County, seven middle-income census tracts were designated as distressed due to poverty in 2018 and 2019. In Meigs County, three middle-income census tracts were designated as distressed due to poverty and/or unemployment in 2018 and unemployment in 2019. In Vinton County, one middle-income census tract was designated as distressed due to poverty and/or unemployment in 2018 and two middle-income tracts were designated as distressed due to unemployment in 2019.

As of June 30, 2019, Hocking Valley ranked third out of 18 institutions with 8.1% of the deposit market share. Peoples Bank and JPMorgan Chase Bank, National Association ranked first and second with 36.2% and 15.9% of the deposit market share, respectively. In Athens County, Hocking Valley ranked second with 32.2% of the deposit market share and JPMorgan Chase Bank, National Association ranked first with 33.7% of the market share.

Community Contacts

Two community contact interviews were conducted as part of this evaluation to provide additional information regarding areal credit needs and context to demographic and economic conditions of the local community. The first interview was conducted with a representative from a non-profit agency focused on providing community services to low- and moderate-income individuals. The contact confirmed that the area is largely rural with a lack of affordable housing. There is a high demand for affordable rentals in the area due to favorable market conditions that permit landlords to receive market value for rents. In addition, the area has a large supply of older housing stock in need of rehabilitation. The contact stated that nearly 44.0% of the families this agency serves are renters and about 28.0% are homeowners. The contact emphasized that 70.0% of the families served have a total household income that is 100% below the area's poverty level. While this agency does not work directly with local banks, the contact stated that area banks appear to be responsive to credit needs in the area and offer several products and services benefitting low- and moderate-income individuals.

The second interview was conducted with a representative from a workforce development agency focused on providing job training services for workers and employers in Athens and Meigs counties. This agency assists in facilitating partnerships with local businesses in recruiting and retaining employees by providing them with the necessary job skills to succeed. The contact stated that the job market appears to be focused on retaining and developing current workers who tend to be older, rather than hiring and training new employees, because employers perceive that younger workers are not always as reliable. However, the contact stated that Athens County has a readily available and engaged workforce (e.g., 5.5% unemployment rate). The contact stated counties in Appalachian Ohio have poverty rates higher than the state and national rates, which makes it challenging to attract new businesses to the region. The contact believed that banks are engaged in the community and specifically mentioned that Hocking Valley Bank is actively engaged in the community.

Population Characteristics

According to the 2015 U.S. Census data, the population in the assessment area was 99,868, of which 6.6% and 13.0% lived in low- and moderate-income tracts. In addition, 82.4% of the population was 18 years of age or older, the legal age to enter into a contract. The population age 65 and over was 12.9% in the assessment area, compared to 15.1% in Ohio. The smaller senior population means this assessment area likely has a larger working- and consumer-age population and the potential for increased economic activity.

The following table depicts the 2010 and 2015 population of the four counties within Hocking Valley’s assessment area and the estimated population change between years 2015 and 2019.

Population Change					
Area	2010 Population	2015 Population	Percent Change Between 2010 and 2015	2019 Population	Percent Change Between 2015 and 2018
Athens County	64,757	65,563	1.2%	65,327	-0.4%
Meigs County	23,770	23,234	-2.3%	22,907	-1.4%
Vinton County	13,435	13,142	-2.2%	13,085	-0.4%
Washington County	61,778	60,871	-1.5%	59,911	-1.6%
Ohio	11,536,504	11,609,756	0.6%	11,689,100	0.7%

Athens in Athens County is the most populous city in this assessment area with 24,688 residents. While Athens County’s population increased between 2010 and 2015, there was a slight decrease between 2015 and 2018. Richland Township in Vinton County is the smallest municipality by population with 1,713 residents and its county population decreased 0.4% during the same period.

Income Characteristics

The 2015 median family income of \$51,567 in the assessment area was less than Ohio’s at \$62,817. As shown below, while the assessment area median family income decreased slightly in 2019, it has increased substantially since 2015, overall.

Borrower Income Levels Ohio Nonmetropolitan														
FFIEC Estimated Median Family Income			Low			Moderate			Middle			Upper		
Year	\$	% Change	0	-	49.99%	50%	-	79.99%	80%	-	119.99%	120%	-	& above
2018	\$61,400		0	-	\$30,699	\$30,700	-	\$49,119	\$49,120	-	\$73,679	\$73,680	-	& above
2019	\$61,000	-0.7%	0	-	\$30,499	\$30,500	-	\$48,799	\$48,800	-	\$73,199	\$73,200	-	& above

As indicated in the following table, the poverty rates in the assessment area decreased in two counties and increased in two counties between 2016 and 2018, with Athens and Washington counties experiencing the greatest increases in poverty rates. While all counties had poverty rates higher than the state and national rates during this period, the poverty rate for Athens County at 30.7% was dramatically higher. However, according to *The Athens News*, if non-permanent resident Ohio University students in the city of Athens were excluded, Athens likely would not be

one of the poorest counties in Ohio.¹ Meigs and Vinton counties experienced the greatest decreases in poverty rates during this time.

Poverty Rates

Area	Years				
	2016	2017	Change - 2016 to 2017	2018	Change - 2017 to 2018
Athens County	28.8	28.8	0.0	30.7	1.9
Meigs County	21.1	19.9	1.2	17.8	-2.1
Vinton County	20.8	19.8	1.0	19.0	-0.8
Washington County	13.7	14.6	-0.9	15.9	1.3
Ohio	14.5	13.9	0.6	13.8	-0.1
National	14.0	13.4	0.6	13.1	-0.3

According to the 2015 U.S Census data, 25.6% of the 35,946 households in this assessment area are below the poverty level, 4.0% are receiving public assistance, and 52.0% have rent costs greater than 30.0% of their monthly income. Low- and moderate-income families represent 14.1% of all families in the assessment area and low- and moderate- households represent 15.7% of all households.

Housing Characteristics

According to the 2015 U.S Census data, there are 41,983 housing units and 22,190 families in the assessment area. From an income perspective, 16.1% of the housing units and 14.1% of families are in the assessment area’s low- and moderate-income tracts. In addition, 12.6% of the housing units in low- and moderate-income tracts are owner-occupied, with the remaining tracts rental (22.0%) or vacant (18.0%). Therefore, based on the limited number of low- and moderate-income tracts, families, and housing units and the high percentage of rental/vacant units, there appear to be limited credit-related opportunities for Hocking Valley to make home purchase loans and provide various aspects of affordable housing in these tracts.

The 2015 U.S Census data shows the median age of housing stock was 43 years old and 21.4% of the assessment area’s 41,983 housing units are at least 70 years old (built before 1950), which indicates there are opportunities to make home improvement loans. The median housing value in the assessment area was \$110,156 with an affordability ratio of 34.3. The affordability ratio is derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered. As indicated in the table below, median housing values increased slightly between 2010 and 2015 for Meigs (5.2%) and Athens (3.2%) counties, decreased in Vinton County (7.2%), and remained consistent in Washington County. During this same time period, housing became more affordable across the assessment area, which can be attributed to the increase in median family income. Conversely, median gross rents substantially increased across a majority of the assessment area, particularly in Vinton County. The table below presents housing characteristics from the U.S Census data between 2010 and 2015 in the assessment area and Ohio.

¹ Beard, Kayla. “Athens ranked as 8th poorest community in U.S. but ranking likely needs an asterisk.” The Athens NEWS, 20 June 2018, athensnews.com/news/local/athens-ranked-as-8th-poorest-community-in-u-s-but-ranking-likely-needs-an-asterisk/article_5c7e9fc4-74b9-11e8-b673-4bbcb5c2308f.html.

County	2010 Median Housing Value	2010 Affordability Ratio	2015 Median Housing Value	2015 Affordability Ratio	2010 Median Gross Rent	2015 Median Gross Rent	Percent of Change in Rents
Athens	\$114,100	27.7	\$117,700	28.8	657	705	7.3%
Meigs	\$80,700	41.4	\$84,900	44.5	498	541	8.6%
Vinton	\$87,300	39.2	\$81,000	50.2	535	600	12.2%
Washington	\$110,800	37.6	\$110,700	39.3	554	600	8.3%
Ohio	\$136,400	34.7	\$129,900	38.1	678	\$730	12.7%

According to 2015 U.S Census data, 42.7% of renters in the assessment area have rent costs more than \$700 a month and nearly 52.0% of units for rent (6,257) have renters who are considered to be cost-burdened or have rent costs greater than 30.0% of their monthly income. Increasing rental costs may make it more difficult for potential first-time homebuyers to save enough to make a sufficient down payment in the rising interest rate environment, as evidenced by a community contact indicating the need for more affordable housing assistance.

Building permits are a leading indicator of future activity in the construction sector. As shown in the table below, building permits exceeded statewide and national trends between 2016 and 2017 in Athens County; however, building permits fell well below statewide and national trends between 2017 and 2018.²

Building Permits					
Area	2016	2017	Percent Change between 2016 and 2017	2018	Percent Change between 2017 and 2018
Athens County	22	26	18.2%	8	-69.2%
Meigs County	14	14	0.0%	10	-28.6%
Washington County	15	15	0.0%	13	-13.3%
Ohio	22,816	23,917	4.8%	24,221	1.3%
United States	1,206,642	1,281,977	6.2%	1,328,827	3.7%

The overall decrease in the number of permits could indicate a decreasing demand for home purchase loans during the evaluation period, particularly in Athens County.

Labor, Employment, and Economic Characteristics

According to Dun & Bradstreet, the majority of businesses (90.6%) in the assessment area have revenue under \$1 million and approximately 15,341 paid employees working in either education and health services or leisure and hospitality. By percentage of the number of establishments, the largest job category in the assessment area is trade/transportation/utilities, education/health, professional business services and financial services. The majority of major employers are located in government, followed by manufacturing and service industries.

² U.S. Census Bureau Building Permits Survey: <http://www.census.gov/construction/bps/> (Building permit data not available for Vinton County)

The table below illustrates the average unemployment rates related to this assessment area.

Unemployment Rates
Assessment Area: Nonmetropolitan Ohio

Area	Years - Annualized		
	2017	2018	2019
Athens County	6.0	5.8	5.3
Meigs County	8.1	7.3	6.9
Vinton County	6.8	6.2	5.6
Washington County	6.2	5.6	5.4
Ohio	5.0	4.6	4.1
National	4.4	3.9	3.7

Not Seasonally Adjusted

While unemployment rates across the assessment area declined between 2017 and 2019, area unemployment rates were consistently higher than the unemployment rates for Ohio and the nation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Hocking Valley’s performance is considered “Outstanding.”

The loan-to-deposit ratio is reasonable and a majority of Hocking Valley’s loans were made inside its assessment area. Hocking Valley’s level of lending to borrowers of different income levels is excellent and lending to businesses of different revenue sizes is reasonable. Additionally, Hocking Valley’s geographic dispersion of lending throughout its assessment area is reasonable with a low level of lending gaps. Lastly, Hocking Valley chose to have its performance evaluated with respect to making qualified investments and providing services, which was found to enhance credit availability in the assessment area.

Borrower distribution received greater weight than geographic distribution based on the percentage of families by family income compared to the percentage of low- and moderate-income geographies in this assessment area. Greatest consideration was given to the evaluation of small business loans based on the overall volume and dollar amount of loans, followed by residential real estate and consumer lending. To conduct a meaningful analysis, 2018 and 2019 motor vehicle, other secured, and other unsecured were combined and are referred to as consumer loans throughout the analysis. Details of Hocking Valley’s small business lending and residential real estate information regarding peer lending is in Appendix B. Refer to Appendix C for lending information.

Net Loan-to-Deposit Ratio

This performance criterion evaluates Hocking Valley’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the capacity to lend, availability of lending opportunities, demographic and economic factors present in the assessment area, and in

comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size and operating location within the assessment area. Hocking Valley's NLTD ratio ranged from 61.1% in March 31, 2018 to 77.8% in December 31, 2019. The average NLTD ratio was 72.6%, which is comparable to the peer group's average NLTD ratio of 78.4%. As a result, Hocking Valley's NLTD ratio is reasonable.

The Hocking Valley Bank Loan-to-Deposit Ratios						
AS OF DATE	HOCKING VALLEY BK	CITIZENS BK CO	FARMERS BK & SVG CO	FIRST NB	UNIFIED BK	CUSTOM PEER
March 31, 2020	71.6	82.1	83.1	59.5	79.8	76.1
December 31, 2019	77.8	87.3	84.6	62.3	79.2	78.3
September 30, 2019	77.3	86.6	82.3	62.1	75.3	76.6
June 30, 2019	77.0	88.5	80.7	59.9	76.8	76.5
March 31, 2019	70.6	85.4	81.5	58.0	76.2	75.3
December 31, 2018	76.7	87.1	80.8	63.2	77.4	77.1
September 30, 2018	73.9	85.1	78.7	63.9	89.9	79.4
June 30, 2018	72.2	83.9	76.5	61.7	90.6	78.2
March 31, 2018	61.1	79.5	76.8	62.4	90.9	77.4
December 31, 2017	67.1	80.0	78.7	63.3	94.3	79.1
September 30, 2017	68.1	77.6	83.7	64.6	93.1	79.7
June 30, 2017	69.0	76.7	85.2	63.8	94.0	79.9
March 31, 2017	70.9	74.0	84.5	62.4	96.8	79.4
December 31, 2016	73.2	72.3	88.7	64.4	103.2	82.2
September 30, 2016	74.2	71.1	87.5	62.7	104.7	81.5
June 30, 2016	77.5	68.9	86.2	63.3	104.6	80.8
March 31, 2016	74.5	65.1	87.1	62.6	101.5	79.0
December 31, 2015	71.7	63.0	85.5	65.0	100.1	78.4
September 30, 2015	74.3	60.7	86.3	65.8	99.0	78.0
June 30, 2015	73.9	59.4	83.6	65.1	95.5	75.9
Quarterly Loan-to-Deposit Ratio Average Since the Previous Evaluation	72.6	76.7	83.1	62.8	91.1	78.4

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the assessment area. A majority of Hocking Valley's loans by number and dollar are originated inside the assessment area. The following table illustrates the distribution of all loans made inside and outside Hocking Valley's assessment area during the evaluation period.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Motor Vehicle	55	94.8	\$706	92.3	3	5.2	\$59	7.7
Other - Secured	28	96.6	\$739	98.1	1	3.4	\$14	1.9
Other - Unsecured	71	95.9	\$684	97.9	3	4.1	\$15	2.1
Total Consumer related	154	95.7	\$2,129	96.0	7	4.3	\$88	4.0
Home Equity	38	90.5	\$2,074	92.9	4	9.5	\$159	7.1
Residential Loans	112	84.2	\$17,203	76.6	21	15.8	\$5,250	23.4
Total Non-HMDA	150	85.7	\$19,277	78.1	25	14.3	\$5,409	21.9
Small Business	132	93.6	\$19,937	92.5	9	6.4	\$1,615	7.5
Total Small Bus. related	132	93.6	\$19,937	92.5	9	6.4	\$1,615	7.5
TOTAL LOANS	436	91.4	\$41,344	85.3	41	8.6	\$7,113	14.7

Note: Affiliate loans not included

As the table indicates, a majority (91.4% by volume and 85.3% by dollar amount) of Hocking Valley's loans were made inside its delineated assessment area.

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

Based on the total loan volume and dollar amounts available, small business loans received the most weight, followed by residential real estate loans and consumer loans.

Hocking Valley's lending is excellent among individuals of different income levels for residential real estate and consumer lending and reasonable for businesses of different sizes.

Small Business Lending

Hocking Valley made 132 small business loans totaling \$19.9 million during the evaluation period, of which 90 (68.2%) were made to small businesses with revenues less than \$1 million, which is below the percentage of small businesses in the assessment area at 90.2%. In addition, Hocking Valley made a good percentage (62.1%) of its small dollar loans in amounts of \$100,000 or less, indicating a willingness to lend in smaller amounts typically requested by small businesses. Therefore, the borrower distribution of small business lending is reasonable.

Residential Real Estate Lending

Hocking Valley made 112 residential real estate loans during the evaluation period totaling \$17.2 million, which includes two (1.8%) loans totaling \$569,000 to borrowers with unknown-income designations. Hocking Valley made 16 (14.3%) residential real estate loans totaling \$1.3 million to low-income borrowers, which was below the percentage of families at 24.7%, but is considered reasonable.

Hocking Valley made 20 (17.9%) residential real estate loans totaling \$2.0 million to moderate-income borrowers, which was slightly below the percentage of families at 18.5%. While Hocking Valley's performance was below proxy, the borrower distribution of residential real estate loans to moderate-income borrowers is excellent given the high levels of poverty and unemployment across the assessment area.

Hocking Valley made 18 (16.1%) residential real estate loans totaling \$2.1 million to middle-income borrowers, which was slightly below proxy at 20.0%. Hocking Valley also made 56 (50.0%) residential real estate loans totaling \$11.3 million to upper-income borrowers, which exceeded proxy at 36.8%.

While Hocking Valley's performance varied when compared to proxy, the borrower distribution of residential real estate lending is excellent, considering the area's high poverty rates and unemployment rates.

Consumer Lending

Hocking Valley made 154 consumer loans totaling \$2.1 million, including 12 (7.8%) loans totaling \$75,000, to borrowers with unknown-income designations. Hocking Valley made 36 (23.4%) consumer loans totaling \$247,000 to low-income borrowers, which was below the percentage of households at 32.4%. The borrower distribution of consumer loans to low-income borrowers is reasonable.

Hocking Valley made 48 (31.2%) consumer loans totaling \$547,000 to moderate-income borrowers, which significantly exceeded the percentage of households at 15.8%. Compared to proxy, borrower distribution of consumer loans to moderate-income borrowers is excellent.

Hocking Valley made 33 (21.4%) consumer loans totaling \$388,000 to middle-income borrowers, which exceeded proxy at 16.7%. Hocking Valley also made 25 (16.2%) consumer loans totaling \$873,000 to upper-income borrowers, which was well below the proxy at 35.0%.

Considering the high levels of poverty and unemployment across the assessment area and Hocking Valley’s strong performance of consumer lending to moderate-income borrowers, borrower distribution of consumer lending is excellent.

Geographic Distribution of Loans

Small business loans received the most weight, followed by residential real estate loans and consumer loans.

Hocking Valley’s geographic distribution of loans reflects a good distribution among the different census tracts and dispersion throughout the assessment area. The geographic distribution of small business loans is excellent and the geographic distribution of residential real estate and consumer loans is reasonable. Overall, there was a low amount of lending gaps as shown in the table below.

Tract Income Level	Number of Tracts	Number of Tracts with Loans	% of Tracts with Loans
Low	1	0	0.0%
Moderate	4	4	100.0%
Middle	13	13	100.0%
Upper	2	2	100.0%
Unknown	2	2	100.0%
Total	22	21	95.5%

No loans were made in the low-income tract; however, this tract has a low number of families and housing units, a high number of rentals and vacant units, and an owner-occupancy rate of only 1.5%. In addition, Hocking Valley is impacted by higher levels of poverty and unemployment and a large university student population, many of whom live in off-campus housing throughout Athens County, which is mostly located in the low- and unknown-income tracts. Students typically have inconsistent wages and are considered temporary residents, thereby disqualifying them for many traditional loans. All of these factors were considered when evaluating Hocking

Valley's geographic distribution of loans; therefore, lending opportunities in the low-income tract are extremely limited due to these factors.

Small Business Lending

During the evaluation period, Hocking Valley made 132 small business loans totaling \$19.9 million and included 14 (10.6%) loans totaling \$3.2 million to businesses with unknown-income designations. Hocking Valley made no loans in the low-income tract, which was below the percentage of businesses in these tracts at 0.7%. Compared to proxy and considering the limited opportunities in this tract, the geographic distribution of small business loans in the low-income tracts is reasonable.

Hocking Valley made 31 (23.5%) loans in moderate-income tracts totaling \$3.5 million, which exceeded the percentage of businesses in these tracts at 16.0%. Given Hocking Valley's strong performance compared to proxy, the geographic distribution of small business loans in moderate-income tracts is excellent.

Hocking Valley made 69 (52.3%) small business loans in middle-income tracts totaling \$9.9 million, which was slightly below the percentage of businesses in these tracts at 62.8%. Hocking Valley also made 18 (13.6%) small business loans in upper-income tracts totaling \$3.4 million, which was above the percentage of businesses in these tracts at 10.3%.

Considering Hocking Valley's strong performance in moderate-income tracts and high percentage of unemployment across the assessment area, the geographic distribution of small business lending is excellent.

Residential Real Estate Lending

Hocking Valley made 112 home purchase loans, totaling \$17.2 million during the evaluation period, including two loans (1.8%) totaling \$719,000 in tracts of unknown designation. Hocking Valley made no loans in the low-income tract. As indicated earlier, there is limited opportunity to originate residential real estate loans within the low-income tract.

Hocking Valley made 17 loans (15.2%) in moderate-income tracts totaling \$2.3 million, which was slightly below the percentage of owner-occupied units in these tracts at 16.5%. Although performance was slightly below proxy, the geographic distribution of residential real estate loans in moderate-income tracts is reasonable.

Hocking Valley made 82 (73.2%) residential real estate loans totaling \$12.1 million in middle-income tracts, which was slightly below the percentage of owner-occupied units in these tracts at 75.5%. Hocking Valley also made 11 (9.8%) residential real estate loans totaling \$2.0 million in upper-income tracts, which exceeded proxy in these tracts at 7.4%.

Considering the limited opportunity to originate real estate loans in the low income tract and a reasonable level of lending in the moderate income tracts, the geographic distribution of residential real estate lending is reasonable.

Consumer Lending

Hocking Valley made 154 consumer loans totaling \$2.1 million during the evaluation period, including three (1.9%) loans in tracts of unknown-income designations. Hocking Valley made no loans in the low-income tract, which comprises only 1.7% of households in the bank's assessment area and provides limited opportunity to originate consumer loans. .

Hocking Valley made 16 (10.4%) consumer loans totaling \$275,000 in moderate-income tracts, which was below the percentage of households in these tracts at 17.4%. Although performance is less than the proxy, the geographic distribution of consumer loans in moderate-income tracts is considered reasonable.

Hocking Valley made 122 (79.2%) consumer loans totaling \$1.3 million in middle-income tracts, which was slightly above the percentage of households in these tracts at 66.5%. Hocking Valley also made 13 (8.4%) consumer loans in upper-income tracts, which was slightly below proxy in these tracts at 8.8%.

Hocking Valley's performance for consumer lending is reasonable considering the reasonable performance in moderate-income tracts, and the area's high levels of poverty and unemployment.

Response to Complaints

No CRA-related complaints were received during this evaluation period.

Investments and Services

During this evaluation period, Hocking Valley invested in two Low-Income Housing Tax Credit (LIHTC) projects financed through Ohio Housing Finance Agency totaling approximately \$1.0 million. The first investment rehabilitated two historic school buildings in Nelsonville, Ohio to provide 33 units of affordable housing for low- and moderate-income families and seniors earning no more than 60.0% of the area median income. The second investment renovated a 30-year old existing 53-unit apartment building located in uptown Athens, Ohio. The acquisition and renovation of this development helped maintain affordable housing and a mixed-income community in the city of Athens. The majority of these rental units are set aside for residents with incomes up to 60.0% of the area median income. Additionally, 25.0% of the units are set aside for residents with incomes not exceeding 30.0% of the area median income. A community contact indicated there is a need for affordable housing and a high demand for affordable rental units. As a result, Hocking Valley's investment record enhances credit availability in the assessment area.

In response to the Coronavirus (COVID-19) crisis impact on small businesses, Hocking Valley provided debit cards with pre-set spending limits of the bank's funds to all employees and board members to help support small businesses throughout the community. The campaign, *Shop Athens County*, Hocking Valley injected \$29,500 into Athens County. Hocking Valley also originated 162 loans totaling \$12.1 million through the Small Business Administration's Paycheck Protection Program (PPP) from March through August 2020.

During the evaluation period, Hocking Valley made multiple donations totaling approximately \$100,000 to eight different non-profits that provide a multitude of services to low- and moderate-income individuals and families, support affordable housing, and promote economic development.

In addition, three employees provided financial expertise to three local community organizations that deliver a multitude of services throughout the assessment area. During the evaluation period, these employees provided approximately 800 hours of service by either serving on boards and committees. As a result, Hocking Valley's record of providing other services enhances credit availability in the assessment area.

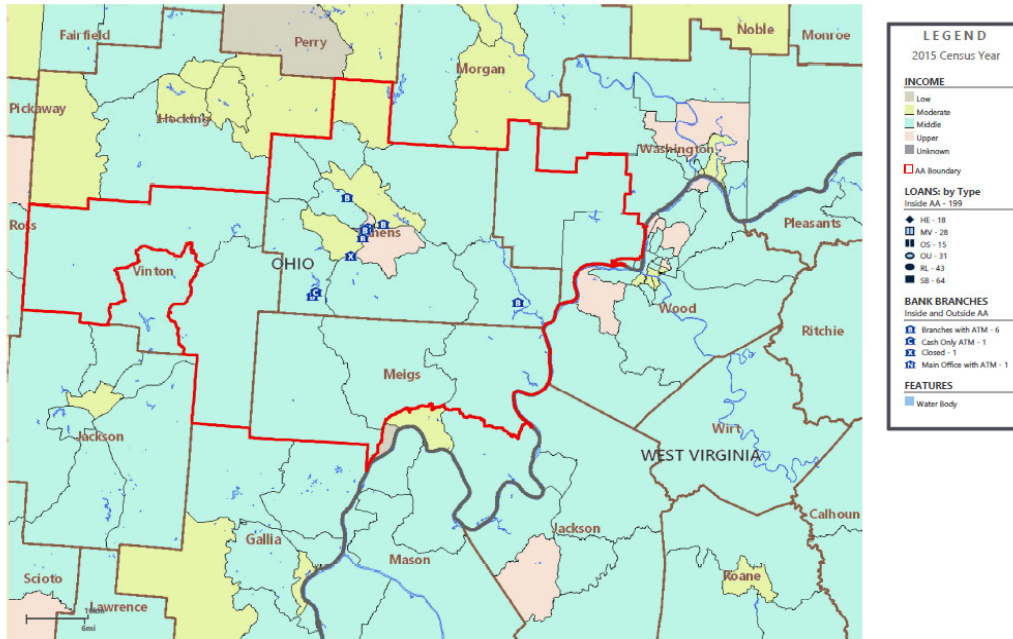
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of Hocking Valley's fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

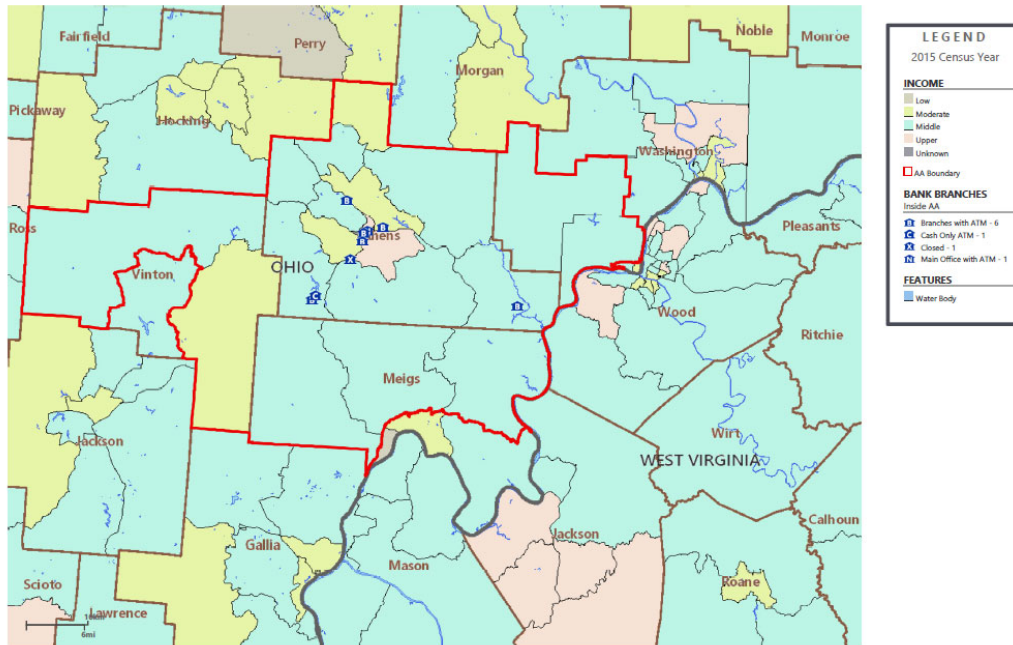
APPENDIX A

ASSESSMENT AREA MAP

The Hocking Valley Bank 2019 Assessment Area



The Hocking Valley Bank 2018 Assessment Area



APPENDIX B

DEMOGRAPHIC INFORMATION

Combined Demographics Report

Assessment Area(s): Non-metropolitan Ohio 2019

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	4.5	65	0.3	17	26.2	5,442	24.5
Moderate-income	3	13.6	3,064	13.8	809	26.4	4,070	18.3
Middle-income	14	63.6	17,279	77.9	2,546	14.7	4,443	20.0
Upper-income	2	9.1	1,505	6.8	120	8.0	8,235	37.1
Unknown-income	2	9.1	277	1.2	143	51.6	0	0.0
Total Assessment Area	22	100.0	22,190	100.0	3,635	16.4	22,190	100.0
	Housing	Housing Types by Tract						
	Units by Tract	Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	734	11	0.0	1.5	612	83.4	111	15.1
Moderate-income	6,014	2,999	12.5	49.9	2,032	33.8	983	16.3
Middle-income	29,320	18,994	79.4	64.8	6,136	20.9	4,190	14.3
Upper-income	3,616	1,760	7.4	48.7	1,397	38.6	459	12.7
Unknown-income	2,299	151	0.6	6.6	1,854	80.6	294	12.8
Total Assessment Area	41,983	23,915	100.0	57.0	12,031	28.7	6,037	14.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	23	0.8	22	0.8	1	0.5	0	0.0
Moderate-income	420	14.7	377	14.6	33	17.8	10	12.0
Middle-income	1,813	63.4	1,631	63.0	115	62.2	67	80.7
Upper-income	303	10.6	285	11.0	16	8.6	2	2.4
Unknown-income	299	10.5	275	10.6	20	10.8	4	4.8
Total Assessment Area	2,858	100.0	2,590	100.0	185	100.0	83	100.0
	Percentage of Total Businesses:			90.6		6.5		2.9
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	5	2.9	5	2.9	0	0.0	0	0.0
Middle-income	159	91.4	159	91.4	0	0.0	0	0.0
Upper-income	9	5.2	9	5.2	0	0.0	0	0.0
Unknown-income	1	0.6	1	0.6	0	0.0	0	0.0
Total Assessment Area	174	100.0	174	100.0	0	.0	0	.0
	Percentage of Total Farms:			100.0		.0		.0

2019 FFIEC Census Data and 2019 D&B Information

Combined Demographics Report

Assessment Area(s): Non-metropolitan Ohio 2018

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	4.5	65	0.3	17	26.2	5,485	24.7
Moderate-income	4	18.2	3,859	17.4	959	24.9	4,106	18.5
Middle-income	13	59.1	16,484	74.3	2,396	14.5	4,444	20.0
Upper-income	2	9.1	1,505	6.8	120	8.0	8,155	36.8
Unknown-income	2	9.1	277	1.2	143	51.6	0	0.0
Total Assessment Area	22	100.0	22,190	100.0	3,635	16.4	22,190	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	734	11	0.0	1.5	612	83.4	111	15.1
Moderate-income	7,549	3,947	16.5	52.3	2,312	30.6	1,290	17.1
Middle-income	27,785	18,046	75.5	64.9	5,856	21.1	3,883	14.0
Upper-income	3,616	1,760	7.4	48.7	1,397	38.6	459	12.7
Unknown-income	2,299	151	0.6	6.6	1,854	80.6	294	12.8
Total Assessment Area	41,983	23,915	100.0	57.0	12,031	28.7	6,037	14.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	20	0.7	19	0.7	1	0.5	0	0.0
Moderate-income	467	16.0	410	15.6	35	18.8	22	21.8
Middle-income	1,833	62.8	1,648	62.7	112	60.2	73	72.3
Upper-income	300	10.3	282	10.7	17	9.1	1	1.0
Unknown-income	297	10.2	271	10.3	21	11.3	5	5.0
Total Assessment Area	2,917	100.0	2,630	100.0	186	100.0	101	100.0
Percentage of Total Businesses:			90.2		6.4		3.5	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	13	7.2	13	7.3	0	0.0	0	0.0
Middle-income	157	87.2	156	87.2	1	100.0	0	0.0
Upper-income	9	5.0	9	5.0	0	0.0	0	0.0
Unknown-income	1	0.6	1	0.6	0	0.0	0	0.0
Total Assessment Area	180	100.0	179	100.0	1	100.0	0	.0
Percentage of Total Farms:			99.4		.6		.0	

2018 FFIEC Census Data and 2018 D&B Information

APPENDIX C

LOAN DISTRIBUTION TABLES

CRA Loan Distribution Table

Exam: The Hocking Valley Bank 2020

Assessment Area Group: Non-metropolitan Ohio 2018 and 2019

Income Categories	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income											
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	31	23.5%	3,460	17.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	31	23.5%	3,460	17.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	69	52.3%	9,876	49.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	18	13.6%	3,407	17.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	14	10.6%	3,194	16.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	132	100.0%	19,937	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	By Revenue											
Total \$1 Million or Less	90	68.2%	13,612	68.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million	42	31.8%	6,325	31.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	132	100.0%	19,937	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	By Loan Size											
\$100,000 or less	82	62.1%	3,607	18.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	25	18.9%	4,090	20.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	24	18.2%	10,959	55.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	1	0.8%	1,281	6.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	132	100.0%	19,937	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue \$1 Million or Less											
\$100,000 or less	59	65.6%	2,586	19.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	15	16.7%	2,460	18.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	15	16.7%	7,286	53.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	1	1.1%	1,281	9.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	90	100.0%	13,612	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Non-HMDA Residential Loan Distribution Table

Exam: The Hocking Valley Bank 2020

Assessment Area/Group :Non-metropolitan Ohio 2018 and 2019

	NON-HMDA RESIDENTIAL LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Residential Loans							
Low	0	0.00%	0	0.00%	16	14.29%	1,279	7.43%
Moderate	17	15.18%	2,310	13.43%	20	17.86%	1,975	11.48%
Low/Moderate Total	17	15.18%	2,310	13.43%	36	32.14%	3,254	18.92%
Middle	82	73.21%	12,102	70.35%	18	16.07%	2,075	12.06%
Upper	11	9.82%	2,072	12.04%	56	50.00%	11,306	65.72%
Unknown	2	1.79%	719	4.18%	2	1.79%	569	3.31%
Tract Unknown	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	112	100.00%	17,203	100.00%	112	100.00%	17,203	100.00%
	Non-HMDA Loan Totals							
Low	0	0.00%	0	0.00%	16	14.29%	1,279	7.43%
Moderate	17	15.18%	2,310	13.43%	20	17.86%	1,975	11.48%
Low/Moderate Total	17	15.18%	2,310	13.43%	36	32.14%	3,254	18.92%
Middle	82	73.21%	12,102	70.35%	18	16.07%	2,075	12.06%
Upper	11	9.82%	2,072	12.04%	56	50.00%	11,306	65.72%
Unknown	2	1.79%	719	4.18%	2	1.79%	569	3.31%
Tract Unknown	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	112	100.00%	17,203	100.00%	112	100.00%	17,203	100.00%

Consumer Loan Distribution Table

Exam: The Hocking Valley Bank 2020

Assessment Area/Group :Non-metropolitan Ohio 2018 and 2019

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Motor Vehicle							
Low	0	0.0%	0	0.0%	12	21.8%	139	19.7%
Moderate	7	12.7%	41	5.8%	22	40.0%	299	42.3%
Low/Moderate Total	7	12.7%	41	5.8%	34	61.8%	438	62.0%
Middle	41	74.5%	553	78.2%	11	20.0%	139	19.7%
Upper	4	7.3%	57	8.1%	7	12.7%	109	15.4%
Unknown	3	5.5%	55	7.8%	3	5.5%	21	3.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	55	100.0%	707	100.0%	55	100.0%	707	100.0%
	Other - Secured							
Low	0	0.0%	0	0.0%	4	14.3%	40	5.4%
Moderate	5	17.9%	217	29.4%	7	25.0%	181	24.5%
Low/Moderate Total	5	17.9%	217	29.4%	11	39.3%	221	29.9%
Middle	21	75.0%	452	61.2%	8	28.6%	143	19.4%
Upper	2	7.1%	70	9.5%	7	25.0%	339	45.9%
Unknown	0	0.0%	0	0.0%	2	7.1%	35	4.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	28	100.0%	739	100.0%	28	100.0%	739	100.0%
	Other - Unsecured							
Low	0	0.0%	0	0.0%	20	28.2%	68	9.9%
Moderate	4	5.6%	17	2.5%	19	26.8%	68	9.9%
Low/Moderate Total	4	5.6%	17	2.5%	39	54.9%	136	19.9%
Middle	60	84.5%	334	48.8%	14	19.7%	105	15.4%
Upper	7	9.9%	332	48.5%	11	15.5%	424	62.0%
Unknown	0	0.0%	0	0.0%	7	9.9%	19	2.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	71	100.0%	684	100.0%	71	100.0%	684	100.0%
	Consumer Loan Totals							
Low	0	0.0%	0	0.0%	36	23.4%	247	11.6%
Moderate	16	10.4%	275	12.9%	48	31.2%	547	25.7%
Low/Moderate Total	16	10.4%	275	12.9%	84	54.5%	794	37.3%
Middle	122	79.2%	1,340	62.9%	33	21.4%	388	18.2%
Upper	13	8.4%	460	21.6%	25	16.2%	873	41.0%
Unknown	3	1.9%	55	2.6%	12	7.8%	75	3.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	154	100.0%	2,130	100.0%	154	100.0%	2,130	100.0%

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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area.

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

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated 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.

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.