

**PUBLIC DISCLOSURE**

March 19, 2012

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Western Reserve Bank  
RSSD: 2730477

4015 Medina Road  
Medina, OH 44258

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

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

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

The major factors and criteria contributing to this rating include:

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs;
- A majority of loans and other lending related activities are in the institution's assessment area;
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas;
- Given the demographics of the assessment area(s), the distribution of borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different revenue sizes; and
- There were no CRA-related complaints received about the institution's performance in meeting assessment area credit needs.

The previous CRA examination conducted January 14, 2008 resulted in a "Satisfactory" performance rating.

**SCOPE OF EXAMINATION**

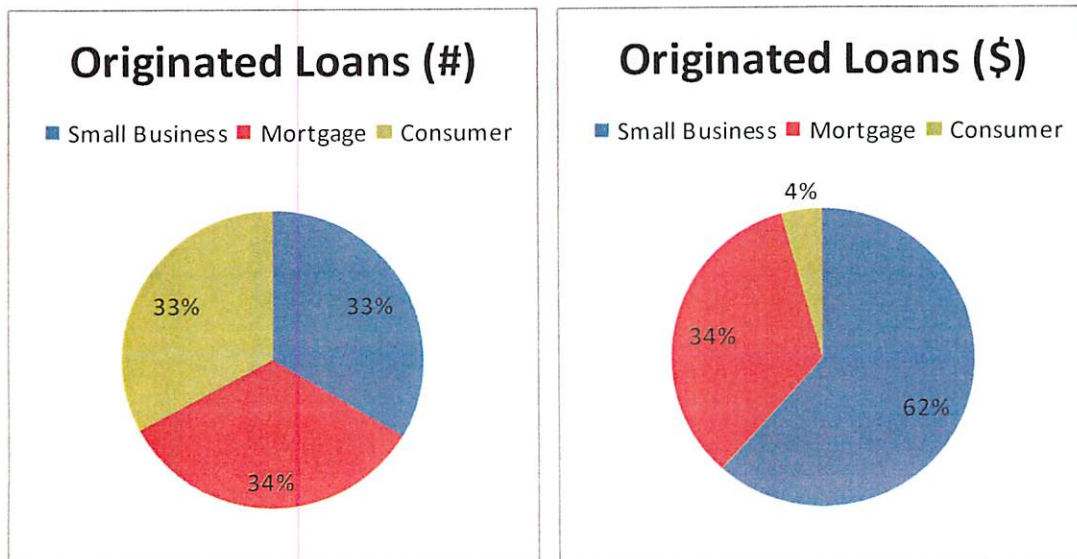
Western Reserve Bank (Western Reserve) was evaluated using the Interagency Procedures and Guidelines for Small Banks. Western Reserve's CRA performance was evaluated based on small business lending activity from January 1, 2010 through December 31, 2011 and HMDA and consumer lending activity from January 1, 2009 through December 31, 2011.

The loan products evaluated included small business loans, mortgage loans reported under the Home Mortgage Act (HMDA), and consumer loans. Mortgage loans are comprised of home purchase, refinance, home improvement, and multi-family dwelling loans. Consumer loans are comprised of motor vehicle, personal and overdraft lines of credit, and other secured and unsecured loans.

The following table illustrates the volume and dollar amount of loans originated inside the bank's assessment area during the evaluation period:

Loan Type	Number of Loans	Dollar Amount of Loans (000)
Small Business	45	\$15,799
Mortgage	45	\$8,698
Consumer	44	\$1,123
<b>Total Loans</b>	<b>134</b>	<b>\$25,620</b>

The following charts illustrate the distribution of loans originated inside the bank's assessment area during the evaluation period:



Given the above distribution, small business lending received the greatest weight in this analysis based on the total dollar volume and number of loans originated during this evaluation period. Mortgage lending received the next greatest weight, followed by consumer lending, which received the least weight.

The bank's performance was also compared to the aggregate performance of all lenders required to report HMDA data within the assessment area for the year 2010 (the most recent data available at the time of this report). Demographic data was evaluated using data from the 2000 U.S. Census Bureau report. If more recent data was available, it was referenced accordingly.

The borrower distribution received greater weight than the geographic distribution because the assessment area is comprised entirely of middle-income and upper-income geographies.

The size and financial condition of the institution, lending opportunities within the assessment area, and competition with other institutions were also considered in the bank's performance context. There are no legal or other impediments preventing the bank from meeting the credit needs of its assessment area.

**DESCRIPTION OF INSTITUTION**

Western Reserve is a full-service banking institution that is the sole subsidiary of Western Reserve Bancorp, Inc. Both the bank and the holding company are located in Medina, Ohio. As of December 31, 2011, the bank's total assets were \$192 million, an increase of approximately \$34 million since the previous CRA evaluation in January 2008. Of the bank's total assets, approximately 75.0% (\$144.1 million) represented total loans.

Western Reserve serves its assessment area through three offices located in upper-income geographies: the main office, a full-service branch located in Brecksville, Ohio and a limited-hour office located in a nursing home facility in Medina, Ohio. The main office and Brecksville locations have full-service ATMs. In February 2010, the bank closed one branch located in an upper-income tract at 49a Leisure Lane, Medina, Ohio. This office was located within a nursing home facility with limited hours of service.

In addition, a loan production office was opened in Wooster, Ohio in 2009, but was closed in 2011. This office was located outside of the bank's delineated CRA assessment area.

Western Reserve is a full-service retail bank offering consumer and business deposit accounts and consumer, commercial, and residential mortgage loans; however, its main focus is commercial lending. As of December 31, 2011, Western Reserve had \$144.1 million in total loans, which represents 75.0% of total assets. Using data obtained from the Uniform Bank Performance Report for Western Reserve Bank, the following table demonstrates the bank's loan portfolio composition as of December 31, 2011.

<b>Loan Type</b>		<b>Percent of Total Loans</b>
Commercial Real Estate	\$ 82,923	57.5%
Commercial and Industrial Loans	\$ 17,712	12.3%
Loans for Agricultural Production & Secured by Farmland	\$ 149	0.1%
Construction and Land Development	\$ 7,044	4.9%
Secured by 1-4 Family Residential Real Estate	\$ 27,438	19.0%
Multi-family Residential Real Estate	\$ 5,450	3.8%
Consumer Loans	\$ 3,417	2.4%
Total (gross)	\$ 144,133	100.0%

## **DESCRIPTION OF ASSESSMENT AREA**

Western Reserve's assessment area is located in the Cleveland-Elyria-Mentor MSA 17460 and includes the entirety of Medina County, which consists of 34 census tracts, and the southeastern portion of Cuyahoga County, which consists of six census tracts (specifically, the cities of Brecksville and Broadview Heights, Ohio). All of the census tracts in the assessment area are middle-income and upper-income geographies. There are no low-income or moderate-income census tracts. Further, none of the bank's middle-income geographies are designated as distressed or underserved areas, as defined by the FFIEC.

Medina County is located in north central Ohio, approximately 25 miles south of Cleveland, Ohio, and is comprised of three cities, six villages, and 17 townships within approximately 425 square miles. The city of Brunswick is the largest city, by population, while the city of Medina is the county seat and second largest city.

Cuyahoga County is located directly north of Medina County and is the most populous county in the state of Ohio, according to 2010 census data,<sup>1</sup> despite a decline in population since 2000. The city of Cleveland is the largest city by population, as well as the county seat.

There is a significant amount of competition throughout Medina and Cuyahoga Counties from both large- and peer-sized banks. According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report,<sup>2</sup> as of June 30, 2011, the FDIC reported 33 FDIC-insured financial institutions operating 495 offices in the two counties, with Western Reserve ranked 16<sup>th</sup>, holding 0.4% of the market share of deposits.

As of June 30, 2011, FDIC reported that there were 18 FDIC-insured financial institutions operating 69 offices in the market area comprised of Medina County and the cities of Brecksville and Broadview Heights. These statistics indicate that Western Reserve ranked ninth, holding 4.3% of the market share of deposits.

Third Federal Savings and Loan of Cleveland currently operates three offices within the market area and is ranked first with 19.0% of the market share of deposits. First Merit Bank, N.A. holds 18.5% of the market share and operates 16 offices in the market area. PNC Bank N.A. operates seven offices in the area and is ranked third, with 9.9% of the market share of deposits. Westfield Bank and Huntington Bank both hold a significant portion of the market share at 8.2% and 7.3%, respectively. Additionally, Western Reserve also competes with several peer banks, including Farmers Savings Bank and Wayne Savings Community Bank. These peer banks each have a banking office in the market area and hold 3.6% and 0.5% of market share within this market, respectively.

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<sup>1</sup> <http://www.city-data.com/states/Ohio-Population.html>

<sup>2</sup> <http://www3.fdic.gov/sod/index.asp>

Two community contacts were conducted to provide additional information regarding credit needs of the local community. These interviews provided context to the demographic and economic characteristics discussed below. The first community contact is involved in supporting business development in Medina County. This contact stated the organization has noticed an uptick in business-related activities in the county and attributed the county's ability to weather the recession and its lower-than-average unemployment rate to the region's diverse economy. While several manufacturing plants have closed during the assessment period, overall manufacturing is perceived to be strong. Plant closings, and loss of tenants in local industrial parks, have generally been offset by growth in other areas.

The community contact provided data that identified 130 companies that had expanded in Medina County in 2011 (creating 1,030 new jobs), invested \$70 million in capital spending, and absorbed 516,000 square feet of new space. Further, the contact mentioned significant growth in the health care industry with upgraded facilities, new construction, and the introduction of a medical equipment firm into the county. Additionally, industrial expansion was also seen in the county as several manufacturing firms expanded operations. To encourage economic growth, Medina County has a Community Assessment Area that offers tax abatements through the state of Ohio and a local revolving fund that provides gap financing to area businesses. The community contact indicated that in the past several years, some businesses have had a difficult time securing financing and restructuring debt because banks did not want to extend a business's current line of credit. However, the community contact also noted local financial institutions in the area have been supportive of small business growth and have shown a willingness to work with prospective commercial customers and extend credit when appropriate.

A second community contact, a small business association located in Summit County, concurred that lending in Medina County and surrounding areas could be increased to support the number of thriving businesses located in the region.

### **Population Characteristics**

The 2000 U.S. Census report indicated that the total population of Western Reserve's entire assessment area was 174,249. Individuals ages 25 to 64 represented 54.8% of the area's population, ages 17 and younger represented 27.1%, ages 65 and over represented 11.4%, and individuals 18 to 24 represented the remaining 6.7% of the assessment area's population. Almost three quarters of the population is eighteen years of age or older, which is the legal age to enter into a contract.

Shown in the table below is the current population by county in the bank's assessment area and how it is expected to change over the next 20 years. This information was obtained from the Ohio Department of Development's Office of Policy, Research and Strategic Planning.<sup>3</sup>

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<sup>3</sup> [www.development.ohio.gov/research/CountyTrends.htm](http://www.development.ohio.gov/research/CountyTrends.htm)



County	Population 2010	Projected Population 2020	Projected Population 2030
Medina	172,332	191,850	206,770
Cuyahoga	1,301,870	1,301,870	1,274,020

**Income Characteristics**

According to the 2000 U.S. Census, there were 63,254 households within the assessment area, of which 48,896 (77.3%) were designated as families. Of these families, 10.8% were low-income, 14.1% were moderate-income, 23.5% were middle-income, and 51.6% were upper-income. In the assessment area, 3.3% of the families were below the poverty level, which is substantially lower than the state of Ohio at 7.8% and the entire MSA at 8.2%.

The 2000 median family income for the assessment area was \$63,870, as compared to the state of Ohio at \$50,037. As shown in the table below, the median family income in the MSA decreased by 3.2% from 2009 to 2010.

**Borrower Income Levels  
Cleveland-Elyria-Mentor, OH MSA**

HUD Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
<b>2009</b>	<b>\$64,800</b>	0 - \$32,399	\$32,400 - \$51,839	\$51,840 - \$77,759	\$77,760 - & above
<b>2010</b>	<b>\$62,800</b>	0 - \$31,399	\$31,400 - \$50,239	\$50,240 - \$75,359	\$75,360 - & above

Based on 2010 data from the Economic Research Service of the United States Department of Agriculture (USDA),<sup>4</sup> household poverty rates for the counties in the assessment area were:

Poverty Rates		
County	1999	2010
Medina	4.6%	7.6%
Cuyahoga	13.1%	18.2%
<b>Ohio</b>	<b>10.6%</b>	<b>15.8%</b>
<b>National</b>	<b>12.4%</b>	<b>15.3%</b>

<sup>4</sup> www.ers.usda.gov/Data/PovertyRates

**Housing Characteristics**

According to the 2000 U.S. Census report, there were 65,962 housing units in the bank’s assessment area. The majority of these units (78.3%) were owner-occupied, while 17.6% represented rental units. Vacant units accounted for 4.1% of all housing units. One-to-four unit properties comprised 89.4% of all housing units. Mobile homes accounted for 1.1% of all housing units. Multi-family units comprised 9.5% of the remaining housing units in the bank’s assessment area.

The median age of housing stock was 27 years as of the 2000 U.S. Census, with 16.7% of housing built prior to 1950. This is in contrast to the entire Cleveland MSA, whose median age of housing stock is 43 years, with 35.6% of housing built prior to 1950. Older homes such as these are typically more likely to require repairs and rehabilitation.

According to the 2000 U.S. Census data, the median housing value in the assessment area was \$151,734 and an affordability ratio of 38.0%; the higher the affordability ratio, the more affordable a home is considered. Affordability ratios for Medina and Cuyahoga Counties were 38.0% and 36.0%, respectively, compared to the overall affordability ratio for the state of Ohio at 41.0%. Further, based on 2010 median family income (\$62,800), only about 30.0% of the homes valued up to \$122,371 in the assessment area would be considered affordable for low-income individuals and approximately 72.3% of the homes valued up to \$195,794 would be considered affordable for moderate-income individuals. These percentages were calculated assuming an average mortgage payment equal to 28.0% of gross income for a fixed-rate, 30-year loan using a 3.5% interest rate.

According to RealtyTrac,<sup>5</sup> an online real estate marketplace and data company that tracks foreclosure statistics among other data, foreclosure filings was reported on 8,421 Ohio properties in March 2012. While Ohio’s rate has dropped over the past few years, Ohio still had the nation’s seventh highest state overall foreclosure total. One in every 609 Ohio households received a foreclosure notice in March 2012. Cuyahoga County ranks first in the overall number of foreclosure filings in the state and Medina County ranks 62<sup>nd</sup>. The following table shows the number of foreclosures by rank and foreclosure rates by county in the bank’s assessment area as of March 2012:

<b>County Rank by Number of Foreclosures<sup>6</sup></b>	<b>Number of Foreclosures</b>	<b>Housing Units Received a Foreclosure Filing<sup>7</sup></b>
01. Cuyahoga	1,491	1 in 417
62. Medina	71	1 in 974

<sup>5</sup> www.realtytrac.com/trendcenter/oh-trend.html

<sup>6</sup> There are 88 counties in the State of Ohio

<sup>7</sup> The foreclosure rate is calculated by dividing the total housing units in the county by the total number of properties that received foreclosure filings during the month and that number is expressed as a ratio (i.e., 1 in 100). The lower the second number in the ratio, the higher the foreclosure rate

From a rental perspective, the median gross rent in the assessment area was \$637, with only 8.1% of the rental units having rents of less than \$350 a month, according to the 2000 U.S. Census. The majority of rents in the assessment area had rents in excess of \$499, as 35.9% of rents were \$500 to \$699 per month and 33.7% of rents were greater than \$700 per month. Additionally, 31.4% of renters have rent costs greater than 30% of their income, which is comparable to Medina County and the state of Ohio, with 32.2% and 33.8%, respectively, of renters with rent costs greater than 30.0% of their income.

**Labor, Employment, and Economic Characteristic**

According to 2010 Dun & Bradstreet data, there were 8,111 small businesses and small farms within the assessment area. The major business activities included administrative, support services, and waste and removal services (16.0%); professional, scientific and technical services (13.4%); construction (12.3%); other services (9.9%); retail trade (9.2%); and healthcare (6.2%). The majority of businesses (89.1%) had revenues of less than \$1 million annually. Most businesses (55.1%) were in business for more than ten years and 20.6% of all businesses were in business for more than 25 years.

The leading industry in Medina County is grouped to include trade, transportation and utilities. Other top industries in Medina County are displayed in the following table:

<b>Top Industries in Medina County*</b>	
<b>By Number of Establishments</b>	<b>By Number of Average Employees</b>
Trade, Transportation & Utilities	Trade, Transportation & Utilities
Professional & Business Services	Manufacturing
Construction	Professional & Business Services
Education and Health Services	Local Government
Financial Services	Education and Health Services

In 2008, the Ohio Department of Development published county profiles for both Cuyahoga and Medina Counties, in which it listed the top employers for each county as shown in the following chart:

\* <http://www.development.ohio.gov/research/files/st0/Medina.pdf>

TOP EMPLOYERS BY COUNTY <sup>9</sup>	
Cuyahoga County	Medina County
American Greetings Corp. Case Western Reserve University Cleveland Clinic Health System Continental Airlines Eaton Corp. Ford Motor Co. KeyCorp Lincoln Electric Holding Inc. Parker Hannifin Corp. PNC Financial Services Group Progressive Corp. Sherwin-Williams Co. University Hospitals Health System	Brunswick City Schools Discount Drug Mart Inc. Medina City Schools Medina County Government Medina General Hospital MTD Products Inc. Wadsworth City Schools Wadsworth-Rittman Hospital Westfield Group

According to the Ohio Department of Development, less than 15.0% of Medina County is classified for urban use, compared to Cuyahoga County where 66.9% of its land is for urban use. The following table illustrates land use in each county in the assessment area:

	Urban	Cropland	Pasture/Wetlands	Forest
Medina County	14.4%	37.8%	11.5%	35.0%
Cuyahoga County	66.9%	1.0%	0.4%	31.0%

This shows that Western Reserve has less opportunity to make business- and residential-type loans within Medina County (its primary market area).

The United States Bureau of Labor Statistics unemployment rates are shown in the table below:

### Unemployment Rates

Assessment Area: Cleveland-Elyria-Mentor, OH MSA

Area	Years - Annualized	
	2009	2010
Cuyahoga Co.	9.2	9.2
Medina Co.	8.2	8.2
Cleveland-Elyria-Mentor MSA	9.0	9.2
<b>Ohio</b>	<b>10.1</b>	<b>10.1</b>

Not Seasonally Adjusted

<sup>9</sup> <http://www.development.ohio.gov/research/files/s0.htm>

The following demographic table illustrates the assessment area:

Combined Demographics Report

Assessment Area(s) Cleveland-Elyria-Mentor, OH MSA

Income Categories	Tract Distribution		Families by Tract Income		Families - Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	5,299	10.8	
Moderate-income	0	0.0	0	0.0	0	0.0	6,870	14.1	
Middle-income	18	45.0	21,646	44.3	1,057	4.9	11,497	23.5	
Upper-income	22	55.0	27,250	55.7	571	2.1	25,230	51.6	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>40</b>	<b>100.0</b>	<b>48,896</b>	<b>100.0</b>	<b>1,628</b>	<b>3.3</b>	<b>48,896</b>	<b>100.0</b>	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied				Rental		Vacant	
		#	%	%	#	%	#	%	
Low-income	0	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	0.0	
Middle-income	30,173	22,315	43.2	74.0	6,548	21.7	1,310	4.3	
Upper-income	35,789	29,344	56.8	82.0	5,064	14.1	1,381	3.9	
Unknown-income	0	0.0	0.0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>65,962</b>	<b>51,659</b>	<b>100.0</b>	<b>78.3</b>	<b>11,612</b>	<b>17.6</b>	<b>2,691</b>	<b>4.1</b>	
	Total Businesses by Tract	Businesses 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	0	0.0	0	0.0	0	0.0	0	0.0	
Middle-income	3,176	36.2	2,823	36.2	213	36.9	140	34.4	
Upper-income	5,605	63.8	4,973	63.8	365	63.1	267	65.6	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>8,781</b>	<b>100.0</b>	<b>7,796</b>	<b>100.0</b>	<b>578</b>	<b>100.0</b>	<b>407</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>				<b>88.8</b>		<b>6.6</b>		<b>4.6</b>	
	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	0	0.0	0	0.0	0	0.0	0	0.0	
Middle-income	192	59.6	188	59.7	3	60.0	1	50.0	
Upper-income	130	40.4	127	40.3	2	40.0	1	50.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>322</b>	<b>100.0</b>	<b>315</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	
<b>Percentage of Total Farms:</b>				<b>97.8</b>		<b>1.6</b>		<b>0.6</b>	

Based on 2010 D&B information according to 2000 Census Boundaries.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

**Loan to Deposit Ratio**

A financial institution's loan-to-deposit (LTD) ratio compares the institution's aggregate loan balances outstanding to its total deposits outstanding. The ratio is a measure of the institution's lending volume relative to its capacity to lend and is derived by adding the quarterly LTD ratios and dividing the total by the number of quarters. The following table illustrates Western Reserve's quarterly LTD ratios over the last 17 quarters, along with the average LTD ratio for the same period. Below Western Reserve's LTD ratio is compared to the bank's aggregate peer group, which consists of all insured commercial banks having assets between \$300 million and \$1 billion, and to two local peer banks.

<b>As of Date</b>	<b>Bank Ratio</b>	<b>Peer Ratio</b>	<b>FSB<sup>10</sup></b>	<b>WSCB<sup>11</sup></b>	<b>Custom Peer</b>
December 31, 2011	82.14	74.98	40.70	69.17	54.94
September 30, 2011	86.33	74.97	41.41	69.87	55.64
June 30, 2011	89.15	75.86	43.20	71.64	57.42
March 31, 2011	91.25	76.05	44.42	74.78	59.60
December 31, 2010	90.25	76.95	46.12	74.01	60.07
September 30, 2010	87.43	77.57	48.42	75.95	62.19
June 30, 2010	87.38	78.69	50.71	77.59	64.15
March 31, 2010	90.76	80.08	52.37	78.99	65.68
December 31, 2009	92.84	80.58	53.71	80.73	67.22
September 30, 2009	95.11	82.81	55.75	84.53	70.14
June 30, 2009	89.15	83.76	56.69	81.59	69.14
March 31, 2009	90.77	85.09	58.00	81.85	69.93
December 31, 2008	90.48	86.34	59.23	81.72	70.48
September 30, 2008	97.35	87.33	59.12	80.93	70.03
June 30, 2008	92.02	87.11	60.37	77.46	68.92
March 31, 2008	93.18	86.55	60.88	76.01	68.45
December 31, 2007	84.54	86.48	61.23	78.10	69.67
<b>Quarterly Loan-to-Deposit Ratio Average Since the Previous Evaluation</b>	<b>90.01</b>	<b>81.25</b>	<b>52.49</b>	<b>77.35</b>	<b>64.92</b>

Western Reserve has averaged a 90% LTD ratio over the past 17 quarters, which is greater than the aggregate peer average and the custom peer average. The bank's LTD ratio peaked in the third quarter of 2008 and has generally declined since then. This downward trend is similar to the trends experienced by the banks in the peer group, as the industry has generally experienced a weakening in loan demand as a result of the economic recession and a tightening in lending standards.

10 Farmers Savings Bank  
11 Wayne Savings Community Bank

Western Reserve's average LTD has consistently been higher than the aggregate peer group average of 81.25% as well as the custom peer group average of 64.95%. This ratio indicates the bank's willingness to lend.

Western Reserve's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.

**Lending in the Assessment Area**

The table below depicts Western Reserve's volume of loans extended inside and outside of the bank's assessment area during the evaluation period.

Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Small Business Lending	45	48.9	15,799	50.8	47	51.1	15,319	49.2
Mortgage Related Loans	45	66.2	8,698	60.7	23	33.8	5,638	39.3
Consumer Loans	44	74.6	1,123	32.2	15	25.4	2,370	67.8
<b>TOTAL</b>	<b>134</b>	<b>61.2</b>	<b>25,620</b>	<b>52.3</b>	<b>85</b>	<b>38.8</b>	<b>23,327</b>	<b>47.7</b>

The table illustrates that a majority of the bank's loans by number and dollar amount were made inside of its assessment area (61.2% and 52.3%, respectively). By volume, 66.2% of all mortgage-related loans and 74.6% of consumer loans were made within the assessment area. While Western Reserve is primarily a commercial lender, only 48.9% of small business loans were made inside the bank's delineated CRA assessment area. According to bank management, the loan production office in Wooster, Ohio contributed to the increased volume of lending in Cuyahoga, Summit, and Wayne counties, which management considers as the outer limits of its larger trade area.

**Geographic Distribution of Lending**

The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.

Although Western Reserve does not have any low- or moderate-income geographies within its assessment area, a geographic distribution analysis of the bank's lending activity throughout the middle-income and upper-income areas is considered good.

During the evaluation period, Western Reserve only originated loans in 72.5% of the census tracts within its assessment area. The majority of lending was in the tracts immediately surrounding the bank's branch offices. Western Reserve had relatively few loans in the western portion of Medina County and did not extend any loans in the southeastern portion of the county.

**Borrower Distribution of Lending**

The distribution of borrowers reflects a reasonable penetration among individuals and businesses of different income levels and revenue sizes.

***Mortgage Loans***

Western Reserve made two (4.4%) mortgage loans to low-income borrowers. This was significantly below the percentage (10.8%) of low-income families in this assessment area and slightly below the aggregate of all lenders at 5.2%. Therefore, Western Reserve's lending to low-income borrowers is considered adequate.

The bank made two (4.4%) mortgage loans to moderate-income borrowers. This was significantly below the percentage (14.1%) of moderate-income families in the assessment area and the aggregate of all lenders at 14.6%. Therefore, Western Reserve's lending to moderate-income borrowers is considered poor.

Lending to middle-income borrowers (11.1%) fell significantly below the percentage of middle-income families at 23.5% and the aggregate of all lenders at 22.7%, while lending to upper-income borrowers (48.9%) fell slightly below the percentage of upper-income families at 51.6% and slightly exceeded the aggregate of all lenders at 46.7%. Also, 14 (31.1%) of the bank's mortgage loans were originated to borrowers where income levels were unknown.

Overall, the distribution of mortgage loans to borrowers of different income levels is poor.

***Consumer Loans***

Western Reserve made seven (15.9%) consumer loans to low-income borrowers. This was greater than the percentage (12.4%) of low-income households in this assessment area. Therefore, Western Reserve's lending to low-income borrowers is considered excellent.

The bank made four (9.1%) consumer loans to moderate-income borrowers. This was slightly below the percentage (12.8%) of moderate-income households in the assessment area. Therefore, Western Reserve's lending to moderate-income borrowers is considered adequate.



Lending to middle-income borrowers (9.1%) and upper-income borrowers (27.3%) fell significantly below the percentage of middle-income households at 17.9% and the percentage of upper-income households at 56.9%. Also, 17 (38.6%) of the bank's consumer loans were originated to borrowers where income levels were unknown.

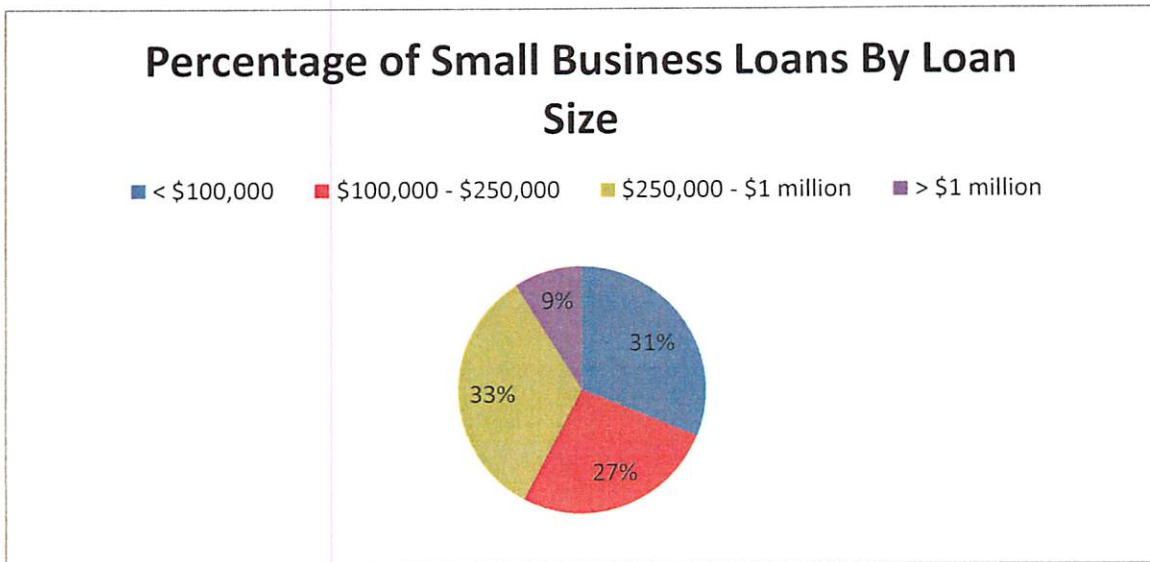
Overall, the distribution of consumer loans to borrowers of different income levels is good.

***Small Business Loans***

During this evaluation period, Western Reserve originated 45 small business loans aggregating \$15.8 million.

The bank originated 95.6% of its small business loans to businesses with \$1 million or less in revenue, compared to 88.8% of these businesses within the assessment area. As a result, the bank's lending to businesses with gross annual revenues of \$1 million or less is considered excellent.

Of the bank's 45 small business loans, 31.1% were extended in an amount of \$100,000 or less. Smaller loans are generally commensurate with the borrowing needs of smaller businesses and two community contacts stated that small businesses have had difficulty in securing financing and restructuring debt. Based on this analysis, it appears that Western Reserve's lending activity of smaller dollar loans could be improved toward meeting the credit needs of such businesses.



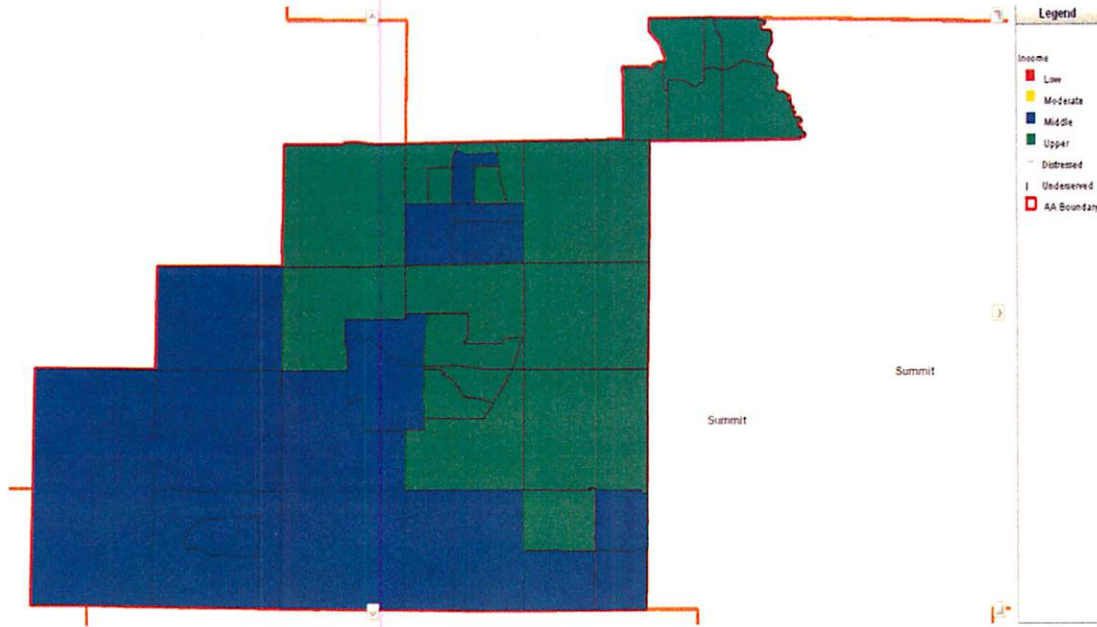
**Response to Consumer Complaints**

No CRA-related complaints were filed against Western Reserve during this evaluation period.

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified during this evaluation period.

APPENDIX A  
ASSESSMENT AREA MAP



APPENDIX B

TABLES

Branch Summary Report

Exam: Western Reserve

Assessment Area(s): Western Reserve AA 2011

Tract Income Category	Branches				ATMs								
	Count	%	Opened	Closed	Full Service				Cash Only				
					Count	%	Opened	Closed	Count	%	Opened	Closed	
Low	0	0.00	0	0	0	0.00	0	0	0	0	0.00	0	0
Moderate	0	0.00	0	0	0	0.00	0	0	0	0	0.00	0	0
Middle	0	0.00	0	0	0	0.00	0	0	0	0	0.00	0	0
Upper	3	100.00	0	0	2	100.00	0	0	1	100.00	0	0	0
Unknown	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0	0
<b>Total</b>	<b>3</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>

**HMDA Loan Distribution Table**

Exam: Western Reserve

Assessment Area/Group :All Assessment Areas

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	1	7.1%	37	1.9%
Moderate	0	0.0%	0	0.0%	1	7.1%	100	5.0%
Low/Moderate Total	0	0.0%	0	0.0%	2	14.3%	137	6.9%
Middle	9	64.3%	1,015	51.2%	0	0.0%	0	0.0%
Upper	5	35.7%	967	48.8%	6	42.9%	1,067	53.8%
Unknown	0	0.0%	0	0.0%	6	42.9%	778	39.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>14</b>	<b>100.0%</b>	<b>1,982</b>	<b>100.0%</b>	<b>14</b>	<b>100.0%</b>	<b>1,982</b>	<b>100.0%</b>
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	1	4.0%	118	2.5%
Low/Moderate Total	0	0.0%	0	0.0%	1	4.0%	118	2.5%
Middle	6	24.0%	662	13.9%	3	12.0%	328	6.9%
Upper	19	76.0%	4,104	86.1%	16	64.0%	3,800	79.7%
Unknown	0	0.0%	0	0.0%	5	20.0%	520	10.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>25</b>	<b>100.0%</b>	<b>4,766</b>	<b>100.0%</b>	<b>25</b>	<b>100.0%</b>	<b>4,766</b>	<b>100.0%</b>
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	1	33.3%	5	10.9%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	1	33.3%	5	10.9%
Middle	2	66.7%	16	34.8%	2	66.7%	41	89.1%
Upper	1	33.3%	30	65.2%	0	0.0%	0	0.0%
Unknown	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%
<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>46</b>	<b>100.0%</b>	<b>3</b>	<b>100.0%</b>	<b>46</b>	<b>100.0%</b>
<b>Multi-Family</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	33.3%	1,400	73.5%	0	0.0%	0	0.0%
Upper	2	66.7%	504	26.5%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	3	100.0%	1,904	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>1,904</b>	<b>100.0%</b>	<b>3</b>	<b>100.0%</b>	<b>1,904</b>	<b>100.0%</b>
<b>HMDA Totals</b>								
Low	0	0.0%	0	0.0%	2	4.4%	42	0.5%
Moderate	0	0.0%	0	0.0%	2	4.4%	218	2.5%
Low/Moderate Total	0	0.0%	0	0.0%	4	8.9%	260	3.0%
Middle	18	40.0%	3,093	35.6%	5	11.1%	369	4.2%
Upper	27	60.0%	5,605	64.4%	22	48.9%	4,867	56.0%
Unknown	0	0.0%	0	0.0%	14	31.1%	3,202	36.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>45</b>	<b>100.0%</b>	<b>8,698</b>	<b>100.0%</b>	<b>45</b>	<b>100.0%</b>	<b>8,698</b>	<b>100.0%</b>

CRA Loan Distribution Table

Exam: Western Reserve

Assessment Area/Group: All Assessment Areas

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	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	20	44.4%	5,162	32.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	25	55.6%	10,637	67.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	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	45	100.0%	15,799	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
By Revenue												
Total \$1 Million or Less	43	95.6%	14,284	90.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million	2	4.4%	1,515	9.6%	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	45	100.0%	15,799	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
By Loan Size												
\$100,000 or less	14	31.1%	423	2.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	12	26.7%	1,956	12.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	15	33.3%	7,952	50.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	4	8.9%	5,468	34.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	45	100.0%	15,799	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	13	30.2%	408	2.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	12	27.9%	1,956	13.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	15	34.9%	7,952	55.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	3	7.0%	3,968	27.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	43	100.0%	14,284	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Consumer Loan Distribution Table

Exam: Western Reserve

Assessment Area/Group: All Assessment Areas

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Consumer Loans								
Low	0	0.0%	0	0.0%	7	15.9%	92	8.2%
Moderate	0	0.0%	0	0.0%	4	9.1%	23	2.0%
Low/Moderate Total	0	0.0%	0	0.0%	11	25.0%	115	10.2%
Middle	10	22.7%	291	25.9%	4	9.1%	140	12.5%
Upper	34	77.3%	832	74.1%	12	27.3%	650	57.9%
Unknown	0	0.0%	0	0.0%	17	38.6%	219	19.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	44	100.0%	1,123	100.0%	44	100.0%	1,123	100.0%
Consumer Loan Totals								
Low	0	0.0%	0	0.0%	7	15.9%	92	8.2%
Moderate	0	0.0%	0	0.0%	4	9.1%	23	2.0%
Low/Moderate Total	0	0.0%	0	0.0%	11	25.0%	115	10.2%
Middle	10	22.7%	291	25.9%	4	9.1%	140	12.5%
Upper	34	77.3%	832	74.1%	12	27.3%	650	57.9%
Unknown	0	0.0%	0	0.0%	17	38.6%	219	19.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	44	100.0%	1,123	100.0%	44	100.0%	1,123	100.0%

Peer Group HMDA Loan Distribution Table

Exam ID: Western Reserve

Western Reserve AA - 2010

	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0 %	0	0.0 %	229	7.5 %	19,659	3.9 %
Moderate	0	0.0 %	0	0.0 %	616	20.3 %	75,120	14.7 %
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0 %</i>	<i>0</i>	<i>0.0 %</i>	<i>845</i>	<i>27.8 %</i>	<i>94,779</i>	<i>18.6 %</i>
Middle	1,155	38.0 %	157,022	30.8 %	737	24.2 %	118,247	23.2 %
Upper	1,885	62.0 %	352,684	69.2 %	1,179	38.8 %	252,738	49.6 %
Unknown	0	0.0 %	0	0.0 %	279	9.2 %	43,942	8.6 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
<b>Total</b>	<b>3,040</b>	<b>100.0 %</b>	<b>509,706</b>	<b>100.0 %</b>	<b>3,040</b>	<b>100.0 %</b>	<b>509,706</b>	<b>100.0 %</b>
	<b>Refinance</b>							
Low	0	0.0 %	0	0.0 %	226	3.9 %	22,026	2.2 %
Moderate	0	0.0 %	0	0.0 %	667	11.5 %	78,219	7.9 %
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0 %</i>	<i>0</i>	<i>0.0 %</i>	<i>893</i>	<i>15.4 %</i>	<i>100,245</i>	<i>10.2 %</i>
Middle	1,976	34.1 %	279,139	28.3 %	1,259	21.7 %	181,124	18.4 %
Upper	3,820	65.9 %	706,118	71.7 %	2,952	50.9 %	583,672	59.2 %
Unknown	0	0.0 %	0	0.0 %	692	11.9 %	120,216	12.2 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
<b>Total</b>	<b>5,796</b>	<b>100.0 %</b>	<b>985,257</b>	<b>100.0 %</b>	<b>5,796</b>	<b>100.0 %</b>	<b>985,257</b>	<b>100.0 %</b>
	<b>Home Improvement</b>							
Low	0	0.0 %	0	0.0 %	10	5.3 %	290	3.0 %
Moderate	0	0.0 %	0	0.0 %	33	17.6 %	1,438	14.7 %
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0 %</i>	<i>0</i>	<i>0.0 %</i>	<i>43</i>	<i>23.0 %</i>	<i>1,728</i>	<i>17.6 %</i>
Middle	69	36.9 %	3,308	33.7 %	55	29.4 %	2,478	25.3 %
Upper	118	63.1 %	6,495	66.3 %	85	45.5 %	5,254	53.6 %
Unknown	0	0.0 %	0	0.0 %	4	2.1 %	343	3.5 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
<b>Total</b>	<b>187</b>	<b>100.0 %</b>	<b>9,803</b>	<b>100.0 %</b>	<b>187</b>	<b>100.0 %</b>	<b>9,803</b>	<b>100.0 %</b>
	<b>Multi-Family</b>							
Low	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Moderate	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0 %</i>	<i>0</i>	<i>0.0 %</i>	<i>0</i>	<i>0.0 %</i>	<i>0</i>	<i>0.0 %</i>
Middle	1	16.7 %	243	1.5 %	0	0.0 %	0	0.0 %
Upper	5	83.3 %	16,236	98.5 %	0	0.0 %	0	0.0 %
Unknown	0	0.0 %	0	0.0 %	6	100.0 %	16,479	100.0 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
<b>Total</b>	<b>6</b>	<b>100.0 %</b>	<b>16,479</b>	<b>100.0 %</b>	<b>6</b>	<b>100.0 %</b>	<b>16,479</b>	<b>100.0 %</b>
	<b>HMDA Totals</b>							
Low	0	0.0 %	0	0.0 %	465	5.2 %	41,975	2.8 %
Moderate	0	0.0 %	0	0.0 %	1,316	14.6 %	154,777	10.2 %
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0 %</i>	<i>0</i>	<i>0.0 %</i>	<i>1,781</i>	<i>19.7 %</i>	<i>196,752</i>	<i>12.9 %</i>
Middle	3,201	35.5 %	439,712	28.9 %	2,051	22.7 %	301,849	19.8 %
Upper	5,828	64.5 %	1,081,533	71.1 %	4,216	46.7 %	841,664	55.3 %
Unknown	0	0.0 %	0	0.0 %	981	10.9 %	180,980	11.9 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
<b>Total</b>	<b>9,029</b>	<b>100.0 %</b>	<b>1,521,245</b>	<b>100.0 %</b>	<b>9,029</b>	<b>100.0 %</b>	<b>1,521,245</b>	<b>100.0 %</b>

## APPENDIX C

### GLOSSARY

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

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

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

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

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



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

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

**Full-scope review:** Performance under the Lending, 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 refinancings of home improvement and home purchase loans.

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

**Limited-scope review:** Performance under the Lending, 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.

**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.