

PUBLIC DISCLOSURE

March 24, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The State Bank of Ewen
207 South Cedar Street
P.O. Box 290
Ewen, Michigan 49925
RSSD 240459

**Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, MN 55480-0291**

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

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Definitions for many of the terms used in this performance evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix A at the end of this performance evaluation.

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

Examiners evaluated the Community Reinvestment Act (CRA) performance of The State Bank of Ewen using the Small Bank CRA Examination Procedures. Based on the bank's asset size and financial condition, the bank effectively meets the credit needs of the residents in its assessment area. Several factors support the bank's Satisfactory rating.

- The bank's lending to borrowers of different income levels is excellent.
- The bank's net loan-to-deposit ratio indicates a reasonable level of lending.
- The bank made a majority of its loans to borrowers residing in its assessment area.
- The geographic distribution of loans is reasonable given the characteristics of the assessment area.

The bank received a Satisfactory rating at the previous CRA evaluation, conducted January 5, 2010.

SCOPE OF EVALUATION

Examiners based the evaluation on a statistical sample of 150 consumer loans originated between June 1, 2013, and November 30, 2013, and 60 residential real estate loans originated between January 1, 2012, and November 30, 2013. Consumer and residential real estate loans represent the bank's major product lines by total number or total dollar amount, as shown in Table 1.

<i>Loan Type</i>	<i>Number of Loans</i>	<i>Percentage of Total Number</i>	<i>Total Loan Dollars</i>	<i>Percentage of Total Dollars</i>
Construction/Land Development	4	0.4	\$ 94,338	1.4
Consumer	962	93.7	3,679,504	56.1
Residential Real Estate	44	4.3	2,082,016	31.7
Small Business (≤ \$1 million)	17	1.7	705,923	10.8
Total	1,027	100.0	\$6,561,781	100.0

Examiners analyzed the following criteria to determine the bank's CRA rating:

- Lending to borrowers of different income levels.
- Net loan-to-deposit ratio.
- Lending inside the assessment area.
- Geographic distribution of loans.
- Record of responding to complaints about the bank's CRA performance.

For the evaluation criteria, examiners placed the greatest weight on the bank's lending to borrowers of different income levels. Examiners weighted the net loan-to-deposit ratio and lending inside the assessment area criteria equally. The geographic distribution of loans received the least weight because the assessment area includes middle-income census tracts only. By product type, consumer lending received the greatest weight, followed by residential real estate lending. Consumer lending represents the

¹Note: Because the percentages presented in the tables are rounded to the nearest tenth, some columns or rows may not total 100.0%.

largest percentage of the bank's loans by number and dollar amount during the evaluation period. The bank has not received any CRA-related complaints since the previous evaluation.

DESCRIPTION OF INSTITUTION

Offices. The State Bank of Ewen is a full-service bank with its main office in Ewen, Michigan, and one full-service branch in Bergland, Michigan. The bank has not opened or closed any offices since the previous evaluation. The bank's main office lobby hours are 9:00 a.m. to 3:00 p.m. Monday through Thursday and 9:00 a.m. to 6:00 p.m. on Friday. The drive-up facility at this office has extended hours Monday through Thursday. The branch's lobby hours are 9:00 a.m. to 4:00 p.m. Monday through Friday. The branch also has Saturday drive-up hours. The bank's current office hours appear appropriate for the communities that the bank serves.

Alternative Delivery Methods. The bank operates two cash-dispensing-only automated teller machines (ATM). The bank continues to operate an ATM at the branch. In addition, the bank opened a new ATM at a local business in Ewen in June 2011. The bank offers telephone banking, which allows customers to check balances and transfer funds between accounts. The bank also offers Internet banking services, which allow customers to review account information, make loan payments, and transfer funds between accounts. Overall, the bank's services are accessible throughout the assessment area.

Loan Portfolio. According to the December 31, 2013, Report of Condition (ROC), the bank's assets total \$54.8 million. The bank is primarily a consumer-purpose lender. The bank's \$19.7 million loan portfolio consists of 57.6% residential real estate, 24.5% commercial, and 17.9% consumer loans. Since the previous evaluation, the net loan portfolio decreased 14.3%; however, the composition of the portfolio remained relatively stable. The evaluation did not reveal any financial constraints on the bank's ability to lend within the assessment area.

Credit Products. The bank continues to offer a variety of consumer, residential real estate, and commercial loans to meet the credit needs of the residents and businesses within its assessment area. Consumer loans are closed-end and include installment and single-payment loans. Residential real estate loans include purchase money, refinance, temporary construction, and home improvement loans. Commercial lending includes loans for real estate and machinery and equipment, for example.

Market Share. Of the three financial institutions with insured deposits located in Ontonagon County, The State Bank of Ewen ranks second and holds 41.5% of the market's deposits, according to the June 30, 2013, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report. Of the eight deposit-reporting financial institutions located in Ontonagon and Gogebic counties, the bank ranks fifth, with 12.9% of the market's deposits.

Community Contacts. In addition to having discussions with bank management, examiners contacted members of the community familiar with the credit needs and economic and demographic characteristics of the assessment area. Examiners used information from these sources as part of the evaluation of the bank's CRA performance.

DESCRIPTION OF ASSESSMENT AREA

Assessment Area. At the previous evaluation, the bank's assessment area included all of Ontonagon County. At that time, Ontonagon County consisted of three census tracts. However, the U.S. Census Bureau now delineates census tracts to cover large bodies of water. During the 2010 census, the bureau added a fourth census tract to Ontonagon County that lies entirely in Lake Superior and has no population. The bank does not include this fourth tract in its assessment area. Therefore, the bank's

assessment area remains the same as the previous evaluation and includes three census tracts in Ontonagon County and one census tract in Gogebic County.

All of the tracts in the assessment area are middle-income tracts and classified as distressed and underserved. The assessment area includes the Lac Vieux Desert Indian Reservation in Gogebic County. The reservation is small and many members of the Lac Vieux Desert Band of Lake Superior Chippewa live off the reservation in nearby Watersmeet Township.

Table 2 details the demographic characteristics of the assessment area based on 2010 census data and 2013 Dun & Bradstreet data.

TABLE 2								
Assessment Area Demographics								
<i>Income Categories</i>	<i>Tract Distribution</i>		<i>Families by Tract Income</i>		<i>Families < Poverty Level as % of Families by Tract</i>		<i>Families by Family Income</i>	
	#	%	#	%	#	%	#	%
Low Income	0	0.0	0	0.0	0	0.0	522	20.7
Moderate Income	0	0.0	0	0.0	0	0.0	559	22.2
Middle Income	4	100.0	2,518	100.0	178	7.1	639	25.4
Upper Income	0	0.0	0	0.0	0	0.0	798	31.7
Total Assessment Area	4	100.0	2,518	100.0	178	7.1	2,518	100.0
<i>Income Categories</i>	<i>Housing Units by Tract</i>	<i>Housing Types by Tract</i>						
		<i>Owner-Occupied</i>		<i>Rental</i>		<i>Vacant</i>		
		#	%	%	#	%	#	%
Low Income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate Income	0	0	0.0	0.0	0	0.0	0	0.0
Middle Income	7,346	3,469	100.0	47.2	579	7.9	3,298	44.9
Upper Income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	7,346	3,469	100.0	47.2	579	7.9	3,298	44.9
<i>Income Categories</i>	<i>Total Businesses by Tract</i>	<i>Businesses by Tract and Revenue Size</i>						
		<i>≤\$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>		
		#	%	#	%	#	%	#
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	0	0.0	0	0.0	0	0.0	0	0.0
Middle Income	511	100.0	458	100.0	25	100.0	28	100.0
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	511	100.0	458	100.0	25	100.0	28	100.0
Percentage of Total Businesses:				89.6		4.9		5.5
<i>Income Categories</i>	<i>Total Farms by Tract</i>	<i>Farms by Tract and Revenue Size</i>						
		<i>≤\$1 Million</i>		<i>> \$1 Million</i>		<i>Revenue Not Reported</i>		
		#	%	#	%	#	%	#
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	0	0.0	0	0.0	0	0.0	0	0.0
Middle Income	46	100.0	45	100.0	1	100.0	0	0.0
Upper Income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	46	100.0	45	100.0	1	100.0	0	0.0
Percentage of Total Farms:				97.8		2.2		0.0

Income. In order to classify borrowers by income level, this evaluation uses the Federal Financial Institutions Examination Council's (FFIEC) estimated median family income. For borrowers in the nonmetropolitan areas of Michigan, this figure is \$52,100 for 2012 and \$51,700 for 2013. For purposes of classifying census tracts by income level, this evaluation relies on the 2010 U.S. Census median family income of \$51,613 for the nonmetropolitan areas of Michigan.

Population. According to 2010 census data, the population of the bank's assessment area is 9,462. Between the 2000 census and the 2010 census, Ontonagon and Gogebic counties experienced population losses of 13.3% and 5.4%, respectively. Of the 4,048 households in the assessment area, 27.0% are low income and 20.6% are moderate income. These percentages are slightly higher than the percentages of low- and moderate-income households for the state of Michigan, which are 24.0% and 16.2%, respectively. In the assessment area, the percentages of households and families below the poverty level are 13.2% and 7.1%, respectively. These percentages are slightly lower than the state of Michigan percentages of 13.7% and 10.6%, respectively.

Economy. The area's economy in the assessment area is struggling. A community contact and bank management stated that unemployment in the area is high. The local unemployment rates are higher than the state and national unemployment rates. According to the Bureau of Labor Statistics, the January 2014 nonseasonally adjusted unemployment rates for Ontonagon and Gogebic counties are 12.4% and 8.9%, respectively. The state of Michigan's unemployment rate for the same period is 8.1%, and the national unemployment rate is 6.6%. During the evaluation period, the unemployment rate for Ontonagon County peaked at 20.0% in March 2010, and the rate for Gogebic County peaked at 14.4% in April 2010.

Major employers in the area include the casino, local hospitals, the school system, and a correctional facility. Since the previous evaluation, the copper refinery in White Pine, Michigan, closed and approximately 70 people lost their jobs. Bank management commented that because of limited employment opportunities in the area, some residents have taken jobs in the Bakken oil fields of western North Dakota, which is over 12 hours away by car. These jobs have demanding schedules where employees work in North Dakota for three weeks and then return home to Michigan for one week.

Because major employers have left the area over the past few decades, the local economy depends heavily on seasonal tourism according to a community contact. People come from neighboring states to enjoy the summer and winter attractions in the area. Many people also own vacation homes. In the summer, tourists take advantage of the recreational lakes in Gogebic County and all-terrain vehicle trails. During the winter, tourists enjoy downhill skiing and the extensive system of snowmobiling trails; however, most of these activities are weather dependent. According to bank management, tourism during the 2013-2014 winter season struggled because most areas in the Midwest experienced a significant amount of snow so people did not need to travel to this area.

The weak economy has also contributed to changes in area demographics. According to bank management and community contacts, the population is aging. Many students leave to attend college and do not return because there are few employment opportunities. In addition, as employers leave the area, so do young families. A community contact indicated the largest percentage of people moving into the area tends to be older individuals purchasing vacation homes.

Housing. There are some affordable housing concerns in the area according to bank management and a community contact; however, housing is generally affordable for two-income households. Homeownership can be more challenging for single-income households. According to one community contact, the average price of a home in good condition is \$54,000. More affordable homes typically cost around \$35,000, but they are older and in need of major renovations. The area has a significant number

of vacation homes that retirees and other individuals from outside the area continue to purchase. Lake homes can range from \$150,000 to \$250,000.

Bank management indicated that the financial services market in the assessment area is competitive for all product types. Numerous financial institutions operate in the assessment area, including credit unions and branches of significantly larger national banks. The community contacts did not identify any unmet credit needs in the bank's assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance in meeting the credit needs of its assessment area is rated Satisfactory. The bank's level of lending among individuals of different income levels is excellent overall. The bank's net loan-to-deposit ratio indicates a reasonable level of lending, and the bank originates a majority of its loans inside the assessment area. In addition, the geographic distribution of loans is reasonable and does not reveal any unexplained gaps in lending.

LENDING TO BORROWERS OF DIFFERENT INCOME LEVELS

Overall, the bank's level of lending to borrowers of different income levels is excellent.

Consumer Lending. The bank's level of lending to low- and moderate-income individuals is excellent. Table 3 shows the percentage of consumer loans originated to borrowers of different income levels.

<i>Income Level of Borrower</i>	<i>Low</i>		<i>Moderate</i>		<i>Middle</i>		<i>Upper</i>	
<i>Loan Type</i>	#	\$	#	\$	#	\$	#	\$
Consumer	52.8%	32.1%	37.0%	45.7%	3.7%	9.5%	6.5%	12.8%
Percentage of Households by Income Levels**	27.0%		20.6%		18.4%		34.0%	
*Median family income for the nonmetropolitan areas of Michigan is \$51,700 for 2013.								
**Based on 2010 U.S. Census data.								

The bank extended 52.8% of its consumer loans to low-income borrowers, far exceeding the percentage of low-income households in the assessment area, at 27.0%. The bank's lending to moderate-income borrowers also exceeds demographics. The bank extended 37.0% of its consumer loans to moderate-income borrowers, whereas 20.6% of the households in the assessment area are moderate income. Combined, the bank extended 89.8% of consumer loans by number and 77.8% by dollar amount to low- and moderate-income borrowers, which is an excellent level of lending.

The bank also serves the needs of low- and moderate-income borrowers by providing small-dollar consumer loans. Many of these loans are for day-to-day living expenses according to bank management. The bank does not have a minimum loan amount, and it charges low loan fees. The bank originated approximately 63.9% of its consumer loans in amounts of \$3,000 or less. The bank made 92.8% of these small-dollar loans to low- and moderate-income borrowers. Originating these loans shows the bank's willingness to meet the credit needs of low- and moderate-income borrowers.

Residential Real Estate Lending. The bank's level of lending to low- and moderate-income individuals is reasonable. Table 4 shows the percentage of residential real estate loans originated to borrowers of different income levels.

TABLE 4
Distribution of Residential Real Estate Loans in the Assessment Area
by Borrower Income Levels*

<i>Income Level of Borrower</i>	<i>Low</i>		<i>Moderate</i>		<i>Middle</i>		<i>Upper</i>	
<i>Loan Type</i>	<i>#</i>	<i>\$</i>	<i>#</i>	<i>\$</i>	<i>#</i>	<i>\$</i>	<i>#</i>	<i>\$</i>
Residential Real Estate	21.6%	12.2%	19.6%	14.1%	17.6%	16.0%	41.2%	57.7%
Percentage of Families by Income Levels**	20.7%		22.2%		25.4%		31.7%	

*Median family income for the nonmetropolitan areas of Michigan is \$52,100 for 2012 and \$51,700 for 2013.
**Based on 2010 U.S. Census data.

According to 2010 census data, 20.7% of the families in the assessment area are low income and 22.2% are moderate income. The bank extended 21.6% of loans to low-income borrowers and 19.6% to moderate-income borrowers. The bank's lending to low-income borrowers is slightly higher than demographics. Although the bank's lending to moderate-income borrowers is slightly lower than demographics, it is explainable. According to bank management and community contacts, not all low- or moderate-income individuals can afford to purchase a home. Typically, low- and moderate-income borrowers who qualify for a residential real estate loan qualify for a smaller loan amount. Given some affordable housing concerns and recent job losses in the assessment area, the bank's lending is reasonable.

Overall, the bank's lending among individuals of different income levels is excellent given the higher weight examiners assigned to consumer lending. In addition, the bank actively extends small-dollar consumer loans to meet the credit needs in the assessment area.

LOAN-TO-DEPOSIT RATIO ANALYSIS

The bank's net loan-to-deposit ratio is reasonable given the bank's size and financial condition, the assessment area's credit needs, and competition from local financial institutions.

Since the previous evaluation, the bank's quarterly net loan-to-deposit ratio has ranged from 41.8% to 63.6%. The bank's 17-quarter average net loan-to-deposit ratio is 50.9%, which is lower than the 74.7% 20-quarter average at the previous evaluation. The bank's 17-quarter average net loan-to-deposit ratio is on the lower end of the ratios for the other three financial institutions operating in the area, as shown in Table 5.

TABLE 5
17-Quarter Average Net Loan-to-Deposit Ratios

<i>Bank Name and Location</i>	<i>Assets as of December 31, 2013</i> <i>(in thousands)</i>	<i>Average Net</i> <i>Loan-to-Deposit Ratio</i>
The State Bank of Ewen Ewen, Michigan	\$54,785	50.9%
The First National Bank of Wakefield Wakefield, Michigan	\$46,620	54.3%
Gogebic Range Bank Ironwood, Michigan	\$64,641	86.2%

The bank's average net loan-to-deposit ratio is lower than the national peer group's average net loan-to-deposit ratio, which is 64.6%. The bank's peer group includes all insured commercial banks having

assets between \$50 million and \$100 million in a nonmetropolitan area with two or fewer full-service offices.

Although lower than the national peer group's average, the bank's net loan-to-deposit ratio is reasonable given the level of competition in the assessment area and the effect of increased deposits on the ratio. The financial services market is competitive because numerous financial institutions, including credit unions, operate in the assessment area. There has also been a general decline in credit demand, which further heightens competition. In contrast, the bank's deposits have shown a substantial increase of 31.2% since the previous evaluation. Bank management attributed the increase to several factors, including the bank's competitive certificate of deposit interest rates and the retirement base of the population for example. The increase in deposits, combined with a decline in loan demand, corresponded to a lower loan-to-deposit ratio. Finally, community contacts did not identify any unmet credit needs in the area. Accordingly, the bank's net loan-to-deposit ratio is reasonable and demonstrates the bank's willingness to fulfill the credit needs in its assessment area.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA

The bank originated a majority of its loans within the assessment area, specifically 75.7% of loans by number and 79.3% by dollar. Table 6 shows the bank's lending activity by loan type within the assessment area.

<i>Loan Type</i>	<i>Inside</i>		<i>Outside</i>	
	<i>Total Number of Loans</i>	<i>Total Dollar Amount of Loans</i>	<i>Total Number of Loans</i>	<i>Total Dollar Amount of Loans</i>
Consumer	72.0%	69.2%	28.0%	30.8%
Residential Real Estate	85.0%	81.4%	15.0%	18.6%
Total	75.7%	79.3%	24.3%	20.7%

The bank made many of the loans that were outside the assessment area in adjacent counties or in areas relatively near its assessment area. Bank management indicated that the bank maintains relationships with some individuals who no longer reside in the assessment area.

GEOGRAPHIC DISTRIBUTION OF LOANS

At the previous evaluation, the bank's assessment area included one moderate-income census tract. However, the income classification of this tract changed with the release of 2010 census data. Now the bank's assessment area includes only middle-income census tracts. The bank made both consumer and residential real estate loans in all census tracts in the assessment area. The bank originated most of its loans to borrowers in Ontonagon County, which is where the main office and branch operate. Bank management and a community contact did not identify any significant concentrations of low- and moderate-income families in the assessment area. Overall, the geographic distribution of the bank's loans reflects reasonable dispersion throughout the assessment area, and there are no unexplained gaps in lending patterns.

RECORD OF RESPONSE TO CRA-RELATED COMPLAINTS

Neither the bank nor the Federal Reserve Bank of Minneapolis has received any CRA-related complaints concerning the bank since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The examination did not reveal any evidence of violations of antidiscrimination laws or regulations, including Regulation B--Equal Credit Opportunity Act and the Fair Housing Act, or other illegal credit practices inconsistent with the bank's role in helping meet community credit needs.

Appendix A

Glossary of Common CRA Terms

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 statistical area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. 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 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 C.F.R. 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income census tracts, designated disaster areas, or distressed or underserved nonmetropolitan middle-income census tracts; 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 census tracts.

Consumer loan: A loan to one or more individuals for household, family, or other personal expenditures. It 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.

Distressed nonmetropolitan middle-income census tract: A middle-income, nonmetropolitan census tract 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 20.0% or more, or (3) a population loss of 10.0% or more between the previous and most recent decennial census or a net migration loss of 5.0% 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 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., 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 data such as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (i.e., approved, denied, or withdrawn).

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

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

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

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 statistical area/assessment area.

Metropolitan statistical area (MSA): An area, defined by the Office of Management and Budget, based on the concept of a core area with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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 MSA. 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 MSA, the institution will receive a rating for the multistate metropolitan area.

Small loan to business: A loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or classified as commercial and industrial loans.

Small loan to farm: 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 classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income census tract: A middle-income, nonmetropolitan census tract 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 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.

(For additional information, please see the Definitions sections of Regulation BB at 12 C.F.R. 228.12.)