PUBLIC DISCLOSURE

August 20, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Simmons First Bank of Hot Springs
RSSD# 2571081

100 Werner Street
Hot Springs, AR 71913

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.

Simmons First Bank of Hot Springs meets the criteria for a satisfactory rating based upon the performance evaluation of the bank's lending activity. The borrower's profile analysis reveals reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI) levels and businesses of different sizes. Secondly, the geographic distribution of loans analysis reflects reasonable dispersion throughout the bank's assessment area. The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. Additionally, a substantial majority of the bank's loans and other lending-related activities are inside the bank's assessment area. Lastly, no Community Reinvestment Act (CRA)-related complaints were filed against the bank for the review period.

SCOPE OF EXAMINATION[1]

The bank's CRA performance was evaluated using the small bank examination procedures, and the period of review spanned from the date of the bank's previous CRA evaluation on August 18, 2008 to August 20, 2012. Lending performance was based on loans originated in 2011, including home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) for 2011 and small business loans originated from August 18, 2008 to December 31, 2011. These two loan categories are considered the bank's primary lines of business, based upon lending volume by number and dollar amounts and in light of the bank's stated business strategy. Therefore, loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis on home mortgage lending, performance based on the HMDA loan product carried the most significance towards the bank's overall performance conclusions.

Under the small bank CRA performance criteria, analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders based upon HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based upon 2000 U.S. Census data (certain business geodemographics are based upon Dun & Bradstreet data, which are applicable to the year of loan data being evaluated). Generally speaking, when analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within a specific assessment area. Aggregate lending data sets are also updated annually; therefore, they are expected to predict more relevant comparisons.

In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Two other banks were identified as similarly situated peers, with asset sizes of $91.2 million and $182.3 million.

[1] Information presented in this section (e.g., review period dates and loan sample details) pertains throughout the rest of this evaluation unless specifically noted otherwise.

DESCRIPTION OF INSTITUTION

Simmons First Bank of Hot Springs is a full-service retail bank offering both consumer and commercial loan and deposit products. Simmons First Bank of Hot Springs is wholly owned by Simmons First National Corporation, a multibank holding company headquartered in Pine Bluff, Arkansas. The bank's branch network consists of a main office at 100 Werner Street and four branches, all of which have drive-through accessibility and deposit-accepting automated teller machines on site. The branch at 515 West Grand also contains a mortgage loan origination office. All locations are within the Hot Springs metropolitan statistical area (MSA). The bank did not open or close any branch offices during this review period. Based on this branch network and other service delivery systems, such as full-service online banking capabilities and extended hours of operation, the bank is well-positioned to deliver financial services to its entire assessment area, particularly to Garland County's six moderate-income census tracts, which are centrally located within the 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 June 30, 2012, the bank reported total assets of $176.4 million. As of the same date, total loans were $70.9 million, and deposits totaled $134.1 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2012

Credit Category	Amount ($000s)	Percentage of Total Loans
Construction and Development	$ 6,538	9.2%
Commercial Real Estate	$ 17,868	25.2%
Multifamily Residential	$ 1,976	2.8%
1-4 Family Residential	$ 36,413	51.3%
Farmland	$ 72	0.1%
Commercial and Industrial	$ 5,434	7.7%
Loans to Individuals	$ 2,516	3.5%
Total Other Loans	$ 165	0.2%
TOTAL LOANS	**$ 70,982**	**100%**

As indicated in the table above, a significant portion of the bank's lending resources is directed to loans secured by 1-4 family residential properties[2] and commercial real estate loans. The bank received a satisfactory rating at its previous CRA evaluation, conducted on August 18, 2008 by the Federal Deposit Insurance Corporation (FDIC).

DESCRIPTION OF ASSESSMENT AREA[3]

General Demographics

The bank's Hot Springs MSA assessment area, which had a population of 88,068 in 2000 and 96,024 as of 2010, is located in West Central Arkansas, and is comprised of all 19 census tracts in Garland County. The assessment area is more rural to the north and west. Hot Springs, the county seat, is located in the southeast portion of the assessment area and had a population of 35,193 in 2010, making it the most populous city in Garland County. Of the 14 FDIC-insured depository institutions with a branch presence in the assessment area, the bank ranked fourth in terms of deposit market share, encompassing 7.5 percent of the total assessment area deposit dollars.[4]

The assessment area comprises an MSA, but a significant segment of the northwest portion is public land and is scarcely populated. Farming is not a significant industry in the assessment area, as agriculture, forestry, fishing, and hunting account for only 0.27 percent of the employed population. Therefore, agricultural loans do not represent a significant credit need in the assessment area. However, there is a need for a standard blend of consumer and business loan products. Tourism is a driving force in the local economy, with its natural hot springs, Ouachita State Park, large lakes, casinos, and the Oaklawn Jockey Club, drawing in approximately 2.5 million visitors who spent approximately $590 million in 2011.[5]

Income and Wealth Demographics

As previously noted, the bank's assessment area consists of the 19 census tracts comprising Garland County and the Hot Springs MSA in its entirety. The following table reflects the number and family population of the census tracts within the assessment area in each income category.

[2] The bank also originates and subsequently sells a volume of loans related to residential real estate. Because these loans are typically sold on the secondary market shortly after origination, this activity would not be captured in the data discussed here.

[3] Statistical/demographic information cited in this evaluation, unless otherwise stated, is taken from 2000 U.S. Census Bureau data. The exception to this general rule is certain business geodemographics, which are based upon Dun & Bradstreet data as of 2010.

[4] Source: Federal Deposit Insurance Corporation Institution Branch Report as of June 30, 2011.

[5] Source: Hot Springs Chamber of Commerce – Chamber News.

Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Census Tracts	0 0.0%	6 31.6%	11 57.9%	2 10.5%	**19** **100%**
Family Population	0 0.0%	4,475 17.6%	17,456 68.7%	3,465 13.6%	**25,396** **100%**

The previous table reveals that the bank's assessment area contains six moderate-, eleven middle-, and two upper-income census tracts. The largest portion of the assessment area's family population resides in middle-income census tracts.

Based upon 2000 census data, the median family income for the assessment area was $38,002, while the median family income for the state of Arkansas was $38,663. More recently, the U.S. Department of Housing and Urban Development (HUD) estimates the 2011 Hot Springs MSA median family income to be $48,800. The following table displays population percentages of assessment area families by income level and compares those to the state of Arkansas as a whole.

Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area (Hot Springs MSA)	4,830 19.0%	4,587 18.1%	5,857 23.1%	10,122 39.9%	**25,396** **100%**
Arkansas	148,233 20.1%	131,570 17.9%	163,567 22.2%	292,693 39.8%	**736,063** **100%**

Based on the data in the preceding table, the assessment area is slightly more affluent than the state of Arkansas as a whole. Although the first table in this section indicated that the majority of the assessment area families lived in middle- and upper-income census tracts, this table reveals that a significant portion of assessment area families (37.1 percent) are considered LMI. This LMI family population figure is just below that of the state of Arkansas (38.0 percent). Lastly, the level of assessment area families living below the poverty level, 10.5 percent, is less than that of the state of Arkansas, 12.0 percent.

Housing Demographics

Based upon housing values, income levels, and rental costs, housing in the assessment area appears to be less affordable than in the state of Arkansas. The median housing value for the assessment area was $77,223, which is well above the $67,400 figure for the state of Arkansas. Similarly, the median gross rent of $478 per month for the assessment area exceeds the $453 per month median for the entire state. In contrast, the assessment area housing affordability ratio of 40.9 percent is significantly below the ratio of 47.8 percent for the state of Arkansas. However, due to the previously mentioned higher cost of housing in the assessment area, the percentage of owner-occupied homes of 59.86 percent is below the 61.67 percent for the entire state. Therefore, while the area is more affluent and housing is more expensive than that of the state of

Arkansas, housing still appears to be mostly within reach of the population. It should be noted that one community contact stated that decent housing is difficult to find for lower-income families in the area. Consequently, lower-income families often reside in older and less costly housing stock in the assessment area.

Industry and Employment Demographics

The assessment area economy is diverse and is supported by a mixture of manufacturing and service-oriented sectors. By number of paid employees in the assessment area, healthcare and social assistance plays a lead industry role with 7,076. Rounding out the top three are retail trade with 5,807 and accommodation and food services with 4,904, both catering to tourists. Further business demographic data estimates indicate there are 4,753 businesses in the assessment area, 4,336 of them (91.2 percent) with gross revenues of $1 million or less.

The population has increased from 88,068 to 96,024 in the Hot Springs MSA during the past decade; however, employment opportunities have not kept pace with the population shift. The annual unemployment rate for 2001 was 4.6 percent and increased to 8.3 percent by 2011. The Arkansas unemployment rate for 2001 was 4.7 percent and increased to 8.0 percent by 2011.[6] The assessment area unemployment rate figures were judged against the entire state of Arkansas figures and were found to be comparable.

Community Contact Information

Information from two community contacts was utilized to help shape the performance context in which the bank's activities were evaluated. One interview was with an individual working in a government planning/economic development role, and the other was with an employee of a nonprofit corporation dedicated to promoting economic development.

Both contacts stated that the local economy has remained steady over the past few years. Unemployment increased with the recession, declined, and then has remained relatively stable. The tourism industry remained relatively unaffected by the recession. The largest single industry in the area, healthcare, also sustained little impact from the recession. However, one contact stated that the area has seen a decline in loan demand due to the uncertainty of the state of the national economy. Futhermore, one contact stated that businesses in the area are wary of expanding and prefer to put their money into savings and "see what happens."

One contact stated that it is difficult for low-income families in the area to find good housing stock. As a result, they are pushed into older housing stock. The contact was of the opinion that the city has not taken the necessary steps to create affordable housing in the area.

Both contacts agreed that the area is heavily banked, with a high level of accessibility and competition between banks. The contacts named several banks in the area as being very active in the community, and Simmons First Bank of Hot Springs was among those mentioned. One contact stated that the area has numerous development opportunities in the downtown area, while

[6] Source: U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted).

the other stated that small dollar loans are a credit need in the area that could be better met by local banks.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Simmons First Bank of Hot Springs meets the standards for a satisfactory rating under the CRA small bank evaluation procedures, which evaluate bank performance under the following five criteria as applicable.

- Loan distribution by borrower's profile (applicant income or business/farm revenue profile)
- The geographic distribution of loans
- The bank's average LTD ratio
- The concentration of lending within the assessment area
- A review of the bank's response to written CRA complaints

The remaining sections of this evaluation are based upon analyses of the bank's lending performance under these five performance criteria.

Loan Distribution by Borrower's Profile

Borrowers are classified into low-, moderate-, middle- and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by HUD (48,800 as of 2011). The following table shows the distribution of HMDA loans by borrower income level, compared to family population income characteristics for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Borrower						
Dataset	**Borrower Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	
Home Purchase Loans	3 5.5%	7 12.7%	18 32.7%	26 47.3%	1 1.8%	**55** **100%**
Refinance Loans	1 3.2%	3 9.7%	9 29.0%	17 54.8%	1 3.2%	**31** **100%**
Home Improvement Loans	2 18.2%	3 27.3%	0 0.0%	6 54.5%	0 0.0%	**11** **100%**
MultiFamily Loans	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 100.0%	**1** **100.0%**
HMDA TOTAL	**6** **6.1%**	**13** **13.3%**	**27** **27.6%**	**49** **50.0%**	**3** **3.1%**	**98** **100%**
Family Population	19.0%	18.1%	23.1%	39.9%	0.0%	**100%**

Although the bank's LMI lending figures may seem low initially, overall performance is still reasonable, especially given the bank's aggregate performance. The bank's 6.1 percent of lending to low-income borrowers is significantly below the 19.0 percent of families classified as low-income. Home improvement loans provided an exception to the low percentage of lending to low-income borrowers. These loans, which are at 18.2 percent, are comparable to the family population percentage. It should be mentioned that the bank's lending to low-income borrowers is on par with that of other lenders in the assessment area. The 2011 aggregate HMDA data indicates that 5.7 percent of aggregate HMDA loans inside the assessment area were made to low-income borrowers (7.5 percent of home purchase loans, 4.2 percent of refinance loans, and 7.0 percent of home improvement loans).

Bank performance with respect to moderate-income borrowers exceeds the performance of lending to low-income borrowers. The bank's total lending to moderate-income borrowers is 13.3 percent, compared to a family population of 18.1 percent. Bank performance to moderate-income borrowers is very similar to that of other lenders, with 15.8 percent of all 2011 aggregate loans inside the assessment area being made to moderate-income borrowers (19.7 percent home purchase loans, 12.7 percent refinance loans, and 14.7 percent home improvement loans). Lower demand for housing loans by low-income borrowers is backed up by the assessment area's more expensive housing. Therefore, when taking aggregate performance into account, the bank's HMDA lending performance by borrower profile is reasonable.

Similar to the borrower's profile analysis conducted for the previous loan category, the bank's distribution of small business loans to business institutions of various sizes was reviewed. The following table reflects Simmons First Bank of Hot Springs's distribution of small business loans by gross annual revenue and loan amount.

Lending Distribution by Business Revenue Level				
Gross Revenue	**Loan Origination Amount (in $000s)**			**TOTAL**
	≤$100	**>$100≤$250**	**>$250≤$500**	
$1 Million or Less	39 63.9%	4 6.6%	7 11.5%	**50** **82.0%**
Greater Than $1 Million	6 9.8%	4 6.6%	1 1.6%	**11** **18.0%**
TOTAL	**45** **73.8%**	**8** **13.1%**	**8** **13.1%**	**61** **100%**

Based on this analysis of small business loans, Simmons First Bank of Hot Springs is doing a reasonable job of meeting the credit needs of small businesses. The table above demonstrates that 50 of 61 loans reviewed (82.0 percent) were made to businesses with gross annual revenues of $1 million or less. In comparison, business geodemographic data as of 2010 from Dun & Bradstreet indicates that 91.2 percent of business institutions inside the assessment area are small businesses. CRA aggregate data for the assessment area reflects that 46.8 percent of business lending was to small businesses. In addition, the fact that 63.9 percent of business loans to small businesses were in amounts of $100,000 or less further indicates the bank's willingness to meet the credit needs of small businesses. Consequently, the bank's borrower's profile performance for small businesses is considered reasonable.

Therefore, the bank's overall borrower's profile performance, based on analyses of two loan categories, is reasonable.

Geographic Distribution of Loans

As noted in the description of the bank's assessment area, Garland County contains six moderate-income, eleven middle-income, and two upper-income census tracts. The analysis in this section illustrates the distribution of the bank's lending activity across these geographies. Overall, the bank's geographic distribution of loans reflects reasonable dispersion throughout this assessment area, based upon activity analyzed from both loan categories. The following table displays the geographic distribution of HMDA loans in comparison to owner-occupied housing statistics for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography						
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	
Home Purchase	0 0.0%	7 12.7%	33 60.0%	15 27.3%	0 0.0%	**55** **100%**
Refinance	0 0.0%	2 6.5%	21 67.7%	8 25.8%	0 0.0%	**31** **100%**
Home Improvement	0 0.0%	2 18.2%	6 54.5%	3 27.3%	0 0.0%	**11** **100%**
Multi-Family Loans	0 0.0%	0 0.0%	1 100.0%	0 0.0%	0 0.0%	**1** **100.0%**
TOTAL LOANS	0 0.0%	11 11.2%	61 62.2%	26 26.5%	0 0.0%	**98** **100%**
Owner-Occupied Housing	0.0%	15.1%	71.4%	13.5%	0.0%	**100%**

The analysis of HMDA loans revealed lending performance below demographic data used for comparison purposes. The bank's total penetration of moderate-income census tracts by total number of loans, as well as home purchase and refinance loans, all fell below the 15.1 percent of owner-occupied housing units. Overall penetration, home purchase, and refinance loans were 11.2 percent, 12.7 percent, and 6.5 percent, respectively. At 18.2 percent, home improvement loans provided an exception by exceeding the percentage in population of owner-occupied housing.

The bank's performance in moderate-income census tracts exceeds that of other lenders in the assessment area based on 2011 HMDA aggregate data, which indicates that 6.8 percent of aggregate HMDA loans inside the assessment area were made to borrowers residing in moderate-income geographies (7.8 percent of home purchase loans, 5.4 percent of refinance loans, and 13.2 percent of home improvement loans). Considering the performance of other institutions inside the assessment area, the bank's geographic distribution of HMDA loans is reasonable.

The bank's geographic distribution of small business loan activity is displayed in the following table.

Distribution of Loans Inside Assessment Area by Income Level of Geography						
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	
Small Business Loans	0	14	38	9	0	**61**
	0.0%	23.0%	62.3%	14.8%	0.0%	**100%**
Business Institutions	0.0%	27.2%	60.0%	12.8%	0.0%	**100%**

As illustrated in the previous table, the bank's level of lending in moderate-income census tracts is comparable to data used for comparison. The bank originated 23.0 percent of small business loans to business institutions within moderate-income census tracts. In comparison, 2010 business geodemographic data indicates that 27.2 percent of the assessment area's businesses are located within moderate-income census tracts. The bank's performance is also comparable to that of other lenders, based on 2011 CRA aggregate data, which indicates that 23.3 percent of reported small business loans were in moderate-income census tracts. Therefore, the geographic distribution of the bank's small business loans reflects reasonable dispersion throughout the assessment area.

Based on reviews from both loan categories, the bank's overall performance is reasonable for the assessment area's needs.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio[7] compared to those of regional peers.

Loan-to-Deposit Ratio Analysis			
Name	**Asset Size[8]**	**Headquarters**	**Average LTD Ratio**
Simmons First Bank of Hot Springs	$ 176,417	Hot Springs, Arkansas	59.4%
Similarly Situated Banks	$ 91,196	Hot Springs, Arkansas	85.8%
	$ 182,326	Bryant, Arkansas	104.9%

Based on data from the previous table, the bank's level of lending is below that of other banks in the region. During the review period, the bank's LTD ratio ranged from a low of 49.0 percent to a high of 69.2 percent, representing a generally decreasing trend. In comparison, the average LTD ratios for the regional peers ranged from 69.7 percent to 116.8 percent. The bank attributes

[7] The average LTD ratio represents a 16-quarter average, dating back to the bank's last CRA evaluation.
[8] Asset size figures in this table represent total assets as of June 30, 2012 (in $000s).

the decreasing trend in their lending to a declining demand for loans in the area. Both comparable banks in the region also had declining trends in their LTD ratios, and one community contact made a note of the decreased loan demand in the area, stating that businesses and households alike are saving their money rather than expanding, due to an uncertain economic climate. Moreover, the bank has very strong deposit relationships and has seen an increase in savings among its customers, further decreasing its LTD ratio. Therefore, compared to data from regional banks as displayed in the table above, the bank's average LTD ratio appears to be 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 ($000s)

Loan Type	Inside Assessment Area	Outside Assessment Area	TOTAL
HMDA Loans	98 91.6%	9 8.4%	**107** **100%**
	$ 16,049 93.9%	$ 1,048 6.1%	**$ 17,097** **100%**
Small Business Loans	61 93.8%	4 6.2%	**65** **100%**
	$ 7,551 87.0%	$ 1,127 13.0%	**$ 8,678** **100%**
TOTAL	**159** **92.4%**	**13** **7.6%**	**172** **100%**
	$ 23,600 **91.6%**	**$ 2,175** **8.4%**	**$ 25,775** **100%**

By number of total loans reviewed, 92.4 percent were made to borrowers within the bank's assessment area. Furthermore, data in the previous table demonstrates that a substantial majority of the two loan categories, both by number and dollar amount, were extended to borrowers residing and/or operating inside the bank's assessment area.

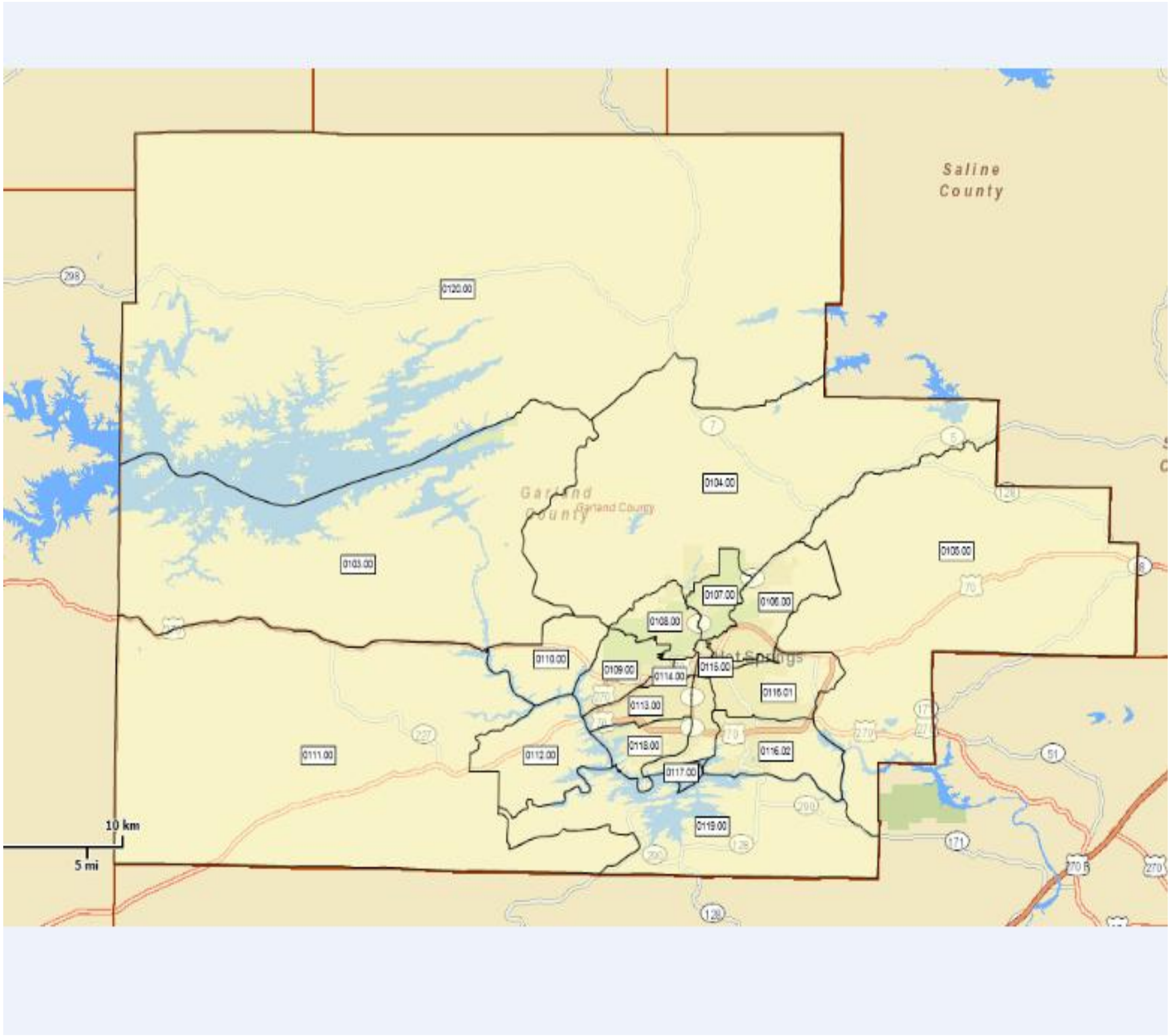
Review of Complaints

No CRA-related complaints were filed against the bank during the review period of August 18, 2008 through August 20, 2012.

Fair Lending or Other Illegal Credit Practices Review

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

Assessment Area Detail



GLOSSARY

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.

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 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) <u>affordable housing</u> (including multifamily rental housing) for low- or moderate-income individuals; (2) <u>community services</u> targeted to low- or moderate-income individuals; (3) activities that promote <u>economic development</u> 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 <u>revitalize or stabilize</u> low- or moderate-income geographies, designated disaster areas, or distressed or underserved non-metropolitan 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 (such as age, race, sex, income, etc.) used especially to identify markets.

Distressed non-metropolitan 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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests 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 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.

Housing affordability ratio: Is 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 (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.

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 a 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) are measured. The criteria relate to lending, investment and service retail, 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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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 Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either 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 non-mortgage, 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 Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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.